**Tillsonburg Hydro Inc.**

**EB-2024-0056**

**January 10, 2025**

Please note, Tillsonburg Hydro Inc. (Tillsonburg Hydro) 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*.

**Staff Question-1**

**Reference:**

1. 2025 IRM Rate Generator Model, Continuity Schedule, December 19, 2024
2. EB-2023-0053, 2024 Cost of Service DVA Continuity Schedule,

The table below prepared by OEB staff outlines the variances between the account balances reported in Reference 1 and Reference 2. Further, OEB staff notes a similar discrepancy in the opening interest amount reported for Account 1508, Sub-account Class B compared the the closing interest amount reported in Reference 2.



**Question(s):**

1. Please confirm OEB staff’s observation.
2. Please explain the discrepancies and provide a revised IRM Rate Generator Model, if necessary.

**Staff Question-2**

**Reference:**

1. 2025 IRM Rate Generator Model, Tab 3, Continuity Schedule, December 19, 2024

**Preamble:**

On December 11, 2024, the OEB published the 2025 Quarter 1 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.

The applicable rate of interest for deferral and variance accounts for the respective period is prescribed by the OEB and published on the [OEB website.](https://www.oeb.ca/regulatory-rules-and-documents/rules-codes-and-requirements/prescribed-interest-rates)

OEB staff has compiled the following table for the projected interest based on the published OEB prescribed interest rates and the filed application.



**Question(s):**

1. Please confirm OEB staff’s calculation and explain the variances.
2. Please provide the updated 2025 IRM Rate Generator Model Tab 3 (Continuity Schedule) as applicable to reflect the latest OEB prescribed interest rate and the revised closing principal balance in Staff Question-1.

**Staff Question-3**

**Reference:**

1. 2025 GA Analysis Workform, Account 1588 Tab, December 19, 2024

**Question(s):**

1. The annual Account 1588 balance relative to the cost of power is expected to be small. If it is greater than +/-1%, an explanation should be provided. Please explain the 1.1% reported for 2022 in Reference 1.

**Staff Question-4**

**Reference:**

1. Manager’s Summary, pages 4-5
2. Chapter 3 Filing Requirements for 2024 Electricity Distribution Rate Applications, page 16

In Reference 1, Tillsonburg Hydro confirms that residual balances in Account 1595 sub-accounts being disposed of through this application have only been disposed of once and are being disposed of two years after the expiry of the rate rider. Additionally, Tillsonburg Hydro states that the difference between the 2.1.7 RRR and the Continuity Schedules for Account 1595 2018 and pre-2018 is -$20,473 which is a result of historical amounts for 1595 composed of the remaining balances from 2015, 2016, and 2017.

Reference 2 states that the eligibility criteria for disposition of Account 1595 sub-accounts depends on the distributor’s rate year. For example:

* January 1 rate year – If 2020 rate riders expire on December 31, 2020, the balance of sub-account 1595 (2020) is eligible to be disposed of after the account balance as of December 31, 2022, has been audited. Therefore, sub-account 1595 (2019) would be eligible for disposition in the 2024 rate year.
* May 1 rate year – If 2020 rate riders expire on April 30, 2021, the balance of sub-account 1595 (2020) is eligible to be disposed of after the account balance as of December 31, 2023, has been audited. Therefore, sub-account 1595 (2020) would be eligible for disposition in the 2025 rate year.

**Question(s):**

1. Please provide the breakdown of the 1595 account balance for the historic years 2015, 2016, 2017, and 2018.
2. Please provide Tillsonburg Hydro’s consideration on the eligibility of the disposal request for Sub-account 1595 (2018 and pre-2018).

**Staff Question-5**

**Reference:**

1. 2025 IRM Rate Generator Model, Tab 4, Billing Det. For Def-Var, December 19, 2024

**Question(s):**

1. Please validate if volumetric data has been checked. (The checkbox at the top of Tab 4 has not been checked.)

**Staff Question-6**

**Reference:**

1. 2025 IRM Rate Generator Model, Tab 4, Billing Det. For Def-Var, December 19, 2024

**Question(s):**

1. Please confirm the total claim amount for threshold test and confirm if the claim meets the threshold test.
2. Please provide detailed reasoning if the confirmed balances in a) have not met the threshold test, but Tillsonburg Hydro is seeking disposition of the balance.

**Staff Question-7**

**Reference:**

1. 2025 IRM Rate Generator Model, Tab 9, Shared Tax – Rate Rider, December 19, 2024
2. EB-2023-0053, 2024 Cost of Service Cost Allocation Model, Tab I6.1 Revenue and I6.2 Customer Data

**Question(s):**

1. OEB staff notes an inconsistency in Reference 1 columns C through H with the last OEB-approved Cost of Service in Reference 2. Please explain the discrepancies and provide a revised IRM Rate Generator Model, if necessary.

**Staff Question-8**

**Reference:**

1. 2025 IRM Rate Generator Model, Tab 11, RTSR - UTRs and Sub-TX, December 19, 2024
2. 2025 IRM Rate Generator Model, Tab 12, RTSR - Historical Wholesale, December 19, 2024

**Preamble:**

OEB staff notes an inconsistency in the values reported in Tab 12, with respect to the values that are provided on Tab 11 “RTSR - UTRs and Sub-TX”.



**Question(s):**

1. Please explain the inconsistency in the IESO, Hydro One Networks Inc. rates between Tab 11 and Tab 12.

**Staff Question-9**

**Reference:**

Along with the issuance of OEB Staff Questions, the 2025 IRM Rate Generator Model was adjusted to reflect the impacts of changes in UTR/RTST (Tab 11), Time of Use RPP Prices, Rural or Remote Electricity Rate Protection Charge (RRRP), Percentages and OER rate (Tab 18), and microFIT charge.

**Question(s):**

1. Please confirm the accuracy of the updates to the Rate Generator Model.