

Rideau St. Lawrence Distribution Inc.
EB-2024-0053
December 13, 2024

Please note, that Rideau St. Lawrence Distribution Inc.(Rideau St. Lawrence Distribution) 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

Update to the 2025 Rate Generator Model

Ref 1: Rate Generator Model (RGM), Tabs 11 and 18

Ref 2: Uniform Transmission Rates (UTRs) and Retail Transmission Service Rates (RTSR)

Ref 3: Rural or Remote Electricity Rate Protection (RRRP)

Ref 4: Bill Impacts and Time of Use Prices Set by the OEB for [November 1, 2024](#)

In Reference 2, on November 1, 2024, the OEB announced preliminary Uniform Transmission Rates (UTRs) effective January 1, 2025.¹ The OEB also announced that an embedded distributor may update its Retail Transmission Service Rates (RTSRs) with Hydro One Networks Inc.'s (HONI) proposed host RTSRs.²

In Reference 3, on December 10, 2024, the OEB announced the regulatory charges effective 1 January 2025, for the Rural or Remote Electricity Rate Protection (RRRP) charge.³

In Reference 4, the OEB announced changes to electricity prices under the Regulated Price Plan (RPP) for households, small business and farms, effective November 1, 2024. Also, the Ontario Electricity Rebate (OER) was changed to 13.1%.

¹ EB-2024-0244, OEB Letter "2025 Preliminary Uniform Transmission Rates", issued November 1, 2024

² *Ibid.*

³ EB-2024-0282, Decision and Order, December 10, 2024

OEB staff has updated Rideau St. Lawrence Distribution’s Rate Generator Model with the 2025 preliminary UTRs, RTSRs for HONI, OER, and RRRP.

Table 1: Uniform Transmission Rates

Uniform Transmission Rates		Unit	2023		2024		2025
			Jan to Jun	Jul to Dec	Jan to Jun	Jul to Dec	
Rate Description			Rate		Rate		Rate
Network Service Rate	KW	\$	5.60	5.37	5.78	6.12	6.25
Line Connection Service Rate	KW	\$	0.92	0.88	0.95	0.95	1.00
Transformation Connection Service Rate	KW	\$	3.10	2.98	3.21	3.21	3.39

Table 2: Hydro One Sub-Transmission Rates

Hydro One Sub-Transmission Rates		Unit	2023		2024		2025
			Rate		Rate		Rate
Rate Description			Rate		Rate		Rate
Network Service Rate	KW	\$	4.6545		4.9103		5.2172
Line Connection Service Rate	KW	\$	0.6056		0.6537		0.6537
Transformation Connection Service Rate	KW	\$	2.8924		3.3041		3.3041
Both Line and Transformation Connection Service Rate	KW	\$	3.4980		3.9578		3.9578

Table 3: Time of Use RPP Prices and Percentages and Ontario Electricity Rebate

As of	November 1, 2024		
Off-Peak	\$/kWh	0.0760	64%
Mid-Peak	\$/kWh	0.1220	18%
On-Peak	\$/kWh	0.1580	18%

Table 4: Time of Use RPP Prices and Percentages and Ontario Electricity Rebate

Ontario Electricity Rebate (OER)	\$	13.10%
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Table 5: Rural or Remote Electricity Rate Protection Charge

Regulatory Charges			January 1, 2024	January 1, 2025
Effective Date of Regulatory Charges				
Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh		0.0041	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh		0.0004	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh		0.0014	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$/kWh		0.25	0.25

Question(s):

- a) Please confirm the accuracy of these updates in the attached Rate Generator Model and ensure that all tabs are updated accordingly.

Response:

Rideau St. Lawrence Distribution confirms the updates are accurate and that all tabs are updated accordingly.

1-Staff-2

Account 1509 Sub-account Forgone Revenue from Postponing Rate Implementation

Ref 1: Manager's Summary, p. 16

Ref 2: EB-2023-0050, Decision and Rate Order, March 21, 2024, p. 2

In Reference 1, Rideau St. Lawrence Distribution appears to be requesting for final disposition of the actual residual credit balance of \$2,140 in Account 1509 similar to the request approved during the 2024 IRM proceeding.

In Reference 2, Rideau St. Lawrence Distribution requested for disposition of a debit balance of \$2,140 and the OEB approved the disposition over a one-year period on a final basis during the 2024 IRM proceeding.

Question(s):

- a) Please confirm that Rideau St. Lawrence Distribution is requesting for disposition of a credit balance of \$2,140 in this proceeding. Please also provide reasoning for making the request when a debit amount was approved by the OEB during Rideau St. Lawrence Distribution's 2024 IRM proceeding.

Response:

Rideau St. Lawrence Distribution is not requesting a disposition related to Account 1509 Sub-account Foregone Revenue from Postponing Rate Implementation. As illustrated in cell BT10 in Tab 3 (Continuity Schedule) of the 2025 Rate Generator Model, the claim amount respective to Account 1509 is \$0.

Reference 1 provides a reconciliation of the variance between the 2023 year end balance per Tab 3 (Continuity Schedule) of the 2025 Rate Generator Model (\$2,140) and the 2023 year end balance per section 2.1.7 of the RRR filing (\$0). This reconciliation was

provided to address the request in column BX of Tab 3 (Continuity Schedule) in the 2025 Rate Generator Model that stated “Please provide an explanation of the variance in the Manager’s Summary”.

No disposition is requested; Rideau St. Lawrence was simply trying to reconcile between balance in the Continuity Schedule and that reported in the RRR.

		-2024 Balances		2.1.7 RRR ³		
Account Descriptions	Account Number	Total Interest	Total Claim	Account Disposition: Yes/No ³	As of Dec 31, 2023	Variance RRR vs. 2023 Balance (Principal + Interest)
Group 1 Accounts						
LV Variance Account	1550	(3,479)	(69,720)		(88,388)	0
Smart Metering Entity Charge Variance Account	1551	(1,319)	(20,207)		(36,871)	0
RSVA - Wholesale Market Service Charge ²	1580	(10,766)	(114,647)		161,200	8,175
Variance WMS – Sub-account CBR Class A ¹	1580	0	0		0	0
Variance WMS – Sub-account CBR Class B ²	1580	1,324	22,637		0	(8,175)
RSVA - Retail Transmission Network Charge	1584	(1,870)	11,787		145,492	0
RSVA - Retail Transmission Connection Charge	1586	(568)	3,036		8,056	0
RSVA - Power ⁴	1588	6,915	105,551		214,568	(928)
RSVA - Global Adjustment ⁴	1589	28,902	339,931		218,658	0
Disposition and Recovery/Refund of Regulatory Balances (2019) ³	1595	172	0	No	2,745	0
Disposition and Recovery/Refund of Regulatory Balances (2020) ³	1595	(13,798)	(17,290)	Yes	(17,059)	0
Disposition and Recovery/Refund of Regulatory Balances (2021) ³	1595	3,335	0	No	(1,143)	0
Disposition and Recovery/Refund of Regulatory Balances (2022) ³	1595	14,151	0	No	69,288	1
Disposition and Recovery/Refund of Regulatory Balances (2023) ³	1595	22,591	0	No	94,875	(1)
Disposition and Recovery/Refund of Regulatory Balances (2024) ³ <i>Not to be disposed of until two years after rate order has expired and that balance has been audited. Refer to the Filing Requirements for disposition eligibility.</i>	1595	0	0	No	0	0
RSVA - Global Adjustment requested for disposition	1589	28,902	339,931		218,658	0
Total Group 1 Balance excluding Account 1589 - Global Adjustment requested for disposition		16,669	(78,853)		552,763	(928)
Total Group 1 Balance requested for disposition		45,591	261,078		771,421	(928)
LRAM Variance Account (only input amounts if applying for disposition of this account) Impacts Arising from the COVID-19 Emergency, Sub-account Forgone Revenues from Postponing Rate Implementation ³	1509	0	(0)		0	(2,140)
Total Group 1 balance including Account 1568 and Account 1509 requested for disposition		45,591	261,078		771,421	(928)

1-Staff-3

1588 RSVA – Power

Ref: Manager’s Summary p. 15

In the above reference, Rideau St. Lawrence Distribution noted that there was an incorrect amount entered into the 2023 Reporting and Record-keeping Requirements (RRR). This incorrect amount was noted to have resulted in a variance between the ending balance of the continuity schedule and the reported RRR balance.

Question(s):

- a) Please explain how Rideau St. Lawrence Distribution identified the error in reference and explain the nature of the error.
- b) Please confirm if the error will impact any other accounts
- c) Please file an updated model where further update is required

Responses:

- a) Rideau St. Lawrence Distribution identified the error when completing the Tab 3 Continuity Schedule of the 2025 Rate Generator Model. It was noted that the 2023 year end balance in Account 1588 did not agree with the pre-populated amount in column BV that reflects the amount reported in the RRR. Upon further investigation of the variance the team discovered the RRR submission contained a typing error when manually inputting the data.
- b) Rideau St. Lawrence Distribution confirms this error does not impact any other accounts.
- c) No further updates are required.

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Continuity Schedule

Ref : Rate Generator Model (RGM), Tab 3

On September 13, 2024, the OEB published the 2024 Quarter 4 (Q4) 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 confirm if Tab 3 (Continuity Schedule) accounts for the Q4 prescribed interest rate. If not, please reflect the Q4 2024 OEB-prescribed interest rate of 4.40% in Tab 3, as appropriate.

Response:

The interest rates used for Q4 2024 and Q1 2025 in Tab 3 (Continuity Schedule) reflected estimates at the time the schedule was prepared. Rideau St. Lawrence Distribution has updated the Q4 2024 interest rate to 4.40% and the Q1 2025 interest rate to 3.64% in

accordance with the OEB-prescribed rates.

By revising the interest rates, the total claim amount is reduced by \$1,841; The original total claim amount was \$262,271 and the revised total claim amount is \$260,430.

1-Staff-5

Account 1588 Reasonability

Ref: GA Analysis Workform

The annual Account 1588 balance relative to the cost of power is expected to be small. Where it is greater than +/-1%, an explanation is expected to be provided. OEB staff notes that Rideau St. Lawrence Distribution's Account 1588 balance relative to the cost of power is 1.5% which is above the reasonability threshold.

Question(s):

- a) Please provide further explanations by filling out the attached reasonability test schedule.

Response:

Rideau St. Lawrence Distribution provided an explanation for the account balance in Account 1588 in the Manager's Summary (page 15) as well as in the 2025 GA Analysis Workform (Account 1588 tab).

The explanation is as follows: *The reason for a higher 1588 balance is unaccounted RPP volume variance (unaccounted volume variance is a part of expected 1589 variance in the GA Workform). RPP volume variance between purchased kWh and billed kWh is not accounted in RPP true up process, as per the accounting guidance for 1589 and 1588. This variance goes to 1588 balance. It is calculated that the unaccounted RPP volume variance has contributed \$57,103 to 2023 balance of Account 1588. The reasonability test would be 0.6% if this portion were excluded.*

Rideau St. Lawrence Distribution notes the explanation is consistent with the explanation provided in the approved 2024 IRM application.