

**Oshawa PUC Networks Inc. (Oshawa Power)  
Staff Questions  
October 1, 2024**

Please note, that Oshawa Power is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff interrogatories 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**

**Ref 1: 2024 IRM Rate Generator Model, Continuity Schedule, Tab 3**

**Ref 2: IRM Rate Generator – DVA Tabs Instructions - 2024 Rates**

**Ref 3: 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) and Tab 4 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.

**OPUCN Response:**

Oshawa Power does not have any balance to be reflected in Account 1509 – Impacts Arising from the COVID-19 Emergency, Subaccount Forgone Revenues from Postponing Rate Implementation.

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

**OPUCN Response:**

The Account 1509 – Impacts Arising from the COVID-19 Emergency, Subaccount Forgone Revenues from Postponing Rate Implementation does not apply to Oshawa Power. Oshawa Power's rate year is aligned with the fiscal year. Oshawa Power implemented its rates effective January 1, 2020 (EB-2019-0062) and as a result did not postpone rate implementation and is not considered to be a postponing distributor.

**Staff Question – 2**

**Ref 1: 2024 IRM Decision and Rate Order**

**Ref 2: 2025 IRM Rate Generator Model, Continuity Schedule, Tab 3**

In Oshawa Power's 2024 Decision and Rate Order (EB-2023-0046), the OEB states that the balances of each of the Group 1 accounts approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595.

In Tab 3 - Continuity Schedule of the 2025 Rate Generator Model, Oshawa Power does not report any value in Cells BE36 and BJ36 (highlighted as below) as the OEB-approved amount for Account 1595 (2023) disposition during 2023.

2023									
Opening Principal Amounts as of Jan 1, 2023	Transactions Debit/ (Credit) during 2023	OEB-Approved Disposition during 2023	Principal Adjustments <sup>1</sup> during 2023	Closing Principal Balance as of Dec 31, 2023	Opening Interest Amounts as of Jan 1, 2023	Interest Jan 1 to Dec 31, 2023	OEB-Approved Disposition during 2023	Interest Adjustments <sup>1</sup> during 2023	Closing Interest Amounts as of Dec 31, 2023
0				0	0				0
(323,890)	(115,830)	(124,569)		(315,151)	(10,406)	(11,279)	(8,052)		(13,633)
1,098,459	(1,099,480)	(1,339,697)		1,338,676	(79,166)	111,569	(105,839)		138,242
0				0	0				0
(365,834)	169,386	(247,337)		50,889	(11,295)	(7,460)	(7,977)		(10,778)
3,837,847	475,034	2,288,496		2,024,385	69,956	91,743	43,479		118,220
2,870,950	508,355	1,886,088		1,493,217	43,808	65,326	23,200		85,934
(4,705,535)	604,104	(3,949,386)	(27,489)	(179,534)	(97,394)	(29,169)	(104,509)		(22,054)
(966,246)	655,522	(529,019)	(229,038)	(10,743)	(168,417)	(8,939)	(146,933)		(30,423)
(21,722)				(21,722)	(5,104)	(1,096)			(6,200)
(38,457)	(37)			(38,494)	46,022				46,022
0				0	0				0
0	(1,143,363)			(1,143,363)	0	(367,071)			(367,071)
0				0	0				0
(966,246)	655,522	(529,019)	(229,038)	(10,743)	(168,417)	(8,939)	(146,933)	0	(30,423)
2,351,819	(601,831)	(1,486,405)	(27,489)	3,208,904	(43,580)	(147,437)	(159,698)	0	(31,318)
1,385,573	53,691	(2,015,424)	(256,527)	3,198,161	(211,996)	(156,376)	(306,631)	0	(61,741)
0		0		0	0				0
0				0	0				0
1,385,573	53,691	(2,015,424)	(256,527)	3,198,161	(211,996)	(156,376)	(306,631)	0	(61,741)

**Question(s):**

- a) Please update the rate generator as needed. If not the case, please explain.

**OPUCN Response:**

The 2025 IRM Rate Generator Model has been updated. In tab 1. Information Sheet, the question #4 response has been updated to select 2018 as the earliest vintage year available. In tab 3. Continuity Schedule, Disposition and Recovery/Refund of Regulatory Balances (2018 and pre-2018) 1595 has been updated to reflect the 2016 and 2018 Principal and Interest balances. The total principal balance of (567,398) and total interest balance of 49,951 approved for disposition in 2023 are now reflected in the OEB-Approved Disposition during 2023 column accordingly.

**Staff Question – 3**

**Ref 1: 2025 GA Analysis Workform, Tab - Principal Adjustments**

Under Note 8 - Breakdown of principal adjustments included in the last approved balance, Cell J28 and Cell V28 are not completed.

**Question(s):**

- a) Please update the two tables under Note 8 in GA Analysis Workform.

**OPUCN Response:**

Cells J28 and V28 total principal adjustments included in last approved balances for RSVA GA and Power are now reflected in the GA Analysis Workform, “Principal Adjustments” worksheet.

**Staff Question – 4**

**Ref 1: 2024 IRM Rate Generator Model, Continuity Schedule, Tab 3, Cell BD23**

**Ref 2: 2025 IRM Rate Generator Model, Continuity Schedule, Tab 3, Cell BD23**

Per the 2024 DVA Continuity Schedule, Account 1580 shows a transaction debit of 2,438,156 during 2022. Per the 2025 DVA Continuity Schedule, Account 1580 shows a transaction credit of 1,099,480 during 2023.

**Question(s):**

- a) Please explain the factors that have resulted in a substantial change in the transaction of Account 1580.

**OPUCN Response:**

The 2022 debit transaction of \$2,438,156 was a result of under collection of revenue in relation to actual WMS charges. Oshawa Power billed its customers using the OEB approved WMS rate for 2022 of \$.0030 per kilowatt-hour. The IESO’s actual WMS charges billed to Oshawa Power averaged to \$.0052 per kilowatt-hour, significantly higher than the WMS rate Oshawa Power charged its customers. This is consistent with OEB’s findings regarding WMS charges in its Decision and Rate Order EB-2022-0269.

In 2023, Oshawa Power billed its customers using the OEB approved WMS rate of \$.0041 per kilowatt-hour. The IESO’s actual WMS charges billed to Oshawa Power averaged to \$.0031 which is lower than the current WMS rate charged by Oshawa Power to its customers. This is consistent with OEB’s findings regarding WMS charges in its Decision and Rate Order EB-2023-0268. The over collection of revenue resulted to a credit transaction of \$1,099,480 in 2023.

**Staff Question – 5**

**Ref 1: 2025 IRM Rate Generator Model, Continuity Schedule, Tab 3, Cell AA33, Cell AK34**

**Ref 2: 2020 IRM Decision and Rate Order**  
**Ref 3: 2021 COS Decision**

OEB staff notes a variance when comparing the OEB-Approved Disposition amount during 2020 and 2021, to the total disposition amount in the 2020 and 2021 Rates Decisions (EB-2019-0062 and EB-2020-0048). The differences are shown in the table below.

2020 Approved Disposition	2020 Decision and Order - Table 7.2	2025 Continuity Schedule	Variance
<b>Principal Approved</b>	(3,004,587)	(43,873)	(2,960,714)
<b>Interest Approved</b>	(145,149)	(6,352)	(138,797)
<b>Total</b>	(3,149,736)	(50,225)	(3,099,511)

2021 Approved Disposition	2021 Decision – Settlement Proposal Page 36	2025 Continuity Schedule	Variance
<b>Principal Approved</b>	368,091	324,710	43,381

**Question(s):**

- a) Please explain the differences and revise the Rate Generator Model, as needed.

**OPUCN Response:**  
**2020 Approved Disposition**

In its 2020 IRM Rate Application EB-2019-0062, Oshawa Power included a request for disposition of its Group 1 Accounts in the total amount of (3,149,736) as presented in the first column of the table above and also included a request for disposition of its LRAMVA balance in the total amount of (50,225) as presented in the second column of the table above. As per page 14 of our Decision and Rate Order EB-2019-0062, our request for disposition of Group 1 Accounts was denied and an external special purpose audit engagement of these balances was directed by the OEB. As per page 15 of our Decision and Rate Order EB-2019-0062, our request for disposition of the LRAMVA balance was approved. The Rate Generator Model “3. Continuity Schedule” worksheet has been updated to reflect the 2020 Approved Disposition in the line for LRAM Variance Account 1568.

**2021 Approved Disposition**

In its 2021 Cost of Service Rate Application EB-2020-0048, Oshawa Power included a request for disposition of its Group 2 Accounts and LRAMVA balance as outlined in the table below. The total DVA balances approved for disposition were inadvertently entered into the Disposition and Recovery/Refund of Regulatory Balances (2021) line of the continuity schedule. The Rate Generator Model “3. Continuity Schedule” worksheet has been updated to reflect the 2021 Approved Disposition in the line for LRAM Variance Account 1568. The 2021 Approved Disposition of Group 2 Accounts has not been reflected in OEB-Approved Disposition during 2021 column as these accounts are not included in the IRM Continuity Schedule. However, the balances arising as a result of the total approved disposition are now reflected in the Transactions Debit/(Credit) during 2021 column of the Disposition and Recovery/Refund of Regulatory Balances (2021) line of the continuity schedule.

Balances	Group 2	LRAMVA	Total DVA Balances
Principal	179,734	144,976	324,710
Interest	29,109	14,272	43,381
Total	208,843	159,248	368,091