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January 3, 2025

Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
27-2300 Yonge Street  
P.O. Box 2319  
Toronto, ON M4P 1E4

**Re: Wasaga Distribution Inc. – EB-2024-0057**  
**Application for 2025 Electricity Distribution Rates**  
**Wasaga Distribution Reply Submission**

Dear Ms. Marconi,

In accordance with Procedural Order #1, please find attached Wasaga Distribution's reply to submissions from OEB Staff.

Respectfully Submitted,

Spencer Silvestro  
Financial and Regulatory Analyst  
Wasaga Distribution Inc.  
[s.silvestro@wasagadist.ca](mailto:s.silvestro@wasagadist.ca)

cc: Ashly Karamatic, Manager of Finance and Regulatory

**Reply Submission to OEB Staff Submission  
EB-2024-0057  
Wasaga Distribution Inc.  
Application for electricity distribution rates and other charges effective May 1, 2025  
January 3, 2025**

**Introduction**

Wasaga Distribution Inc. ("Wasaga Distribution") filed an incentive rate-setting mechanism application with the Ontario Energy Board ("OEB") on October 24, 2024, under section 78 of the Ontario Energy Board Act, 1998, S.O. 1998, c. 15 (Schedule B) seeking approval for changes to its electricity distribution rates to be effective May 1, 2025.

Wasaga Distribution is providing reply submissions to OEB Staff questions.

**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, p. 5**

**Ref 4: Wasaga Distribution 2025 IRM Application, p. 16**

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.

Wasaga Distribution noted in the application that it has a balance of \$(1,811.38) in Account 1595 and is recorded in Account 1595 (2021).

**Question(s):**

- a) Please report Account 1509's balance in Row 47 - Account 1509: Impacts Arising from the COVID-19 Emergency, Subaccount Forgone Revenues from Postponing Rate Implementation, following the above-noted 3 steps.
- b) If not the case, please explain.

**Wasaga Distribution Response:**

- a) The balance of (1,811.38) in Account 1509 has been moved to Row 47 – Account 1509: Impacts Arising from the COVID-19 Emergency, Subaccount Forgone Revenues from Postponing Rate Implementation in accordance with the above-noted 3 steps.
- b) Not applicable.

**Staff Question – 2**

**Ref 1: 2025 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(s):**

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

**Wasaga Distribution Response:**

- a) Wasaga Distribution's original submission of the Rate Generator Model included the Q4 2024 OEB-prescribed interest rate of 4.40% on Tab 3 (Continuity Schedule). However, Wasaga Distribution has updated Tab 3 to also include the Q1 2025 OEB-prescribed interest rate of 3.64%.

### **Staff Question – 3**

**Ref 1: 2025 IRM Rate Generator Model, Continuity Schedule, Tab 3, Cell BE36**

**Ref 2: 2023 Decision and Rate Order**

Wasaga Distribution indicated that the OEB-Approved Disposition during 2023 in Cell BE36 is \$(546,221). In Wasaga Distribution's 2023 Decision and Rate Order (EB-2022-0066), the total Principal Balance disposition number is \$558,701.

#### **Question(s):**

- a) Please explain the variance between the two numbers and update the Continuity Schedule on Tab 3, as needed.

#### **Wasaga Distribution Response:**

- a) The total Principal Balance disposition for Group 1 Accounts on page 10 of Wasaga Distribution's 2023 Decision and Rate Order (EB-2022-0066) is \$558,701. However, on page 7 of Wasaga Distribution's 2023 Decision and Rate Order (EB-2022-0066), the OEB directs Wasaga Distribution to transfer the total shared tax amount of \$12,712 to Account 1595 (2023). As a result, \$12,481 was allocated to the principal portion of the 2023 OEB-Approved Disposition and the balance was allocated to the interest portion of the 2023 OEB-Approved Disposition.

### **Staff Question – 4**

**Ref 1: 2025 Rate Generator Model, Tab 3, Continuity Schedule, Column AV**

**Ref 2: 2024 DVA Continuity Schedule\_Settlement, Tab 2a., Column BF**

In Reference 1, Wasaga Distribution reported a total of \$1.3 million under Principal Adjustment during 2022. OEB staff observes that there were no adjustments in Reference 2.

#### **Question(s):**

- a) Please provide explanations for the nature of the adjustments. If the adjustment relates to previous OEB-approved disposed balances, please provide amounts for adjustments and include supporting documentation.

### Wasaga Distribution Response:

- a) Wasaga Distribution confirms there were no Principal Adjustments in 2022. The closing 2022 balances from Account 1550: LV Variance Account to Account 1589: Global Adjustment (rows 21-29 on Tab 3, Continuity Schedule) were entered into Column AV in order to generate the values in columns AW, BB, BC and BH and establish the 2022 closing and 2023 opening balances.

### Staff Question – 5

#### Ref 1: 2025 Rate Generator Model, Tab 18, Regulatory Charges

OEB staff has made the following updates to Tab 18 of the Rate Generator Model:

#### Regulatory Charges

Effective Date of Regulatory Charges		January 1, 2024	January 1, 2025
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

#### Time-of-Use RPP Prices and Percentages

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

#### Ontario Electricity Rebate (OER)

Ontario Electricity Rebate (OER)	\$	13.10%
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### Question(s):

- a) Please confirm the accuracy of these updates in the Rate Generator Model.

## Wasaga Distribution Response:

- a) Wasaga Distribution confirms the accuracy of these updates in the Rate Generator Model.

## Staff Question – 6

### Ref 1: 2025 Rate Generator Model, Tab 11, RTSR- UTRs & Sub-Tx

OEB staff has made the following updates to Tab 18 of the Rate Generator Model:

Uniform Transmission Rates		2023 Jan to Jun		2023 Jul to Dec		2024 Jan to Jun		2024 Jul to Dec		2025
Rate Description	Unit	Rate		Rate		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

Hydro One Sub-Transmission Rates		2023		2024		2025
Rate Description	Unit	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

## Question(s):

- a) Please confirm the accuracy of these updates in the Rate Generator Model.

## Wasaga Distribution Response:

- a) Wasaga Distribution confirms the accuracy of these updates in the Rate Generator Model.

All of which is respectfully submitted this 3rd day of January 2025.

Wasaga Distribution Inc.



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Ashly Karamatic, CPA, CGA  
Manager, Finance & Regulatory