

Renfrew Hydro Inc. (RHI)
EB-2024-0052

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Staff Question-1

Reference: (1) *2025 IRM Application PDF, page 16-17 of 32*
(2) *2025 IRM Application PDF, page 19 of 32*

Preamble:

In the first reference above, RHI states that it is requesting an update to its Low Voltage (LV) service rates. RHI's LV service rates were last updated in RHI's 2024 Cost of Service application (EB-2023-0049).

In the second reference above, RHI is requesting disposal of its Group 1 deferral and variance account in this proceeding, the disposal includes a \$88,101 balance sitting in the LV Variance Account.

OEB staff notes the actual LV costs fluctuate year over year, which is directly related to the LV rates charged by Hydro One Network Inc. The actual LV costs in 2023-year (i.e. \$251,763) are 23% lower than the 2022-year actual costs at \$325,987. Therefore, the proposed LV service rates update would lower the 2025 LV service rates as compared to the current (i.e. 2024) rates; the bill impact is similar to a negative rate rider.

In addition, since there is uncertainty on the future years' (i.e. 2024 and going forward) actual LV costs, even RHI updates the LV service rates for the 2025 year, the LV Variance Account will still accumulate variance and will need request for balance disposal.

Question(s):

- a) Please provide reason(s) for the request to update LV service rates, as opposed to accumulate variance in the LV Variance Account and seek request for disposal of the variance account balance once threshold is reached.
- b) Given the size of RHI, please provide, from the operational efficiency and interest expense perspective, whether:
 - i. it is more efficient to only update the LV service rates at cost-of-service applications. Therefore, continue to accumulate LV cost billed vs. actual variance in the LV Variance Account for the years in between cost-of-service applications, and dispose the balance through rate rider, as opposed to update the LV service rates.

Or,

- ii. it is more efficient to frequently (i.e. annually) update the LV service rates through IRM applications. Therefore, it may result in lower balance accumulating in the LV Variance Account and a lower interest bearing on the variance account.
- c) Please provide the alternative bill impacts without the proposed update to the LV service rates.

Staff Question-2

Reference: (1) *2025 IRM Rate Generator Model Excel, "Shared Tax – Rate Rider" tab*
(2) *Revenue Requirement Workform Excel, "Load Forecast" tab, RHI's 2024 Cost of Service application (EB-2023-0049)*

Preamble:

In the first reference above, OEB staff notes the highlighted figure as below (i.e. 3,889,078) does not line up to the figure provided in the 2024 Cost of Service application.

In the second reference above, the figure is provided as 388,078.

As per Chapter 3 Filing Requirements, shared tax rate riders are based on a 1 year disposition.

Rate Class		Re-based Billed Customers or Connections	Re-based Billed kWh	Re-based Billed kW	Re-based Service Charge	Re-based Distribution Volumetric Rate kWh	V
RESIDENTIAL SERVICE CLASSIFICATION	kWh	3,922	31,331,438	0	31.61	0.0000	
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	458	11,637,596	0	34.90	0.0219	
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kW	42	43,975,532	104,523	221.53	0.0000	
JNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	37	264,699	0	23.26	0.0074	
STREET LIGHTING SERVICE CLASSIFICATION	kW	1,197	3,889,078	1,075	2.49	0.0000	
Total		5,656	91,098,343	105,598			

Rate Class		Total kWh (most recent RRR filing)	Total kW (most recent RRR filing)	Allocation of Tax Savings by Rate Class	Distribution Rate Rider
RESIDENTIAL SERVICE CLASSIFICATION	kWh	30,505,616		0	\$/customer
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	11,275,409		0	0.0000 kWh
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kW	42,819,732	103,596	0	0.0000 kW
JNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	271,530		0	0.0000 kWh
STREET LIGHTING SERVICE CLASSIFICATION	kW	388,066	1,076	0	0.0000 kW
Total		85,260,353	104,672	\$0	

...	6. Class A Consumption Data	6.1 GA	6.2 CBR B	7. Calculation of Def-Var RR	8. STS - Tax Change	9. Shared Tax - Rate Rider	10. RTSR Current Rates	11. RT
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Question(s):

Please verify the figure for the 2025 IRM Rate Generator Model Excel, update the model as appropriate.

Staff Question-3

Reference: (1) 2025 IRM Rate Generator Model Excel, "LV Service Rate" tab

Preamble:

In the reference above, RHI provides the allocation calculation of the LV expense.

OEB staff notes the highlighted column show that the LV expense to allocate is indicated as 2022 year.

Rate Class	Units	Allocation based on Tx-Connection Revenue %	Allocated 2022 LV Expense
RESIDENTIAL SERVICE CLASSIFICATION	kWh	40.5%	101941.42
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	13.8%	34735.63
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kW	45.0%	113338.60
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	0.3%	836.49
STREET LIGHTING SERVICE CLASSIFICATION	kW	0.4%	910.13
Total		100.0%	251762.27

Question(s):

Please verify if the description of the column should be read as “Allocated 2023 LV Expense”, and please verify the amounts for the year it intends to allocate, so that the allocation amounts match the correct year.

Staff Question-4

Reference: (1) 2025 IRM Proposed Tariff PDF

Preamble:

In the reference above, RHI provides the proposed Tariff effective for the 2025 year.

OEB staff notes there are rate riders for Disposition of Group 2 Deferral/Accounts - effective until December 31, 2025.

Question(s):

Since this application is for the 2025 IRM application and RHI does not have any new request to dispose Group 2 account balance through the current application. Please confirm that such active rate riders for Disposition of Group 2 Deferral/Accounts have been approved as multi-year (i.e. 2-year) rate riders through the previous rate proceedings.

Staff Question-5

Reference: (1) Rate Generator Model, Tab 3, Continuity Schedule

Preamble:

On September 13, 2024, the OEB published the 2024 Quarter 4 prescribed accounting interest rates applicable to the carrying charges of deferral, variance and construction work in progress (CWIP) accounts of natural gas utilities, electricity distributors and other rate-regulated entities.

Question(s):

- a) Please update Tab 3 (Continuity Schedule) as necessary to reflect the Q4 2024 OEB-prescribed interest rate of 4.40%.