

Elexicon Energy Inc.
EB-2024-0016
October 1, 2024
OEB Staff Questions

Please note, Elexicon Energy Inc. (Elexicon Energy) 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*.

1-Staff-1

Forgone Revenue Account 1509

Ref 1: Rate Generator Model, Tab 3 Account 1509

Ref 2: Manager's Summary, pg.6

In Reference 1, Elexicon Energy recorded the below figures in Account 1509 for 2022 and 2023.

In Reference 2, Elexicon Energy requested a transfer of (\$4,172) from Account 1509 into Account 1595.

Table 1: Balances Reported for Account 1509 for 2022 and 2023

Description	2022	2023
Closing Principal Balance	(3,913)	(3,904)
Closing Interest Balance	(71)	(268)

Questions:

- a) The above figures in Table 1 were missing from Elexicon Energy's 2022 and 2023 Rate Generator Models submitted to the OEB. Please provide reasoning for excluding the figures in your previous IRM submissions.
- b) Please explain if other figures are being excluded from the Rate Generator Model and the reason for their exclusion.
- c) Please provide a schedule showing the postings relating to the transactions in Account 1509 from 2020 to 2024 that the transfer is being requested.

1-Staff-2

Consumption Data

Ref: COVID-19 Forgone Revenue Rate Rider Model – Billing Determinants

Please provide the consumption data for the recovery period compared to the forgone period for the line items below.

Table 2: Total Consumption Metered Between Forgone and Recovery Period

Description	Total kWh (Forgone Period)	Recovery Period (kWh)
Residential Service Classification		
Seasonal Residential Service Classification		
General service less than 50 KW Service classification		
General service 50 to 2,999 KW Service classification		
General service 3,000 to 4,999KW Service classification		
Large Use Service classification		
Unmetered Scattered Load Service classification		
Sentinel Lighting Service classification		
Street Lighting Service classification		

1-Staff-3

Prospective Lost Revenue Adjustment Mechanism (LRAM) 2025 Rates

Ref 1: Manager’s Summary, pgs. 21-23

Ref 2: Rate Generator Model, Tab 19 Veridian Rate Zone & Whitby Rate Zone

Ref 3: Guidance on Prospective Lost Revenue Adjustment Mechanism (LRAM) Amounts – 2025 Rates

In Reference 1, Elexicon Energy applied inflation minus the X-factor on the previously approved amount to determine the prospective disposition.

In Reference 2, Elexicon Energy calculated rate riders for the mechanically adjusted LRAM-eligible amounts in the Veridian Rate Zone in Tab 19, Cells C51, C64, C77, C90, and C129. For the Whitby Rate Zone, similar calculations for rate riders were made in Tab 19, Cells C38, C51, and C90.

In Reference 3, the OEB guideline on the calculation of the LRAM prospective amount states that the LRAM-eligible amount for a particular year is to be adjusted mechanistically by the OEB-approved inflation minus X-factor formula applicable to IRM applications in effect for a given year.¹

Table 3: Formula for Calculating the LRAM Prospective Amount

LRAM-Eligible Amount	Calculated As
Updated 2025 LRAM-eligible amount requested in 2025 rate application	(2025 LRAM-eligible amount in 2024\$) x (2025 OEB-approved inflation minus X-factor)

OEB staff’s calculation indicates that the inflated figure proposed by Elexicon Energy in Reference 1 may have been incorrectly calculated compared to the revised calculation in Table 4 below:

Table 4: LRAM Amount in 2025

Year	Previously approved LRAM Amount- in 2022\$	Inflated with 2024 and 2025 Rates	Previously approved LRAM Amount - in 2022\$	Inflated with 2024 and 2025 Rates
	VRZ	VRZ	WRZ	WRZ
2025	622,055	671,499	322,269	347,885
2026	568,102	613,258	308,084	332,572
2027	501,286	541,131	286,385	309,148
2028	430,859	465,106	237,081	255,925

¹ [Guidance on Prospective Lost Revenue Adjustment Mechanism \(LRAM\) Amounts-2025 Rates, issued April 10, 2024, p. 3](#)

Questions:

- a) Please re-calculate the prospective disposition and confirm if you agree with the revised calculation above.
- b) If the result of your re-calculation agrees with the above and differs from the information submitted to the OEB in your application, please re-file an updated Rate Generator Model for both the Veridian Rate Zone and Whitby Rate Zone.

1-Staff-4

Rate Generator Model Unopened Tabs

Ref: Rate Generator Model, Tab 1 & 6 Veridian Rate Zone & Whitby Rate Zone

In the Rate Generator Model Tab 1, Cells F49 and 51 indicate that there were Class A and B customers during the IRM period. Consequently, Tab 6 should have been enabled to provide details of Class A and B customers.

Questions:

- a) Please complete an updated Rate Generator Model where Tab 6 (and all other required tabs) are completed and re-file for the two rate zones.
If you need any help on the Rate Generator Model please contact ratemodels@oeb.ca with a copy to the case manager.

1-Staff-5

Group 1 Disposition Request

Ref: Manager's Summary, pgs. 16-17

Elexicon Energy states that "...Group 1 Total Claims (2023 ending balances plus any identified adjustments and projected interest) do not exceed the threshold test for both rate zones. As a result, this application does not include a VRZ & WRZ final disposition request for the Total Group 1 DVA balances."

Questions:

- a) Please confirm, and provide reasoning, for why Elexicon Energy will not be making Group 1 disposition requests.

1-Staff-6

Ref: Rate Generator Model, Tab 3, Continuity Schedule

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:

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