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BY EMAIL

January 22, 2024

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

Dear Ms. Marconi:

Re: EB-2023-0047 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 and intervenors have been copied on this filing.

Ottawa River Power Corporation's responses to interrogatories are due by February 1, 2024.

Any questions relating to this letter should be directed to name at urooj.iqbal@oeb.ca or at 416-544-5190. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Original Signed By

Urooj Iqbal
Incentive Rate Setting & Regulatory Accounting

Encl.

**OEB Staff Interrogatories
Ottawa River Power Corporation
EB-2023-0047**

Please note, Ottawa River 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*.

Staff Question-1

Reference:

- (i) 2024 IRM Rate Generator, Tab 11, 15, 18 and 20
- (ii) EB-2023-0030, Partial Decision and Rate Order, December 14, 2023
- (iii) EB-2023-0222, 2024 Uniform Transmission Rates, January 18, 2024

The OEB determined to use of preliminary UTRs to calculate 2024 Retail Service Transmission rates (RTSR) to improve regulatory efficiency, allowing for this data to feed into the rate applications including annual updates for electricity distributors on a timelier basis. The OEB also directed distributors to update their 2024 application with Hydro One Network Inc.'s proposed host RTSRs.

On December 14, 2023, the OEB issued a partial decision and rate order containing Hydro One Sub-Transmission Rates and on January 18, 2024 the OEB issued the final UTR decision.

OEB staff has updated rate generator model with revised Hydro One's final host RTSR and Uniform Transmission Rates.

Question(s):

- a. Please confirm the accuracy of the updated rate generator model, as well as the accuracy of the resulting UTRs and RTSRs following this update.
- b. The OEB staff has also updated the 2024 RRRP data in Tab 18 of the 2024 rate generator model. Please confirm the accuracy of the resulting changes in the subsequent tariff sheet.

Staff Question-2

References:

- (i) 2024 IRM Application, Manager's Summary, p.11

In the manager's summary ORPC has mentioned that the residual balances in Account 1595 for each vintage year have only been disposed once and that ORPC has met the criteria to dispose of the 1595 (2018) and 1595 (2019) sub-accounts in this application.

Question(s):

- a. Please confirm if these balances are disposed only once and are being disposed on the final basis.

Staff Question-3

Reference:

- (i) 2024 IRM Rate Generator, Tab 3, BU33 and BU34

The reference cells indicate 'Yes' in account disposition fields. Whereas the total claim column does not present any balances for disposition in the Accounts 1595 (2019) and 1595 (2020).

Question(s):

- a. Please confirm that ORPC is not claiming any balances for disposition for Accounts 1595 (2019) and 1595 (2020).

Staff Question-4

Reference:

- (i) 2024 IRM Rate Generator, Tab 4, Cell J4
- (ii) EB-2023-0047, Manager's Summary, p.18 and p.19

ORPC has indicated in the Manager's Summary that RRR revision was submitted and approved by the OEB only after the rate generator model was released and that the current model is utilizing the unrevised usage data.

Question(s):

- a. Please confirm that the cell J4 in Tab 4 of the rate generator model has indicated 'No' for the reasons mentioned above.
- b. Also, please provide a table presenting the updated usage data and confirm if ORPC would like the OEB staff to update the model with the revised data.

Staff Question-5

Reference:

- (i) 2024 IRM Rate Generator, Tab 8
- (ii) EB-2021-0052, 2022 Settlement RRWF, Tab 6

OEB staff noted that in Reference (i), the OEB-Approved Regulatory Taxable Income in cell H18 of \$90,786 differs significantly from the number reported in Reference (ii) at \$61,401. Additionally, in Reference (i), the Combined Effective Tax Rate in Cell H36 of 20.4% differs from the number reported in Reference (ii) at 20.88%.

Question(s):

- a. Please explain the discrepancy between the data in the RRWF and the 2024 IRM rate generator.
- b. Please make any changes necessary.
- c. Please confirm that the data for the Combined Effective Tax Rate shown in the RRWF is correct and adjust the IRM rate generator accordingly. If the existing number in Reference (i) is correct, please explain the discrepancy.

Staff Question-6

Reference:

- (i) Appendix J, December 8, 2023, p. 2
- (ii) Filing Requirements for Electricity Distribution Rate Applications - 2023 Edition for 2024 Rate Applications, Chapter 2, Cost of Service, December 15, 2022, p. 66 & 67

ORPC proposes the establishment of a new deferral and variance account (DVA). This new DVA is Account 1508, Other Regulatory Assets, Sub-account Power Purchased True-Up. However, ORPC has not addressed the OEB's filing requirements that outline the requirements in the relation to the establishment of a new DVA, which include the eligibility criteria of causation, materiality, and prudence.

Question(s):

- a. In accordance with the OEB's direction in its filing requirements:
 - i. Please provide a draft accounting order for this new DVA, including a description of the mechanics of the account, examples of general journal entries, and the proposed account duration.
 - ii. Please provide a discussion on the causation, materiality, and prudence eligibility criteria and how they have been met.

Staff Question-7

Reference:

- (i) Appendix J, December 8, 2023, p. 1 & 5
- (ii) Manager's Summary, December 8, 2023, p. 20

ORPC stated that it receives a portion of its electricity supply from a generating station located in Quebec (Waltham) which is owned by Brookfield and invoiced by Evolugen. Following an amendment to the *Electricity Act, 1998*, ORPC no longer pays GA on these volumes, as of July 1, 2023.

OEB staff notes that the Ontario government amended [O. Reg. 429/04 \(GA Reg\)](#) to add section 17 so that, effective July 1, 2023, GA should not be paid by Class B consumers for any electricity purchased from outside of Ontario. This is referred to as "contracted non-Ontario electricity" in the GA Reg.

ORPC stated that the current true-up process between RPP and non-RPP customers will remain in place. The GA charges paid to Hydro One will be split being between GA and cost of power accounts. This is based on the proportion of usage between RPP and non-RPP customers.

Although OEB staff notes that ORPC does not settle with the IESO, as it settles with Hydro One as its host-distributor, OEB staff continues to refer to "Charge Type (CT) 142" as a reference to RPP settlements.

Question(s):

- a. Please confirm that the volumes supplied by Brookfield were reported by ORPC to Hydro One and included in all calculations of the CT 142 RPP settlements until July 1, 2023. If this is not the case, please explain.

- b. Please confirm that effective July 1, 2023, the volumes supplied by Brookfield were no longer reported by ORPC to Hydro One and were excluded from all calculations of the CT 142 RPP settlements. If this is not the case, please explain.

Staff Question-8

Reference:

- (i) Manager's Summary, December 8, 2023, p. 20 & 21
- (ii) Appendix J, December 8, 2023, p. 1, 4, 5

ORPC stated that its payments to Brookfield as set out in a legacy power purchase agreement include an Avoided GA component. Under this component, ORPC pays to Brookfield (i.e., Evolgen) Avoided GA based on 50% of GA costs avoided by purchasing from its generating station located in Quebec (Waltham).

ORPC concluded that the amendment to the *Electricity Act, 1998* (effective July 1, 2023) increases the cost of electricity purchased from Waltham.

ORPC stated that electricity charges from Brookfield (i.e., Evolgen) are recorded in Account 4705. ORPC noted that the additional component of the calculation related to their portion (50%) of the GA savings is also recorded in Account 4705, as it forms part of the electricity charge.

Questions:

- a. Please confirm that based on a legacy power purchase agreement with Brookfield, any GA savings (e.g., those from the amendment to the *Electricity Act, 1998*) increase the cost to ORPC's customers of purchasing electricity from Waltham, as 50% of the GA savings have to be paid to Brookfield (i.e., Evolgen). Please confirm that these amounts need to be absorbed by ORPC's customers. If any of this is not the case, please explain.
- b. Please provide additional rationale as to why ORPC is recording the 50% of the GA savings paid to Brookfield (i.e., Evolgen) to Account 4705, as opposed to Account 4707.
- c. Please elaborate on whether ORPC's customers may benefit overall from savings related to all of its cost of power components via ORPC's agreement with Brookfield, even after considering the 50% of GA Savings that needs to be paid to Brookfield and absorbed by ORPC's customers.

Staff Question-9

Reference:

- (i) Appendix J, December 8, 2023, p. 2 & 3

ORPC proposes to perform the “Variance True-Up” component of the balance recorded in Account 1508, Other Regulatory Assets, Sub-account Power Purchased True-Up, to be effective in rate years beginning in 2027 and thereafter.

ORPC stated that May 1, 2024 to April 31, 2025 variances will not be audited until the end of the 2025 calendar year, after ORPC’s 2026 application is filed, so this balance will be incorporated beginning in the 2027 rate year.

Question(s):

- a. Please explain why the December 31, 2024 balance is not trued-up as part of the “Variance True-Up” component of the balance recorded in the sub-account of Account 1508, Other Regulatory Assets, Sub-account Power Purchased True-Up and disposed in ORPC’s 2026 rate proceeding, rather than waiting to ORPC’s 2027 rate proceeding.

Staff Question-10

Reference:

- (i) Manager’s Summary, December 8, 2023, p. 7
- (ii) Appendix J, December 8, 2023
- (iii) Appendix K, December 8, 2023, Excel Spreadsheet

ORPC stated that it has one Class A customer. However, ORPC has been silent on how it proposes to treat this Class A customer as part of its “Power Purchased True-Up Rate Proposal” in Appendix J and Appendix K.

Question(s):

- a. Please explain how ORPC proposes to treat this Class A customer (and any other additional Class A customers going forward) as part of its “Power Purchased True-Up Rate Proposal” in Appendix J and Appendix K.

Staff Question-11

Reference:

- (i) Appendix J, December 8, 2023, p. 6 & 7
- (ii) Appendix K, December 8, 2023, Excel Spreadsheet
- (iii) Accounting Procedures Handbook For Electricity Distributors, Issued: December 2011 Effective: January 1, 2012, Article 220, p. 16

In Appendix J, ORPC has provided a summary of the calculations of each component of the Power Purchased True-Up balance and a prospective schedule.

In the tab “2023-24 Overcollection” of the Excel spreadsheet, the carrying charge calculations in column I are being pulled from incorrect cells in the tab “Input Data.” For example, the carrying charges for the 2023 balance are being driven by 2022 prescribed interest rates, as opposed to 2023 prescribed interest rates.

OEB staff notes that ORPC is comingling principal and carrying charges together in Tab “Alternate Historic PP True-Up” of the Excel spreadsheet and simple interest is not being calculated. An example of this comingling is shown where cells E49 to E51 of this tab are added together. Although the amount of carrying charges shown by ORPC for demonstration purposes is not material, it could be material in the future.

The OEB requires that simple interest shall be applied to the monthly opening balances in Account 1508, Other Regulatory Assets (exclusive of accumulated interest) and shall be recorded monthly in a separate carrying charges sub-account.

Question(s):

- a. Please explain why the row “Refund of Overcollection” in the summary table on page 7 of Appendix J is not multiplied by 50%.
- b. Please confirm OEB staff’s observation that in the tab “2023-24 Overcollection” of the Excel spreadsheet, the carrying charge calculations in column I are being pulled from incorrect cells in the tab “Input Data.” If yes, please update the Excel spreadsheet. If no, please explain.
- c. Please confirm OEB staff’s observation that ORPC is comingling principal and carrying charges together in Tab “Alternate Historic PP True-Up” in the Excel spreadsheet and simple interest is not being calculated. If yes, please update the Excel spreadsheet. If no, please explain.

Staff Question-12

Reference:

- (i) Appendix J, December 8, 2023, p. 5 & 6
- (ii) Accounting Procedures Handbook For Electricity Distributors, Issued: December 2011 Effective: January 1, 2012, Article 220, p. 37 & 38

ORPC's proposed journal entries are not clear. It is not clear whether ORPC proposes to first record 100% of the GA savings to customers by a debit to the following revenue accounts, to offset the cost of power and GA charges collected. An offsetting credit would be recorded to Account 1508, Other Regulatory Assets, Sub-account Power Purchased True-Up.

- RPP customers Accounts 4006 and 4010
- Non-RPP customers Accounts 4015, 4025, 4030 and 4035

It is also unclear that regarding the debits to the above-noted revenue accounts, which components will eventually flow as debits to Account 1588 versus Account 1589. OEB staff assumes that non-RPP customers will have debits flowed to Account 1589 and that RPP customers will have debits flowed to Account 1588. OEB staff notes that this is because GA is part of the general RPP rate billed to Account 1588 customers and is not billed as a separate GA rate to RPP customers (unlike the separate GA rate billed to non-RPP customers).

The OEB requires that the related accounts used to record the global adjustment billed to non-RPP customers (e.g., sub-accounts of Accounts 4006 to 4055) are to be sub-divided to show the global adjustment amounts recorded in each of these accounts.

OEB staff assumes that the 50% of Avoided GA Savings to be passed onto Brookfield will be recorded as a debit to Account 4705 and a credit to Account 2205 (accounts payable to Brookfield). This amount passed onto Brookfield will be recovered from customers by debiting Account 1508, Other Regulatory Assets, sub-account Power Purchased True-Up, and crediting Account 4705.

Question(s):

- a. Please confirm that ORPC proposes to first record 100% of the GA savings to customers by a debit to the above-noted revenue accounts, to offset the cost of power and GA charges collected. If this is not the case, please explain.

- b. Please confirm that ORPC proposes to record an offsetting credit to Account 1508, Other Regulatory Assets, Sub-account Power Purchased True-Up. If this is not the case please explain.
- c. Please explain that regarding the debits to the above-noted revenue accounts, which components will eventually flow as debits to Account 1588 versus Account 1589.
- d. Please confirm OEB staff's understanding that non-RPP customers will have debits flowed to Account 1589 and that RPP customers will have debits flowed to Account 1588. If this is not the case, please explain.
- e. Please confirm that ORPC uses revenue accounts to record the global adjustment billed to non-RPP customers (e.g., sub-accounts of Accounts 4006 to 4055), which are sub-divided to show the global adjustment amounts recorded in each of these accounts. If this is not the case, please explain.
- f. Please confirm that ORPC proposes that the 50% of Avoided GA Savings to be passed onto Brookfield will be recorded as a debit to Account 4705 and a credit to Account 2205 (accounts payable to Brookfield or Evolugen). If this is not the case, please explain.
- g. Please confirm that ORPC proposes that this amount passed onto Brookfield will be recovered from customers by debiting Account 1508, Other Regulatory Assets, sub-account Power Purchased True-Up, and crediting Account 4705. If this is not the case, please explain.
- h. As part of the draft accounting order requested in an earlier interrogatory, please provide ORPC's proposed journal entries.

Staff Question-13

Reference:

- (i) Appendix H, December 8, 2023, p. 1
- (ii) EB-2022-0058, Staff Follow-up Question-1, February 21, 2023
- (iii) OEB Letter, Guidance to Electricity Distributors on Implementing the Emergency Order Regarding the Deferral of a Portion of the Global Adjustment, May 15, 2020 (Corrected on May 26, 2020)
- (iv) OEB Letter, Guidance to Electricity Distributors on Implementing the Recovery of Deferred Global Adjustment, December 23, 2020
- (v) GA Analysis Workform, Tab Principal Adjustments, December 8, 2023
- (vi) 2024 IRM Rate Generator, Tab 3, December 8, 2023

In the current application for 2024 rates, ORPC stated that it analyzed the balances in Accounts 1588 and 1589 for the periods 2018, 2019, 2020, 2021 and 2022. ORPC stated that following an OEB Inspection of Accounts 1588 and 1589, the OEB issued a

report with its findings in December 2021 and ORPC followed the required actions contained in the Inspection Report.

This Inspection Report was not put on the record of the 2023 IRM proceeding, despite the response to a follow-up question from that proceeding stating otherwise.

ORPC has proposed the following adjustments between RPP and non-RPP (Accounts 1588 and 1589).

Table 1 – Allocation Adjustments between Accounts 1588 and 1589

	Principal Adjustment to Account 1588 relating to non-RPP vs RPP allocation	Principal Adjustment to Account 1589 relating to non-RPP vs RPP allocation
2018	\$(651,394)	\$651,394
2019	\$707,553	\$(707,553)
2020	\$(147,421)	\$147,421
2021	\$(1,836,134)	\$1,836,134
2022	\$(1,167,867)	\$1,167,867

ORPC stated that the large differences in 2021 and 2022 were related to the accounting treatment of the GA recovery rate charges paid to Hydro One from the fixed GA rates of \$0.115 that were implemented at the beginning of the pandemic. This resulted in differences between RPP and non-RPP amounts.

OEB staff notes that the amounts shown in Table 1 are reflected in the GA Analysis Workform and incorporated into Tab 3 of the Rate Generator Model.

Question(s):

- Please file the Inspection Report dated December 2021 on the record of this proceeding.
- Please confirm that the amounts recorded in Table 1 were derived based on the findings of the Inspection Report issued in December 2021. If this is not the case, please explain.
- Please confirm that ORPC followed the OEB's guidance letters issued on May 26, 2020 and December 23, 2020 regarding the Deferred Global Adjustment when deriving the respective amounts shown in Table 1. If this is not the case, please explain.

Staff Question-14

Reference:

- (i) Appendix H, December 8, 2023, p. 2
- (ii) Appendix H3, December 8, 2023, Excel spreadsheet
- (iii) Appendix H2, December 8, 2023
- (iv) GA Analysis Workform, Tab Principal Adjustments, December 8, 2023
- (v) 2024 IRM Rate Generator, Tab 3, December 8, 2023

ORPC stated that while performing its review of the balances in Accounts 1588 and 1589 from 2018 to 2022, it identified some discrepancies with its generation account (commencing April 11, 2018) and reached out to Hydro One in August 2023 for assistance. These discrepancies were for the 2018 to 2023 period. As a result, Hydro One presented certain adjustments that were reviewed and agreed to by ORPC's metering department.

ORPC stated that on December 5, 2023, it received a signed letter from Hydro One indicating that invoices from August 2021 forward would be cancelled and rebilled. This would capture two years of the error in accordance with the limitation period imposed by the Retail Settlement Code Section 7.7.

ORPC proposes that the Hydro One overpayment of global adjustment and HOEP from April 2018 to July 2021 be remitted to ORPC's customers with the principal adjustments required to Accounts 1588 and 1589 (as presented in the Appendix H3 Excel spreadsheet).

ORPC has proposed the following further adjustments to Accounts 1588 and 1589.

**Table 2 – Further Adjustments to Accounts 1588 and 1589 –
Relating to Generation Account Discrepancies**

	Principal Adjustment to Account 1588 relating to generation account discrepancies	Principal Adjustment to Account 1589 relating to generation account discrepancies
2018	\$(341,763)	\$(136,537)
2019	\$(884,526)	\$(373,651)
2020	\$(865,051)	\$(353,939)
2021	\$(447,931)	\$(164,157)

OEB staff notes that the amounts shown in Table 2 are reflected in the GA Analysis Workform and incorporated into Tab 3 of the Rate Generator Model.

Question(s):

- a. Please confirm that the above noted discrepancies with ORPC's generation account did not impact any periods prior to April 11, 2018. If this is not the case, please quantify and explain.
- b. Please confirm that the amounts shown in the above Table 2 represent amounts that will not have to be paid back to Hydro One, but were previously collected from ORPC's customers, thereby generating credit principal adjustments to Accounts 1588 and 1589 (to return these amounts to ORPC's customers). If this is not the case, please quantify and explain.

Staff Question-15

Reference:

- (i) Appendix H3, December 8, 2023, Excel spreadsheet
- (ii) GA Analysis Workform, Tab GA 2019, Tab Principal Adjustments, December 8, 2023
- (iii) 2024 IRM Rate Generator, Tab 3, December 8, 2023

ORPC has proposed the following further adjustments to Accounts 1588. In Tab Principal Adjustments of the GA Analysis Workform, ORPC has described these adjustments as "Hydro One billing error on generation account", with no extra detail provided.

OEB staff is unable to reconcile the amounts in Table 3 to the Excel spreadsheet (Appendix H3).

**Table 3 – Further Adjustments to Account 1588 –
Relating to Generation Account Discrepancies**

	Principal Adjustment to Account 1588 relating to "Hydro One billing error on generation account"
2018	\$478,300
2019	\$1,258,177
2020	\$1,218,990
2021	\$1,029,973
2022	\$755,609

OEB staff notes that the amounts shown in Table 3 are reflected in the GA Analysis Workform and incorporated into Tab 3 of the Rate Generator Model.

Question(s):

- a. Please explain the nature of the amounts shown in Table 3.
- b. Please reconcile the amounts in Table 3 to the Excel spreadsheet (Appendix H3).
- c. Please explain why the amounts shown in Table 3 only impact Account 1588 and not Account 1589.
- d. Please explain why ORPC is proposing to collect these large debit principal adjustment balances from its customers, when for example, for the 2018 to 2021 period, ORPC also noted that amounts will not have to be paid back to Hydro One. Table 2 in the above interrogatory shows amounts that were previously collected from ORPC's customers, but will not have to be paid back to Hydro One, thereby generating credit principal adjustments to Accounts 1588 and 1589 (to return these amounts to ORPC's customers).

Staff Question-16

Reference:

- (i) Appendix H, December 8, 2023, p. 6
- (ii) GA Analysis Workform, Tab GA 2018, December 8, 2023
- (iii) EB-2022-0058, 2023 IRM GA Analysis Workform, Tab GA 2017, Tab Principal Adjustments, March 23, 2023

ORPC stated that for usage years 2017 and 2018, a single customer account was cancelled and re-billed resulting in global adjustment charges of \$63,153 and \$47,100 in 2017 and 2018 respectively. The general ledger transactions were recorded in 2019 and therefore ORPC has presented a credit principal adjustment of \$47,100 in 2018 and the reversal of both years of \$110,253 in 2019.

OEB staff notes that a credit of \$47,100 was recorded in Tab GA 2018 in the current proceeding's GA Analysis Workform. However, a credit of \$63,153 was not recorded as a credit in Tab GA 2017 (nor in Tab Principal Adjustments) in the 2023 IRM proceeding's GA Analysis Workform.

Question(s):

- a. Please explain why a credit of \$63,153 was reversed as a debit of \$63,153 in Tab GA 2019 (as part of the debit of \$110,253), when the credit of \$63,153 was not approved as a 2017 principal adjustment in ORPC's 2023 IRM proceeding.

Staff Question-17

Reference:

- (i) Appendix H, December 8, 2023, p. 6 & 7

ORPC is proposing an Account 1588 credit principal adjustment of \$373,202 for 2019 which relates to a weighted average price claim adjustment. In 2019, ORPC underclaimed \$373,202 from Hydro One in its monthly settlement claim.

ORPC stated that the difference arose as a result of a calculation issue on RPP customers. The weighted average price was not calculated correctly on RPP customers for the months of April through September, which in turn translated to incorrect claims with Hydro One.

Question(s):

- a. Please confirm that the weighted average price claim error was a one-time isolated incident in the 2019 period and did not impact other periods.
- b. If this is not the case, please quantify and explain.

Staff Question-18

Reference:

- (i) 2024 IRM Rate Generator, Tab 3, December 8, 2023
- (ii) GA Analysis Workform, Tab GA 2018, Tab Principal Adjustments, December 8, 2023

In Tab 3 of the 2024 IRM Rate Generator Model, ORPC has recorded a 2018 principal adjustment of a debit of \$514,857 for Account 1589.

However, in Tab GA 2018 and Tab Principal Adjustments of the GA Analysis Workform, a 2018 principal adjustment of a debit of \$467,757 is shown for Account 1589.

Question(s):

- a. Please clarify which is the correct balance to use as a 2018 principal adjustment for Account 1589 and update the evidence.
- b. After addressing part a) of this interrogatory, if cell C93 (i.e., Unresolved Difference as % of Expected GA Payments) of Tab GA 2018 is greater than the threshold of +/- 1%, please explain.

Staff Question-19

Reference:

- (i) 2024 IRM Rate Generator, Tab 3, December 8, 2023
- (ii) GA Analysis Workform, Tab GA 2019, Tab Principal Adjustments, December 8, 2023

In Tab 3 of the 2024 IRM Rate Generator Model, ORPC has recorded a 2019 principal adjustment of a credit of \$1,138,729 for Account 1589.

However, in Tab GA 2019 and Tab Principal Adjustments of the GA Analysis Workform, a 2018 principal adjustment of a credit of \$970,951 is shown for Account 1589.

Question(s):

- a. Please clarify which is the correct balance to use as a 2019 principal adjustment for Account 1589 and update the evidence.
- b. After addressing part a) of this interrogatory, if cell C93 (i.e., Unresolved Difference as % of Expected GA Payments) of Tab GA 2019 is greater than the threshold of +/- 1%, please explain.

Staff Question-20

Reference:

- (i) 2024 IRM Rate Generator, December 8, 2023, Tab 3, Cells BW21, BW26, BW27, BW28, and BW29
- (ii) Manager's Summary, December 8, 2023, p. 11

OEB staff noted some variances in the cells mentioned in Reference (i) that required an explanation in the Manager's Summary. These variances relate to the RRR balance

versus the 2022 balance in Tab 3 of the Rate Generator Model. However, OEB staff could not find an explanation regarding some of these variances.

ORPC stated that Tab 3 of the 2024 IRM Rate Generator Model for Accounts 1550, 1551, 1580, 1584 and 1586 include “Principal Adjustments During 2022” which pertain to unbilled revenue differences. ORPC stated that these adjustments relate to the 2022 usage difference discussed in the GA Analysis Workform.

Question(s):

- a. Please provide a reconciliation and explanation of the variances shown in the cells in Reference (i) related to Accounts 1588 and 1589.
- b. Please confirm that the variances in the cells in Reference (i) related to Accounts 1550, 1584, and 1586 relate to true-ups between estimated unbilled revenue and actual unbilled revenue. If this is not the case, please explain.
- c. Please explain why there were no variances for Accounts 1551 and 1580, given ORPC’s statements on page 11 of the Manager’s Summary.