

**Northern Ontario Wires Inc.  
EB-2023-0043**

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

**Staff Question-1**

**References:**

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

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's final 2024 Uniform Transmission Rates (UTRs) and Hydro One Sub-Transmission Rates.

**Question:**

OEB staff has updated rate generator model with the 2024 final host RTSR by HONI.

- a) Please confirm the accuracy of the Rate Generator update, as well as the accuracy of the resulting Retail Transmission Service Rates following these updates.

***NOW Inc. confirms the accuracy of this rate generator update and the RTSR rates that result from the update.***

***In addition, as noted by OEB staff. Decision and Rate Order EB-2023-0222 for 2024 Uniform Transmission Rates dated January 18, 2024 was released. As a result an additional adjustment was required for the Network Service Rate. NOW Inc. has updated the Rate Generator Model for Network Service Rate to \$5.78/kW as per the Decision.***

- 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.

***NOW Inc. confirms the accuracy of this rate generator update and the results from the update.***

## **Staff Question-2**

### **References:**

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

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

### **Question:**

- a) Staff requires further clarification on whether the disposition claimed for 1595 (2018) and 1595 (2019) is on the final basis.

***NOW Inc. confirms that the disposition claimed for 1595 (2018) and 1595 (2019) is on a final basis.***

## **Staff Question-3**

### **References:**

- (i) EB-2023-0043, 2024 IRM Application, Manager's Summary, p.11  
(ii) GA Analysis Workform, 'Principal Adjustments' tab.

NOW Inc. has provided reasons for adjustments no.1 and no. 2 in the current year principal adjustments fields under both Account 1589 and Account 1588. Whereas no adjustments have been entered for these two items and no explanation is provided in the manager's summary for these adjustments.

Account 1589 - RSVA Global Adjustment				Account 1588 - RSVA Power			
Year	Adjustment Description	Amount	Year Recorded in GL	Year	Adjustment Description	Amount	Year Recorded in GL
2022	Reversals of prior approved principal adjustments (auto-populated from table above)			2022	Reversals of prior approved principal adjustments (auto-populated from table above)		
	1				1		
	2				2		
	3				3		
	4				4		
	5				5		
	6				6		
	7				7		
	8				8		
	Total Reversal Principal Adjustments	-			Total Reversal Principal Adjustments	-	
2022	Current year principal adjustments			2022	Current year principal adjustments		
	1 CT 148 true-up of GA Charges based on actual Non-RPP				1 CT 148 true-up of GA Charges based on actual RPP volumes		
	2 Unbilled to actual revenue differences				2 CT 1142/142 true-up based on actuals		
	3				3		
	4				4 CT2148 true up of GA Charges for prior period corrections	2	2,023
	5				5		
	6				6		
	7				7		
	8				8		
	Total Current Year Principal Adjustments	(33,864)			Total Current Year Principal Adjustments	2	
	Total Principal Adjustments to be Included on DVA Continuity Schedule/Tab 3 - IRM Rate Generator Model	(33,864)			Total Principal Adjustments to be Included on DVA Continuity Schedule/Tab 3 - IRM Rate Generator Model	2	

**Question:**

- a) Please confirm that the principal adjustments of (\$33,864) in Account 1589 and \$2,023 in Account 1588 related to CT2148 true up of GA charges for prior period corrections are the only adjustments for this application.

***NOW Inc. confirms that the only principal adjustments of (\$33,864) in Account 1589 and \$2.00 in account 1588 relate to the CT2148 true up of GA charges for prior period corrections are the only adjustments in the application.***

***The No1 and No2 as highlighted in the question are prefilled and non-editable cells within the Principal Adjustments tab.***

***The amount in the question relating to Account 1588 is \$2,023. This number is however in the “Year Recorded in GL” column. The formatting of this column was not editable and does show in a numerical format rather than date format. The correct amount of the adjustment in Account 1588 is \$2.00 as per the amount column.***

**Staff Question-4**

**References:**

- (i) 2024 IRM Application, Manager’s Summary, p.11
- (ii) 2024 Rate Generator Model, Tab 3, Continuity Schedule, Cells BT48 and BV48

In the Manager’s summary NOW Inc. has mentioned that it is proposing to dispose Group 1 audited balances as of December 31, 2022. It further indicated that the balance in the Group 1 accounts (Accounts 1550, 1551, 1580, 1584, 1586, 1588, and 1589) is a debit of \$495,769 to be disposed over a period of one year. The OEB staff noted that the actual balance that should be claimed for disposition is \$343,552 which also includes the balances in the account 1595 (2018 and 2019 sub-accounts) and is

correctly used to calculate the threshold test in tab 4 of the rate generator model. Hence, the balance mentioned in the manager's summary has erroneously mentioned the total number from RRR data column in tab 3 of the continuity schedule.

**Question:**

- a) Please confirm that the OEB staff has correctly identified the error in the manager's summary.

***NOW Inc. confirms that the managers summary debit of \$495,769 is erroneous and the debit of \$343,552 as calculated correctly is the proper number to be disposed.***

**Staff Question-5**

**Reference:**

- (i) 2024 IRM Rate Generator Model, Continuity Schedule, Tab 3
- (ii) IRM Rate Generator – DVA Tabs Instructions - 2024 Rates
- (iii) 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:

1. 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.
2. 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.

3. 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.

**Question(s):**

- 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.

**N/A**

- b) If this balance is not applicable, please explain.

***The Account 1509 – Impacts Arising from Covid-19 Emergency, Subaccount Forgone Revenues from Postponing Rate Implementation does not apply to Northern Ontario Wires Inc. as NOW Inc. did not postpone any rate implementation.***