



Ontario
Energy
Board | Commission
de l'énergie
de l'Ontario

BY EMAIL

January 26, 2024

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

Dear Ms. Marconi:

Re: EB-2023-0037 - London Hydro Inc. IRM Application for 2024 Distribution Rates

In accordance with Procedural Order No. 2, please find attached the Ontario Energy Board (OEB) staff interrogatories in the above proceeding. The applicant and any intervenors have been copied on this filing.

London Hydro's responses to interrogatories are due by February 9, 2024.

Any questions relating to this letter should be directed to Dana Wong at Dana.Wong@oeb.ca or at 416-440-7719. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Dana Wong

Dana Wong
Incentive Rate Setting & Regulatory Accounting

Encl.

**OEB Staff Interrogatories
London Hydro Inc.
EB-2023-0037**

Staff Follow-up Question – 1

Ref 1: Response to Staff Interrogatory 5

Ref 2: Accounting Procedures Handbook, Article 220 and Article 490

Ref 3: GA Analysis Work Form Instructions, GA Methodology Description, issued May 20, 2020

Preamble:

In response to OEB staff question #5, London Hydro stated that:

...GA adjustments received in CT 2148 for Years 2015 and 2016 were attributed to non-RPP consumption as the result of the GA allocation approach employed at that time...London Hydro used Method B to book the GA costs and CT 142 GA credit. Method B is described in Appendix A of the GA Analysis Work Form Instructions, GA Methodology Description, issued May 20, 2020, under section 1 Approach to recording CT 1142/142 and CT 148.

Under Method b) CT 148 is booked into 1589. The portion of CT 142 equaling RPP minus HOEP for RPP consumption is booked into 1588. The portion of CT 142 equaling GA credit related to RPP consumption is credited into 1589. Total CT 148 GA cost less CT 142 GA credit should equal with CT 148 Non-RPP GA costs.

London Hydro did not prorate the GA charges (CT 148) into RPP and Non-RPP portions in 2015 and 2016, according to Method B approach.

OEB staff notes that Method B exists before the OEB issues the Accounting Guidance for the Commodity Accounts 1588 and 1589 in February 2019. OEB staff also notes from the Article 220 and Article 490 that Account 1589 should record the GA variance pertaining to Non-RPP customers, i.e. the GA revenues compares with the GA costs for the Non-RPP customers only.

Question(s):

- a) Please confirm that the 2015 and 2016 CT2148 credits received by London Hydro in January 2023 invoice, no different than the other years CT2148 credits, represent the total GA credit that London Hydro had overpaid the IESO due to

the identified errors. If this is not confirmed, please explain how the 2015 and 2016 CT2148 credits are different than the other years' credits received from the IESO.

- b) If a) is confirmed, please revisit the allocation of CT2148 credits for 2015 and 2016 to ensure adherence to the most recent guidelines, including a split between RPP and non RPP consumption. Please update the relevant supporting schedules and models.
- c) Please clarify the statement: London Hydro did not prorate the GA charges (CT 148) into RPP and Non-RPP portions in 2015 and 2016, according to the Method B approach. Please confirm that this statement means that London Hydro had reflected all GA costs allocated to London Hydro in Account 1589 without any GA cost reflected in Account 1588. If so, please quantify the impact on both accounts. If not confirmed, please explain further.

Staff Follow-up Question – 2

Ref 1: Response to Staff Interrogatory 3

Ref 2: LH_Attachment_F1_GA_Analysis_Workform_2015-2017_Updated_20240109.xls

Ref 3: LH_Attachment_F2_2024_GA_Analysis_Workform_1.0_Updated_20240109

Preamble:

OEB staff reviewed the data in reference 2 and reference 3.

Question(s):

- a) Please explain why there is no adjustment 2b on the 2015 GA Analysis Workform and no adjustment 2a on the 2016 GA Analysis Workform.
- b) Please explain why there is no adjustment 2b on the 2016 GA Analysis Workform, given that there is adjustment 2a on the 2017 GA Analysis Workform.
- c) Material adjustments of “New Comm Acctg Guidance - switch from Method B” are included in the GA Analysis Workforms of 2017 to 2019. Please explain whether any questions had been asked for these adjustments in the prior rate proceedings of disposing the DVA balances.
 - i) If so, please provide the references to these questions.
 - ii) If not, please explain why material adjustments are needed in these years for adjusting the GA between the Account 1588 and Account 1589.
 - iii) If London Hydro's view is that material differences exist between method A and method B for the GA allocation in Accounts 1588 and 1589, please explain why such adjustment is not made for the years prior to 2017,

especially 2015 and 2016 which is now open in this rate proceeding.
Please provide a quantification of this adjustment on the accounts 1588 and 1589 in the years of 2015 and 2016.

- d) Please update the GA Analysis Workforms as applicable.
- e) Please provide an explanation if the variance on any updated GA Analysis Workform exceeds 1%.

Staff Follow-up Question – 3

Ref 1: Response to Staff Interrogatory 3

Ref 2: LH_Attachment_F1_GA_Analysis_Workform_2015-2017_Updated_20240109.xls

Preamble:

OEB staff noted the following missing information on the GA Analysis Workform for 2015:

- Consumption data in note 2
- Prior month and current month unbilled loss adjusted consumption data in note 4
- Data for the expected GA volume variance calculation

Question(s):

- a) Please add the consumption data for 2015 under Note 2 in the “GA 2015” tab.
- b) Please add the Previous Month Unbilled Loss Adjusted Consumption (kWh) and Current Month Unbilled Loss Adjusted Consumption (kWh) data for 2015 under Note 4 in the “GA 2015” tab.
- c) Please add data to calculate the Expected GA Volume Variance in note 4.
- d) Please provide an explanation in the text box if the difference in loss factor is greater than 1%.

Staff Question – 4

Ref: LH_Attachment_E_2024-IRM-Rate-Generator-Model_Updated_20240109_20240124.xls

Preamble:

On January 18, 2024, the OEB issued the Decision and Order regarding 2024 Final Uniform Transmission Rates (UTRs) effective January 1, 2024.¹

¹ OEB Decision and Rate Order (EB-2023-0222), 2024 Uniform Transmission Rates

The decision led to an increase of \$0.02 per kW for the Network Service Rate.

OEB staff has updated the LDC's rate generator with the final UTRs as follows:

...

	<u>Monthly Rate (\$ per kW)</u>
Network Service Rate (PTS-N): \$ Per kW of Network Billing Demand ^{1,2}	5.78
Line Connection Service Rate (PTS-L): \$ Per kW of Line Connection Billing Demand ^{1,3}	0.95
Transformation Connection Service Rate (PTS-T): \$ Per kW of Transformation Connection Billing Demand ^{1,3,4}	3.21

Question:

- 1) Please confirm the accuracy of the Rate Generator update in the reference.