

2025 IRM Checklist

Niagara-on-the-Lake Hydro Inc.

EB-2024-0044

Date: August 15, 2024

[Chapter 3 - Incentive Rate-Setting Applications Updated on June 18, 2024](#)

Filing Requirement Section/Page Reference	IRM Requirements	Evidence Reference, Notes
3.1.2 Components of the Application Filing		
3	Manager's summary documenting and explaining all rate adjustments requested	Complete
3	Contact info - primary contact may be a person within the distributor's organization other than the primary license contact	Manager's Summary (MS) - 3.1.2.2
3	Completed Rate Generator Model and supplementary work forms in Excel format	Appendix 2 & 3 Excel
3	Current tariff sheet, PDF	Appendix 4 PDF
3	Supporting documentation (e.g. relevant past decisions, RRWF etc.)	MS - Appendix 5
3	Statement as to who will be affected by the application, specific customer groups affected by particular request	MS - 3.1.2.6
3	Distributor's internet address	MS - 3.1.2.7
3	Statement confirming accuracy of billing determinants pre-populated in model	MS - 3.1.2.8
3	Text searchable PDF format for all documents	Complete
4	2025 IRM Checklist	Appendix 1 Excel
4	Include a certification by a senior officer that the evidence filed, including the models and appendices, is accurate, consistent and complete to the best of their knowledge, a certification that the distributor has processes and internal controls in place for the preparation, review, verification and oversight of account balances being disposed, as well as a certification regarding personal information	MS - 3.1.2.11
3.1.3 Applications and Electronic Models		
4	Confirm the accuracy of the data. If a distributor has revised any RRR data after it has been incorporated into the model, this change should be disclosed in the application	MS - 3.1.2.5
4	File the GA Analysis Workform.	Appendix 3 Excel
5	A distributor seeking a revenue-to-cost ratio adjustment due to a previous OEB decision must continue to file the OEB's Revenue-to-Cost Ratio Adjustment Workform in addition to the Rate Generator model.	n/a
5	For an Incremental or Advanced Capital Module (ICM/ACM) cost recovery and associated rate rider(s), a distributor must file the Capital Module applicable to ACM and ICM.	n/a
5	A distributor seeking to dispose of lost revenue amounts from conservation and demand management activities, during an IRM term, must file the Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) Workform.	n/a
5	A distributor with a zero balance in the LRAMVA that is requesting a rate rider for previously approved LRAM-eligible amounts does not need to file the LRAMVA Workform but should provide the calculations used to generate the requested LRAM-eligible rate riders.	n/a
5	The models and workforms to be used by all distributors. If a distributor makes any changes to OEB models or workforms to address its own circumstances, it must disclose and justify such changes in the manager's summary.	n/a
3.2.2 Revenue to Cost Ratio Adjustments		
7 - 8	Revenue to Cost Ratio Adjustment Workform, if distributor is seeking revenue to cost ratio adjustments due to previous OEB decision.	n/a
3.2.3 Rate Design for Residential Electricity Customers		
	Applicable only to distributors that have not completed the residential rate design transition	
8	A plan to mitigate the impact for the whole residential class or indicate why such a plan is not required, if the total bill impact of the elements proposed in the application is 10% or greater for RPP customers consuming at the 10th percentile.	n/a
8	Mitigation plan if total bill increases for any customer class exceed 10%.	n/a
3.2.4 Electricity Distribution Retail Transmission Service Rates		
	No action required at filing - model completed with most recent uniform transmission rates (UTRs) approved by the OEB	
3.2.5 Low Voltage Service Rates (optional)		
9	Provide most recent Low Voltage costs charged by the host distributor to the applicant.	n/a
9	Provide Actual Low Voltage costs for the last five historical years. The distributor must also provide the year-over-year variances and explanations for substantive changes in the costs over time.	n/a
9	Provide support for the updated Low Voltage costs: last actual volumes and host distributor(s) rates applicable to the distributor.	n/a
9	Provide allocation of Low Voltage costs to customer classes (generally in proportion to transmission connection rate revenues).	n/a
9	Provide proposed Low Voltage rates by customer class to reflect these costs.	n/a
3.2.6 Review and Disposition of Group 1 DVA Balances		
10	Justification if any account balance in excess of the threshold should not be disposed	n/a
10	Completed Tab 3 - continuity schedule in Rate Generator Model	Appendix 2 Excel

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10 - 11	The opening principal amounts as well as the opening interest amounts for Group 1 balances, shown in the continuity schedule, must reconcile with the last applicable, approved closing balances. Distributors must provide an explanation when the Group 1 account balances presented on the Tab 3 – Continuity Schedule of the Rate Generator model differ from the account balances in the trial balance as reported through the RRR (which have been pre-populated in the Tab 3 – Continuity Schedule of the Rate Generator model)	MS - 3.2.6
11	Explanation of variance between amounts proposed for disposition and amounts reported in RRR for each account	MS - 3.2.6
11	Statement as to whether any adjustments have been made to balances previously approved by the OEB on a final basis; If so, explanations provided for the nature and amounts of the adjustments and supporting documentation under a section titled "Adjustments to Deferral and Variance Accounts"	MS - 3.2.6
11 - 12	Rate riders proposed for recovery or refund of balances that are proposed for disposition. The default disposition period is one year. Justification with proper supporting information is required if distributor is proposing an alternative recovery period	MS - 3.2.6
3.2.6.1 Commodity Accounts 1588 and 1589		
12	Indicate the year in which Account 1588 and Account 1589 balances were last approved for disposition, whether the balances were approved on an interim or final basis, and if they were disposed on an interim basis, which year they were last disposed on a final basis.	MS - 3.2.6.1
12	A distributor that is requesting final disposition of balances for the first time, following implementation of the Accounting Guidance, must confirm that it has fully implemented the Accounting Guidance effective from January 1, 2019.	n/a
12	Confirmation that historical balances that have yet to be disposed on a final basis have been considered in the context of the Accounting Guidance, summary provided of the review performed. Distributors must discuss the results of review, whether any systemic issues were noted, and whether any material adjustments to the account balances have been recorded. A summary and description is provided for each adjustment made to the historical balances	n/a
13	Populated GA Analysis Workform for each year that has not previously been approved by the OEB for disposition, irrespective of whether seeking disposition of the Account 1589 balance as part of current application. If adjustments were made to an Account 1589 balance that was previously approved on an interim basis, the GA Analysis Workform is required to be completed for each year after the distributor last received final disposition for Account 1589	Appendix 3 Excel
3.2.6.2 Capacity Based Recovery (CBR)		
13 - 14	Distributors that propose disposition of Account 1580 sub-account CBR Class B must do so in accordance with the OEB's Capacity Based Recovery (CBR) accounting guidance. - The balance in sub-account CBR Class B must be disposed over the default period of one year. - For the disposition of Account 1580, sub-account CBR Class A, distributors must follow the CBR accounting guidance, which results in balances disposed outside of a rates proceeding.	MS - 3.2.6.2
3.2.6.3 Disposition of Account 1595		
14 - 15	Confirmation that residual balances in Account 1595 Sub-accounts for each vintage year have only been disposed once.	MS - 3.2.6 & MS - 3.2.6.3
14 - 15	Confirmation that disposition of residual balances is requested two years after the expiry of the rate rider.	MS - 3.2.6 & MS - 3.2.6.3
14 - 15	Detailed explanations provided for any significant residual balances attributable to specific rate riders for each customer rate class, including for example, differences between forecast and actual volumes.	MS - 3.2.6 & MS - 3.2.6.3
3.2.7.1 Disposition of the LRAMVA and Rate Riders for Previously Approved LRAM-Eligible Amounts		
For Distributors with a zero balance in the LRAMVA		
16 - 17	A distributor with a zero balance in the LRAMVA should indicate this fact in its application and advise that it is not requesting any disposition. If a distributor with zero balance in the LRAMVA is requesting rate rider(s) for current rate year rates to recover an LRAM-eligible amount approved in a previous proceeding, the distributor should reference the previous OEB decision where the base LRAM-eligible amount for the current rate year (i.e., the amount prior to the mechanistic adjustment) was approved, and provide the calculations used to generate the requested LRAM-eligible rate riders (i.e., the mechanistic adjustment and the allocation to rate classes). Distributors are to input the resulting rate rider(s) in Tab 19 – Additional Rates of the IRM Rate Generator Model. Distributors in this circumstance do not need to file the LRAMVA workform or any additional documentation.	MS - 3.2.7
For Distributors with non-zero balance in the LRAMVA		

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17	A distributor that does not have a confirmed zero balance in the LRAMVA should seek disposition as part of their IRM application, with supporting information, or provide a rationale for not doing so.	n/a
17	Provide supporting evidence related to disposition of any balance in the LRAMVA (refer to Section 3.2.7.1 of the 2023 edition of the Chapter 3 Filing Requirements)	n/a
17	For persisting impacts until the next rebasing, calculate and request approval of LRAM-eligible amounts to address amounts that would otherwise be recorded in the LRAMVA for all years until their next rebasing application, and request any rate rider(s) for the LRAM-eligible amount.	n/a
3.2.7.2 Continuing Use of the LRAMVA for New NWS Activities		
18	Statement whether it is requesting an LRAMVA for one or more of these activities, if this request has not been addressed in a previous application.	n/a
3.2.8 Tax Changes		
18	Tabs 8 and 9 of Rate Generator model are completed, if applicable	Complete
18 - 19	If a rate rider to the fourth decimal place is not generated for one or more customer classes, the entire sharing tax amount is be transferred to Account 1595 for disposition at a future date	n/a
3.2.9 Z-Factor Claims		
19	Eligible Z-factor cost amounts are recorded in Account 1572, Extraordinary Event Costs. Carrying charges are calculated using simple interest applied to the monthly opening balances in the account and recorded in a separate sub-accounts of this account	n/a
19	To be eligible for a Z-factor claim, a distributor must demonstrate that its achieved regulatory return on equity (ROE), during its most recently completed fiscal year, does not exceed 300 basis points above its deemed ROE embedded in its base rates	n/a
3.2.9.1 Z-Factor Filing Guidelines		
20	Evidence that costs incurred meet criteria of causation, materiality and prudence	n/a
20	In addition, the distributor must: - Notify OEB by letter of all Z-Factor events within 6 months of event - Apply to OEB to recover costs recorded in the OEB-approved deferral account claimed under Z-Factor treatment - Demonstrate that distributor could not have been able to plan or budget for the event and harm caused is genuinely incremental - Demonstrate that costs incurred within a 12-month period and are incremental to those already being recovered in rates as part of ongoing business risk - Provide the distributor's achieved regulatory ROE for the most recently completed fiscal year	n/a
3.2.9.2 Recovery of Z-Factor Costs		
20	Description of manner in which distributor intends to allocate incremental costs, including rationale for approach and merits of alternative allocation methods	n/a
20	Specification of whether rate rider(s) will apply on fixed or variable basis, or combination; length of disposition period and rational for proposal	n/a
20	Residential rate rider to be proposed on fixed basis	n/a
20	Detailed calculation of incremental revenue requirement and resulting rate rider(s)	n/a
3.2.10 Off-Ramps		
21	If a distributor whose earnings are in excess of the dead band nevertheless applies for an increase to its base rates, it needs to substantiate its reasons for doing so	n/a
21	A distributor is expected to file its regulated ROE, as was filed for 2.1.5.6 of the RRR. However, if in the distributor's view this ROE has been affected by out-of-period or other items (for example, revenues or costs that pertain to a prior period but recognized in a subsequent one), it may also file a proposal to normalize its achieved regulated ROE for those impacts, for consideration by the OEB.	n/a
3.3.1 Advanced Capital Module		
5	Capital Module applicable to ACM and ICM, for an incremental or pre-approved Advanced Capital Module (ICM/ACM) cost recovery and associated rate rider(s)	n/a
22	Evidence of passing "Means Test"	n/a
22	Information on relevant project's (or projects') updated cost projections, confirmation that the project(s) are on schedule to be completed as planned and an updated ACM/ICM module in Excel format	n/a
22	If proposed recovery differs significantly from pre-approved amount, a detailed explanation is required	n/a
3.3.2 Incremental Capital Module		

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23	If updated cost projects are 30% greater than pre-approved amount, distributor must treat project as new ICM, re-filed business case and other relevant material required	n/a
23	Evidence of passing "Means Test"	n/a
3.3.2.1 ICM Filing Requirements		
5	Capital Module applicable to ACM and ICM, for an incremental or pre-approved Advanced Capital Module (ICM/ACM) cost recovery and associated rate rider(s)	n/a
25	An analysis demonstrating that the materiality threshold test has been met and that the amounts will have a significant influence on the operation of the distributor	n/a
25	Justification that the amounts to be incurred will be prudent - amounts represents the most cost-effective option (but not necessarily the least initial cost) for ratepayers	n/a
25	Justification that amounts being sought are directly related to the cause, which must be clearly outside of the base upon which current rates were derived	n/a
25	Evidence that the incremental revenue requested will not be recovered through other means (e.g., it is not, in full or in part, included in base rates or being funded by the expansion of service to include new customers and other load growth)	n/a
25	Details by project for the proposed capital spending plan for the expected in-service year	n/a
25	Description of the proposed capital projects and expected in-service dates	n/a
25	Calculation of the revenue requirement (i.e. the cost of capital, depreciation, and PILs) associated with each proposed incremental capital project	n/a
25	Description of the actions the distributor would take in the event that the OEB does not approve the application	n/a
25	Calculation of a rate rider to recover the incremental revenue from each applicable customer class. The distributor must identify and provide a rationale for its proposed rider design, whether variable, fixed or a combination of fixed and variable riders. As discussed at section 3.2.3, any new rate rider for the residential class must be applied on a fixed basis	n/a
25	For each project with an expected capital cost of \$2 million or more, excluding general plant investments: documentation of the consideration of non-wires solutions (NWSs) to meet the identified system need that will be addressed by the project(s) as articulated in the OEB's BCA Framework to assess the economic feasibility of NWSs.	n/a
3.3.2.3 ICM Filing Requirements		
26 - 27	Calculate the maximum allowable capital amount.	n/a
3.3.2.5 Changes in Tax Rules for Capital Cost Allowance (CCA)		
28	Provide the ICM revenue requirement reflecting the exclusion of accelerated CCA.	n/a
28	Also, provide the ICM revenue requirement reflecting the inclusion of accelerated CCA.	n/a
3.3.2.6 ACM/ICM Accounting Treatment		
28	Record eligible ICM amounts in Account 1508 - Other Regulatory Asset, Sub-Account Incremental Capital Expenditures, subject to assets being used and useful.	n/a
29	Record actual amounts in the appropriate sub-accounts of Account 1508 – Other Regulatory Assets in accordance with the OEB's APH Guidance.	n/a
29	The applicable rate of interest for deferral and variance accounts for the respective quarterly period is prescribed by the OEB and published on the OEB's website	n/a
29	At the time of the subsequent rebasing application, a distributor is required to provide the funding true-up calculation, if material, comparing the recalculated revenue requirement based on actual capital spending relating to the OEB-approved ACM/ICM project(s) to the rate rider revenues collected in the same period. Distributors should note assumptions used in the calculation (e.g. half-year rule). If the OEB determines that a true-up of variances is required, the variance will be refunded to (or collected from) customers through a rate rider.	n/a