



January 28, 2025

Registrar
Ontario Energy Board
2300 Yonge Street
Toronto, Ontario M4P 1E4

Dear Ms. Marconi, Registrar:

**Re: Orangeville Hydro Limited
Application for 2025 Electricity Distribution Rates – EB-2024-0048
Responses to OEB Staff Questions**

Please find enclosed Orangeville Hydro's responses to OEB Staff Questions received.

An updated excel IRM Rate Generator Model and GA Analysis Workform have been included with this submission, along with three additional supporting files.

- OHL_IRR_Staff_Question-5_20250128
- OHL_IRR_Staff_Question-17_20250128
- OHL_IRR_Staff_Question-18_20250128

Please contact me if you have any questions on this matter.

Yours truly,

A handwritten signature in black ink that reads "Amy Long".

Amy Long
Chief Financial Officer
Amy.long@orangevillehydro.on.ca
519-942-8000

**Orangeville Hydro Limited
EB-2024-0048
January 14, 2025**

Please note, Orangeville Hydro Limited (Orangeville 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

Ref. 1: 2025 IRM Rate Generator Model, Tab 3 Continuity Schedule

Preamble:

Orangeville Hydro's Account 1580 RSVA – Wholesale Market Service Charge and Account 1580 Variance WMS – Sub-account CBR Class both have variances between RRR and 2023 Balances.

Question(s):

- a) Please provide an explanation for the noted variances in Orangeville Hydro's Account 1580 RSVA – Wholesale Market Service Charge and Account 1580 Variance WMS – Sub-account CBR Class.

Response

As noted in the Manager's Summary, the variance amount shown in cell BW23 on Tab 3. Continuity Schedule for RSVA – Wholesale Market Service Charge relates solely to how the Variance WMS – Sub-account CBR Class B information is presented in Tab 3. Continuity Schedule. There is no difference between RRR and the Wholesale Market Service Charge amounts reported in the 2025 Rate Generator Model. The variance of \$1,572 is offset by the variance in Sub-account CBR Class B of the opposite amount.

Staff Question-2

Ref. 1: 2025 IRM Rate Generator Model, Tab 3 Continuity Schedule

Preamble:

On December 11, 2024, the OEB published the Q1 2025 prescribed accounting interest rate 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) of the Rate Generator Model, as necessary, to reflect the Q1 2025 OEB-prescribed interest rate of 3.64%.

Response

Tab 3 (DVA Continuity Schedule) of the Rate Generator Model, has been updated to reflect the Q1 2025 OEB-prescribed interest rate of 3.64%. An updated IRM Rate Generator file is being filed with responses to OEB staff questions.

Staff Question-3

Ref. 1: 2025 IRM Rate Generator Model, Tab 4 Billing Det. for Def-Var

Preamble:

The data in Tab 4 of the IRM Rate Generator Model is populated using Orangeville Hydro's most recent RRR filing. Orangeville Hydro has not confirmed the accuracy of the data in Tab 4.

Question(s):

- a) Please confirm whether Orangeville Hydro agrees with the accuracy of the data in Tab 4 of the IRM Rate Generator Model. Please include an updated IRM Rate Generator Model as part of the response.

Response

Orangeville Hydro agrees with the accuracy of the data in Tab 4 of the IRM Rate Generator Model. Cell J4 of Tab 4 of the IRM Rate Generator Model has been updated.

Staff Question-4

Ref. 1: 2025 IRM Rate Generator Model, Tab 4 Billing Det. for Def-Var

Preamble:

When residual balances of Account 1595 sub-accounts are being requested for disposition, the distributor needs to populate the percentage allocations by customer class. These allocations should be derived from the information used to establish the rate riders originally. Orangeville Hydro has provided Account 1595 (2020 sub-account) recovery proportions in Tab 4 of the IRM Rate Generator Model.

Question(s):

- a) Please identify the source for the Account 1595 (2020 sub-account) recovery proportions filed. In the response, please identify the relevant document, section, tab and/or cell references, as required.

Response

The calculations for Account 1595 (2020 sub-account) recovery proportions are shown below.

Rate Class	2020		
	Total Claim	% of total claim	Account 1595 Residual Balance Allocated
RESIDENTIAL SERVICE CLASSIFICATION	\$ 119,218	34%	\$ 4,425.75
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	\$ 64,686	18%	\$ 2,343.04
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION	\$ 153,428	44%	\$ 5,727
SENTINEL LIGHTING SERVICE CLASSIFICATION	\$ 429	0%	-
STREET LIGHTING SERVICE CLASSIFICATION	\$ 12,383	4%	\$ 521
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	\$ 478	0%	-
	\$ 350,623	100%	\$ 12,095
	From 2020 Rate Generator		From 2025 Rate Generator
			This value has been updated from original submission due to update in 2025 interest rate

The total claim amount of \$350,623 was obtained from the file OHL_2020 IRM Generator Model_20200219 found here: [OHL 2020 rate submission](#). The \$350,623 was the sum of cells G17:W24 in Tab 5. Allocating Def-Var Balances, split out accordingly by customer class. The % of total claim is a calculation of the Total Claim by Customer Class amount divided by the Total Claim of \$350,623. The Account 1595 Residual Balance Allocated allocates the total 2025 Account 1595 claim of \$12,095 (updated from original submission due to the update in Q1 2025 interest rate) by the % of total claim by customer class.

Staff Question-5

Ref. 1: 2025 IRM Rate Generator Model, Tab 16.1 LV Expense

Preamble:

Orangeville Hydro prorated select Low Voltage Expenses for the month of February to 0.0920548. All service points for the month of February were prorated with the exception of service point 10378913.

Question(s):

- (a) Please explain the rationale for prorating Low Voltage Expenses for the month of February to 0.0920548. In the response, please include the necessary evidence and/or calculations used in deriving the 0.0920548 proration factor.
- (b) Please explain why the 0.0920548 proration factor was not applied to the amounts associated with service point 10378913.

Response

The values and calculations provided in the IRM Rate Generator Model are directly from the invoice received from Hydro One Networks. Please see Hydro One invoice attached as OHL_IRR_Staff_Question-5_20250128. The rate used for the LV Expense calculations was correct at .920548. The comments in Tab 16.1 LV Expense was incorrect at .0920548. The total expense for February 2023 in the Tab 16.1 LV Expense in the IRM Rate Generator Model was accurate and matched the Hydro One Invoice.

Staff Question-6

Ref 1: 2025 IRM Rate Generator Model, Tab 18 Regulatory Charges & Tab 21 Bill Impacts

Ref 2: Decision and Order Regulatory charges effective January 1, 2025, for the Wholesale Market Services rate and the Rural or Remote Electricity Rate Protection charge, EB-2024-0282, December 10, 2024

Preamble:

Distributors must enter the applicable rates in the IRM Rate Generator Model for the Rural or Remote Electricity Rate Protection Charge (RRRP). These rates must align with the most recent rates and charges issued by the OEB.

Question(s):

- a) OEB staff has updated the RRRP rate rider. Please confirm the RRRP rate on Tab 18 Regulatory Charges has been updated correctly.

[Response](#)

The RRRP rate on Tab 18 Regulatory Charges in the IRM Rate Generator Model has been updated correctly based on the rates included in the OEB Decision EB-2024-0282. [EB-2024-0282 - Decision | Ontario Energy Board](#).

Staff Question-7

Ref. 1: 2025 IRM Rate Generator Model, Tab 21 Bill Impacts

Preamble:

Orangeville Hydro has requested an increase of greater than 6% to the RTSR – Network charge for all rate classes.

Question(s):

- a) Please explain and elaborate on the reasoning for the change in the RTSR rates being sought. In the response, please describe the contributing factors that resulted in the reason for the proposed change, and provide any evidence and/or calculations, as required.

[Response](#)

The RTSR rates have increased by more than 6% due to the increase in Hydro One 2025 Sub-Transmission Rates. The Hydro One Sub-Transmission rates on Tab 11 in the IRM Rate Generator Model were updated based on the OEB letter sent on November 1, 2024 “2025 Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates” for “OEB File Number: EB-2024-0244” [2025 Preliminary UTRs Letter Hydro One 20241101 eSigned.PDF](#)

Staff Question-8

Question(s):

- (a) Upon completing all the questions below, please file an updated IRM Rate Generator Model, including DVA continuity schedule, and GA Analysis Workform that reflects the responses.

[Response](#)

An updated IRM Rate Generator Model, including DVA continuity schedule, and GA Analysis Workform that reflects the responses has been submitted.

- (b) Please provide an explanation if any of the threshold tests are not met in the GA Analysis Workform.

[Response](#)

Account 1589 Global Adjustment has met the threshold tests. Account 1588 Power is explained in Staff Question-12.

Staff Question-9

**Ref. 1: Chapter 3 - Filing Requirements for Electricity Distribution Rate
Applications Filed in 2024 for Rates Taking Effect in 2025, June 18, 2024,
Page 14**

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

Ref. 3: EB-2022-0056, [Dec rate order Orangeville IRM 20230323](#), Page 12

Preamble:

Chapter 3 of the Filing Requirements in Ref 1 states that:

When the OEB approves the disposition of [Deferral and Variance Account (DVA)] balances, the approved amounts of principal and carrying charges are transferred to Account 1595 for that rate year.

OEB staff observes that the principal and interest amounts in Sub-account 1595 (2023) in Ref 2 do not match the total amounts approved by the OEB for disposition in Ref 3.

OEB staff compiled the following table to show the difference illustrated above.

	Principal	Interest
Sub-account 1595 (2023) OEB Approved Disposition during 2023– Ref 2	0	0
2023 IRM Application – Ref 3	1,200,575	31,119

Question(s):

- (a) Please confirm OEB staff's observation in the table above or revise the table as applicable.

[Response](#)

Orangeville Hydro confirms OEB staff's observation. See response in (b).

(b) Please provide an explanation for the discrepancy.

Response

The total disposition for Group 1 Accounts on page 10 of Orangeville Hydro's 2023 Decision and Rate Order (EB-2022-0056) is \$1,231,694 (\$1,200,575 principal and \$31,119 interest). Additionally, on page 14 of Orangeville Hydro's 2023 Decision and Rate Order (EB-2022-0056), the LRAM balance of \$124,351 (\$122,268 principal and \$2,083 interest) was also transferred to Account 1595. As a result, \$1,322,843 was allocated to the principal portion of the 2023 OEB-Approved Disposition and the \$33,202 balance was allocated to the interest portion of the 2023 OEB-Approved Disposition. These balances have been included on the 2025 IRM Rate Generator model.

	Principal	Interest	Total
Group 1 DVA disposition	1,200,575	31,119	1,231,694
LRAM disposition	122,268	2,083	124,351
Total	1,322,843	33,202	1,356,045

The total 2025 claim amount did not change. Orangeville Hydro has ensured that all 1595 disposition balances have been included on the DVA Continuity Schedule in the updated IRM Rate Generator Model.

Staff Question-10

Ref. 1: [Decision 2020 IRM 20200416](#), section 7, page 10

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

Preamble:

In Ref 1, the OEB approves the disposition of a debit balance of \$275,060 as of December 31, 2018, including interest projected to April 30, 2020 for Group 1 accounts on a final basis. Regarding Accounts 1588 and 1589, the OEB approves the disposition as of December 31, 2016, including interest projected to April 30, 2020.

In Ref 2, OEB staff notes that Account 1595 Sub account (2020) does not indicate the approved disposition amount per Ref 1 above in both column AA and column AF.

Question(s):

(a) Please confirm OEB staff's observation.

Response

OHL confirms OEB staff's observation that Account 1595 (2020) does not indicate the approved disposition amount per Ref 1.

(b) Please provide an explanation for the discrepancy and revise the schedule as applicable.

Response

The total disposition for Group 1 Accounts on page 10 of Orangeville Hydro's 2020 Decision and Rate Order (EB-2019-0060) is \$275,060 (\$263,593 principal and \$11,467 interest). Additionally, on page 12 of Orangeville Hydro's 2020 Decision and Rate Order (EB-2019-0060), the LRAM balance of \$62,429 (\$60,091 principal and \$2,338 interest) was also transferred to Account 1595. As a result, \$323,684 was allocated to the principal portion of the 2020 OEB-Approved Disposition and the \$13,805 balance was allocated to the interest portion of the 2020 OEB-Approved Disposition. These balances have been included on the DVA Continuity Schedule of the 2025 IRM Rate Generator model.

	Principal	Interest	Total
Group 1 DVA disposition	263,593	11,467	275,060
LRAM disposition	60,091	2,338	62,429
Total	323,684	13,805	337,489

The total 2025 claim amount did not change.

(c) If not confirmed, please provide explanation.

Response

Not applicable, see response to (b).

Staff Question-11

Ref. 1: Orangeville Hydro's 2024 Cost of Service Application, EB-2023-0045, [OHL Exhibit 9 DVA 20231101](#), section 9.1.1.3, pages 17 & 21; Appendix 9-D, page 5

Ref. 2: 2025 IRM Rate Application, section 3.2.6.1

Preamble:

In Ref 1, Exhibit 9 includes Appendix 9-D which is the Report of OEB Inspection of Group 1 DVA account 1588 and 1589. The OEB's Inspection and Enforcement department conducted an inspection of Orangeville Hydro's Group 1 deferral and variance accounts 1588 (RSVA Power) and 1589 (RSVA Global Adjustment) for the period of January 1, 2017 to December 31, 2020. The report summarized the adjusted balance as of December 31, 2020 is a debit of \$326,372 for Account 1588 and a debit of \$514,399 for Account 1589 per the following table.

	Acct 1588	Acct 1589
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Adjusted Principal Balance as of 2020 after Inspection	309,637	473,631
Interest Balance as of 2020	16,735	40,768
Account Balance as of 2020	326,372	514,399

Orangeville Hydro states that the balance requested for disposal of Account 1589, including forecasted carrying charges is a debit of \$30,052.46, which does not reconcile with the 2022 2.1.7 RRR amounts since Orangeville Hydro has made the principal adjustments in the amount of (\$727,408) related to the CT148 true-up from 2017-2022. Orangeville Hydro is requesting final disposition of the balances to December 31, 2020, as these balances were included in the OEB inspection.

Orangeville Hydro states that the balance requested for final disposal of Account 1588, including forecasted carrying charges is a debit of \$307,732.37, which does not reconcile with the RRR since Orangeville Hydro has made the principal adjustments in the amount of \$318,635 related to the CT148 and 1142/142 true-ups from 2017-2022. Orangeville Hydro is requesting final disposition of the balances to December 31, 2020, as these balances were included in the OEB inspection.

As per the 2024 DVA Continuity Schedule filed with the 2024 settlement proposal, OEB staff observes that the disposed balance for Account 1589 RSVAGA was \$303,045 and the disposed balance for Account 1588 RSVA-Power was \$30,052, which were both based on December 31, 2022 principal balances plus the carrying charges.

In Ref 2, Orangeville Hydro states that the OEB approved final disposition of balances of all Group 1 Deferral and Variance accounts from December 31, 2017 up to December 31, 2022 in its last Cost of Service Application (EB-2023-0045).

Per Ref 1 and Ref 2 above, there is a contradiction of what Orangeville Hydro has provided in the evidence.

Question(s):

- a) Please explain the contradiction identified above and confirm whether the last final disposition of both Account 1589 RSVAGA and Account 1588 RSVA-Power are the balance as of December 31, 2020.

Response

OHL confirms that the last final disposition of both Account 1589 RSVA-GA and Account 1588 RSVA-Power are the balances as of December 31, 2020 as these balances were included in the OEB inspection. The IRM Rate Generator Model and the GA Workform have been updated with 2020 as the last final disposition of both Account 1589 RSVAGA and Account 1588 RSVA-Power.

Staff Question-12

Ref. 1: 2025 GA Workform, Tab Account 1588

Ref. 2: Instructions for completing GA Analysis Workform-2025 rates

Preamble:

Per Ref 1, OEB staff notes Account 1588 as percentage of Account 4705 is greater than 1% per the reasonability test.

Per Ref 2, the requirement in the GA Analysis Workform instructions states that the Workform also compares the annual Account 1588 variance to the Cost of Power purchased in that respective year in Tab “Account 1588”, Annual Account 1588 variances greater than +/- 1% of the Cost of Power purchased for that year must be explained.

Question(s):

- a) Please explain why Account 1588 as percentage of Account 4705 is greater than 1% per the reasonability test.

Response

Although Account 1588 as percentage of Account 4705 is greater than 1% per the reasonability test in 2023, the cumulative reasonability % over a three-year period is 0.1%, which is significantly below the 1% threshold. Additionally, the average for 2022 and 2023 of -0.2% is also significantly below the 1% threshold.

Account 1588 Reasonability Test

Year	Account 1588 – RSVA Power			Account 4705 – Power Purchased	Account 1588 as % of Account 4705
	Transactions ¹	Principal Adjustments ¹	Total Activity in Calendar Year		
2021	- 309,001	360,288	51,287	17,453,964	0.3%
2022	- 63,912	259,858	195,946	20,735,581	0.9%
2023	- 195,866	245	195,621	17,176,712	-1.1%
Cumulative	- 568,779	620,391	51,612	55,366,257	0.1%

Staff Question-13

Ref. 1: 2025 GA Workform, Tab GA 2023, Note 4

Question(s):

- a) In Ref 1, please provide an explanation in the text box (a) of why columns G and H for unbilled consumption are not used in Note 4.

Response

An explanation in the text box (a) of why columns G and H for unbilled consumption are not used in Note 4 has been added to the 2025 GA Workform. Orangeville Hydro bills on a calendar month (i.e. consumption used in December is billed in January). Orangeville Hydro posts the January billings as the unbilled for December in the GL. As a result, no unbilled consumption is required for the purposes of the GA Workform.

Staff Question-14

Ref. 1: 2025 IRM Rate Generator Model, Tab 6 Class A Consumption Data, Table 3b

Ref. 2: 2025 GA Analysis Workform, Tab GA 2023, Note 2

Preamble:

Per Ref 1, the total volume of Class A customers in 2023 is 63,618,751 kWh.

Per Ref 2, the volume of Non-RPP Class A is 66,848,427 kWh.

The volume difference of Class A in 2023 between Ref 1 and Ref 2 is 3,229,676 kWh.

Question(s):

- a) Please explain/reconcile the noted difference above and update the evidence as applicable.

[Response](#)

The difference between these amounts of 3,229,676 relates to the one (1) transition customer who was Class A for July to December 2023. Based on the instructions for table 3b on Tab 6 of the IRM Rate Generator Model (shown below), consumption for transition customers should not be included in the year of transition.

3b **Enter the number of rate classes in which there were customers who were Class A for the full year during the period the Account 1589 GA or Account 1580 CBR B balance accumulated (i.e. from the year after the balance was last disposed per #1a/1b above to the current year requested for disposition).**
In the table, enter the total Class A consumption for full year Class A customers in each rate class for each year, including any transition customer's consumption identified in table 3a above that were Class A customers for the full year before/after the transition year (E.g. If a customer transitioned from Class B to A in 2021, exclude this customer's consumption for 2021 but include this customer's consumption in 2022 as they were a Class A customer for the full year).

Staff Question-15

Ref. 1: 2025 GA Analysis Workform, Tab Principal Adjustments, Note 9

Ref. 2: 2025 IRM Rate Generator Model

Ref. 3: 2025 GA Analysis Workform, Tab GA 2023

Preamble:

In Ref 1, Orangeville Hydro indicates “s/b an explanation, not a PA” in column K for Account 1589 RSVAGA: Item 3 (2016 1st GA to final GA), Item 4 (2016 Difference in GA IESO posted rate and rate paid) and Item 5 (2021 Customer moved to RPP). The total amount of the three items above is \$298,832. These three items are not shown on the Tab “GA 2023” for the 2023 reasonability test for Account 1589.

It also indicates “s/b an explanation, not a PA” in column W for Account 1588 RSVA Power: Item 4 (2021 Underbilled customer due to wrong meter multiplier) (\$42,385)

In Ref 2, the 2023 principal adjustment shows a credit of \$42,140 for Account 1588 RSVA Power and a debit \$298,832 for Account 1589 RSVAGA.

In Ref 3, Orangeville Hydro excludes one reconciling item from the 2023 GA reasonability test and indicates this is not principal adjustment on the continuity, which is reproduced by OEB staff as below:

7	IESO CT 2148 Class B GA PP Correction Settlement Amount	\$227,671	Billing correction completed in 2023 for prior periods of 2021 and 2022
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Question(s):

- (a) Please explain why the three items on Tab “Principal adjustment” in 2023 for a total of \$298,832 are not on the Tab “GA 2023” for the reasonability test.

Response

The three items for a total of \$298,832 are reversals of PAs from prior years, as shown below. They were not posted in 2023 Global Adjustment GL, and do not relate to fiscal 2023, therefore should not be included on the Tab “GA 2023” for the reasonability test.

Year	Account 1589 - RSVA Global Adjustment			Original PA Year	Reversing PA Year
	Adjustment Description	Amount	Year Recorded in GL		
2023	Reversals of prior approved principal adjustments (auto-populated from table above)				
	1 2016 year end unbilled to actual revenue differences (2016 PA)	200,868	Never recorded in GL	2016	2023
	2 2016 Difference in GA IESO posted rate and rate paid (2016 PA)	351	Never recorded in GL	2016	2023
	3 Customer moved from non-RPP to RPP (2021 PA)	97,613	2021	2021	2023
	Total	298,832			

- (b) Please confirm whether both \$298,832 and (\$42,385) in Ref 1 are principal adjustments for 2023 current year or not.

Response

The three items for a total of \$298,832 are reversals of Principal Adjustments from prior years and therefore should be included as Principal Adjustments in 2023. They have been included on the DVA Continuity Schedule as Principal Adjustments. The (\$42,385) should be a Principal Adjustment in 2022, as this amount was included in the 2022 Power GL, and therefore the Principal Adjustment from 2021 needs to be reversed in 2022.

Account 1588 - RSVA Power					
Year	Adjustment Description	Amount	Year Recorded in GL	Original PA Year	Reversing PA Year
2023	Reversals of prior approved principal adjustments (auto-populated from table above)				
	6 Underbilled customer due to wrong meter multiplier	-42,385	2022	2021	2022

- (c) Please explain why Orangeville Hydro indicates “not a PA” in Ref 1 while actually includes both amounts in Ref 2 as a current year principal adjustment for 2023.

Response

The intent of the comment was to indicate that the amounts were not fiscal 2023 Principal Adjustments. It should have indicated that these amounts are reversals of prior year Principal Adjustments.

- (d) Please update the GA Analysis Workform as applicable based on the questions above.

Response

The GA Analysis Workform has been updated as applicable based on the questions above.

- (e) Please provide detailed information regarding the reconciling item of \$227,671 for the 2021 and 2022 billing corrections and explain how it related to IESO CT 2148.

Response

The \$227,671 relates to multiple post-final adjustments submitted to the IESO in 2023. Please see the table below for details. These amounts were posted to the GL in 2023 but relate to prior years. The amount shown below of \$235,026 related to a billing correction which was completed in 2023 and submitted to the IESO as a Class A post-final consumption adjustment. The billing correction occurred as a result of an incorrect meter multiplier for a Class A customer.

IESO Bill	Amount	Explanation
Feb-23	421.46	Issue 1309, Adjustment of Class B Global Adjustment due to change in reported embedded generation for October 2022
Apr-23	235,026.13	Issue 1327, Adjustment of Class B Global Adjustment due to change in reported Class A load for December 2020 to December 2022
Jun-23	(3,649.83)	Issue 1347, Adjustment of Class B Global Adjustment due to change in reported embedded generation for April 2023
Jul-23	4,297.25	Issue 1357, Adjustment of Class B Global Adjustment due to change in reported Class A load for December 2022
Jul-23	(8,424.07)	Reversal of Issue 1327, Adjustment of Class B Global Adjustment due to change in reported Class A load for December 2022
	227,670.94	Total amount of CT 2148 adjustments posted to GL in 2023

- (f) Please point out how this reconciling item of \$227,671 links to the reconciling item(s) on the 2020 and 2021 GA Analysis Workform.

Response

There are no corresponding reconciling items on the 2020 and 2021 GA Analysis Workform, related to this reconciling item of \$227,671, as these amounts were not posted to the 2020 or 2021 Global Adjustment GL.

- (g) Please explain why Orangeville Hydro excludes this \$227,671 as principal adjustment, while including it as a reconciling item?

Response

This amount was excluded as a principal adjustment as the billing adjustment and corresponding corrected submission to the IESO both took place in 2023. Therefore, no principal adjustment was required for prior years. Orangeville Hydro included this amount as a reconciling item, as explained above in Q15, part (e) and part (f).

Staff Question-16

Ref. 1: Orangeville Hydro's 2024 Cost of Service application,
[OHL 2024 DVA Continuity](#), Tab 2a

Ref. 2: 2025 IRM application, page 19

Ref. 3: [Letter-Retro-Ratemaking-Guidance-20191031](#), page 2

Preamble:

For Account 1588 RSVA Power, OEB staff notes the 2022 closing principal balance (\$277,575) in Ref 1 is different from the 2023 opening principal balance (\$579,818) that shows in Ref 2. OEB staff compiles the opening balances comparison with the ending balances in 2024 applications as below:

		Closing Balance as of Dec 31, 2022 per 2024 CoS application	Opening Bal at Jan 1, 2023 per 2025 IRM application	Opening Balance Difference
1588	Principal	\$277,575	\$579,818	\$302,243
	Interest	\$6,386	\$6,387	\$0
	Total	\$283,962	\$586,205	\$302,243
1589	Principal	\$623	\$623	\$0
	Interest	\$29,387	\$29,387	\$0
	Total	\$30,010	\$30,010	\$0

The discrepancy of \$302,243 shown in Account 1588's opening balance seems to be related to the reversal of 2020 principal adjustments, as shown in Table 11 in Reference 2. Staff also notes that the two adjustments in Table 11 are not included in the Principal Adjustment Tab for Account 1588.

Fiscal Year	Amount	Explanation	Additional details
2020	344,093	To reverse the 2020 CT1142 DVA PA from 2024 COS (EB-2023-0045) which was claimed from the IESO in November 2022. As this claim is now in the GL, the previous PA must be reversed.	This was claimed and included in 2022 GL but not reversed from the PA in 2022. This was included in the balance to be disposed in 2024 rates .
2020	(41,850)	To reverse the 2020 CT1142 DVA PA from 2024 COS (EB-2023-0045) which was claimed from the IESO in November 2022. As this claim is	This was claimed and included in 2022 GL but not reversed from

		now in the GL, the previous PA must be reversed.	the PA in 2022. This was included in the balance to be disposed in 2024 rates.
	302,243	Total	

Question(s):

- (a) Please confirm OEB staff's observation. Please provide an explanation for the discrepancy.

Response

OEB staff is correct, the 2022 closing principal balance (\$277,575) in Ref 1 is different from the 2023 opening principal balance (\$579,818) that shows in Ref 2. The discrepancy relates to three principal adjustments that were included in the 2025 IRM Application but were not in the 2024 IRM Application. In accordance with OEB Guidance in GA Analysis Workform Instructions - 2025 Rates, previous Principal Adjustments should be reversed when they are recognized in the GL.

Account 1588 - RSVA Power			
Year	Adjustment Description	Amount	Year Recorded in GL
2022	Reversals of prior year principal adjustments		
	1 Reversal of CT 148 true-up of GA Charges based on actual RPP volumes		
	2 Reversal of CT 1142/142 true-up based on actuals		
	3 Reversal of Unbilled to actual revenue differences		
	4 Remove CT 11142 true-up currently in GL	344,093	in GL 2022, reversal of 2020 PA
	5 Reversal of CT 1142/142 true-up based on actuals	(41,850)	in GL 2022, reversal of 2020 PA
	6 2021 Underbilled customer due to wrong meter multiplier	(42,385)	In GL 2022, reversal of 2021 PA
	7		
	8		
	Total Reversal Principal Adjustments	259,858	

- (b) Please clarify whether Orangeville Hydro revised the 2023 opening balance for Account 1588. If so, please address the rates retroactivity issue and address the four factors per Ref 3 in the OEB's letter issued on October 31, 2019.

Response

OHL confirms that Orangeville Hydro revised the 2023 opening balance for Account 1588. All of the Principal Adjustments were originally included as a Principal Adjustment prior to 2022, but were recorded in the GL in 2022. The Principal Adjustments should have been reversed in the DVA Continuity and Principal Adjustments tab of the GA Workform in the 2024 IRM Application, but they were not. There is no rates retroactivity impact, as this adjustment does not represent an adjustment to an account balance that was previously approved by the OEB on a final basis. Orangeville Hydro only seeks to reverse the Principal Adjustment in the GA Analysis Workform and the DVA Continuity according to the OEB's expectations. As a result, the four factors in Ref

3 of the OEB's letter issued on October 31, 2019 do not apply as there are no rates retroactivity concerns.

- (c) Please fill out an updated Account 1588 Generic reasonability test by incorporating the reconciling items.

Response

An updated Account 1588 Generic reasonability test in the GA Workform file has been submitted with the 2022 Principal Adjustments.

Staff Question-17

**Ref. 1: Orangeville Hydro's 2024 Cost of service application,
OHL 2024 GA Analysis Workform 20240313, Tab Principal Adjustment**

Preamble:

OEB staff notes there are certain principal adjustments which was recorded in the previous years and were not reversed in the following years.

Question(s):

- a) Please refer to the EXCEL worksheet named Orangeville Hydro Staff Questions Attachment 1 and give response to all the questions listed in the blue shaded area related to yellow highlighted amounts.

Response

In the Excel worksheet named OHL_IRR_Staff_Question-17_20250128, OHL has provided a response to all of the questions. All of the principal adjustments (PAs) recorded in 2016-2020 were actually reversed in 2020, but were grouped into one line item. OHL has referenced and summarized all GA and Energy PA reversals in their respective tables, as shown below.

Reversal of prior year 1589 GA PA's in 2020						Amount	Reference
2016	True-up of GA Charges based on Actual Non-RPP Volumes - 2016					40,580	GA-1
2017	CT 148 true-up of GA Charges based on actual Non-RPP volumes					415,220	GA-2
2017	Remove impact of Class A receivable from IESO - Bill customers at Class A					388,178	GA-3
2017	GA amount from IESO bill was posted to 1588 but should have been posted to					(196,392)	GA-4
2018	Reversal of wrong CT 148 true-up relating to 2017 in the 2018 GL					(784,240)	GA-5
2018	Reversal of wrong CT 148 true-up relating to 2016 in the 2018 GL					(21,304)	GA-6
2018	CT 148 true-up of GA Charges based on actual Non-RPP volumes					849,609	GA-7
2018	Reversal of wrong CT 148 2018 True-up of GA Charges posted in GL					(827,750)	GA-8
2019	CT 148 true-up of GA Charges based on actual Non-RPP volumes					87,052	GA-9
2019	Removal of Power/GA true up					(20,196)	GA-10
	Total					(69,244)	
	The reversal of prior year PA's in 2020 corresponds to this PA						
2020	Reversal of prior year CT-148 true-up of GA Charges based on actual Non-R					(69,244)	GA-11

Reversal of prior year 1588 Energy PA's in 2020					Amount	Reference
2016	True-up of Energy Charges based on Actual Non-RPP Volumes - 2016				(40,580)	Energy-1
2017	CT 148 true-up of GA Charges based on actual RPP volumes				(415,220)	Energy-2
2017	CT 1142/142 true-up based on actuals				149,896	Energy-3
2017	GA amount from IESO bill was posted to 1588 but should have been posted to				196,392	Energy-4
2018	CT 148 true-up of GA Charges based on actual RPP volumes				(849,609)	Energy-5
2018	Reversal of CT 1142/142 true-up based on actuals				(178,771)	Energy-6
2018	Reversal of 2016-2018 wrong CT148/CT1142 True-ups in 2018 GL				1,706,736	Energy-7
2019	CT 148 true-up of GA Charges based on actual RPP volumes				(87,052)	Energy-8
2019	Reversal of CT 1142/142 true-up based on actuals				279,718	Energy-9
2019	Removal of previously calculated GA/RPP true up				20,196	Energy-10
2020	Reversal of CT 1142 originally posted in GL in 2019				(357,206)	Energy-11
	Total				424,499	
	The reversal of prior year PA's in 2020 corresponds to this PA					
2020	Adjustment to CT 1142 for 2017-2019-This will need to be adjusted to a debit				424,499	Energy-12
2016	Adjusted IESO settlement with regards to RPP volumes				(4,140)	Energy-13
	The reversal of prior year PA's in 2020 corresponds to this PA					
	OEB inspection adjustments				4,386	Energy-14
	Difference, immaterial				246	

Staff Question-18

Ref. 1: Orangeville Hydro's 2024 Cost of Service application,
[OHL 2024 GA Analysis Workform 20240313](#), Tab Principal Adjustment

Ref. 2: 2025 Adjustment to 1588/1589 balance_20241122

Ref. 3: 2025 GA Workform, Tab GA 2023, Notes 3 & 4

Preamble:

Based on Ref 1 and Ref 2, OEB staff has compiled the following table summarizing the findings:

For Account 1589 – RSVA GA

Year	<u>Account 1589 - RSVA Global Adjustment</u>		
	Adjustment Description	Amount	Year Recorded in GL
2023	<i>Reversals of prior approved principal adjustments (auto-populated from table above)</i>		
	1 2016 year end unbilled to actual revenue differences (2016 PA)	200,868	2016
	2 2016 Difference in GA IESO posted rate and rate paid (2016 PA)	351	2016
	3 Customer moved from non-RPP to RPP (2021 PA)	97,613	
	4 CT 148 true-up of GA Charges based on actual Non-RPP volumes (2020 PA)	605,187	2021
	5 CT 148 true-up of GA charges currently in GL (2020 PA)	(304,017)	
	6 CT 148 true-up of GA Charges based on actual Non-RPP volumes (2021 PA)	317,903	2022
	Total Reversal Principal Adjustments	917,905	
2023	<i>Current year principal adjustments</i>		
	1 CT 148 true-up of GA Charges based on actual Non-RPP volumes		
	2 Unbilled to actual revenue differences		
	Total Current Year Principal Adjustments	-	
	Total Principal Adjustments to be Included on DVA Continuity Schedule/Tab 3 - IRM Rate Generator Model	917,905	

For Account 1588 – RSVA Power

	<u>Account 1588 - RSVA Power</u>
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Year	Adjustment Description	Amount	Year Recorded in GL
2023	<i>Reversals of prior approved principal adjustments (auto-populated from table above)</i>		
	1 CT 148 true-up of GA Charges based on actual RPP volumes (2020 PA)	(605,187)	2023
	2 Remove CT 148 true-up of GA charges currently in GL	304,017	
	3 CT 148 true-up of GA Charges based on actual RPP volumes	(317,903)	2022
	4 Remove CT 11142 true-up currently in GL	344,093	
	5 Reversal of CT 1142/142 true-up based on actuals	(41,850)	
	6 Underbilled customer due to wrong meter multiplier	(42,385)	2023
	7		
	8		
	Total Reversal Principal Adjustments	(359,216)	
2023	<i>Current year principal adjustments</i>		
	1 CT 148 true-up of GA Charges based on actual RPP volumes		
	2 CT 1142/142 true-up based on actuals		
	3 Unbilled to actual revenue differences		
	4 Immaterial difference cleared in 2024 GL.	245	2,024
	Total Current Year Principal Adjustments	245	
	Total Principal Adjustments to be Included on DVA Continuity Schedule/Tab 3 - IRM Rate Generator Model	(358,971)	

Question(s):

- (a) Please fill in the yellow highlighted cells above to indicate the year recorded in GL for the related amount.

[Response](#)

Please see the table in Excel file OHL_IRR_Staff_Question-18_20250128. All cells highlighted in blue have been updated from the original information provided by the OEB above.

- (b) In Ref 1, for \$605,187 - CT 148 true-up of GA Charges based on actual Non-RPP volumes (2020 PA), please explain why Account 1589 RSVAGA shows it was recorded in GL in 2021 while Account 1588 RSVA Power shows it was recorded in GL in 2023?

Response

In Ref 1, the Year recorded in GL was incorrect. The year recorded in GL should be 2024 for both Account 1588 RSVA Power and 1589 RSVA GA.

- (c) Per Ref 3, Orangeville Hydro billed customer using GA 1st estimate, please explain why there is no principal adjustments of the following items for the 2023 current year per the table above:

- Account 1589 - CT 148 true-up of GA Charges based on actual Non-RPP volumes
- Account 1589 - Unbilled to actual revenue differences
- Account 1588 - CT 148 true-up of GA Charges based on actual Non-RPP volumes
- Account 1588 - CT 1142/142 true-up based on actuals
- Account 1588 - Unbilled to actual revenue differences

Response

Any CT 148 and CT 1142/142 true ups relating to fiscal 2023 were posted in the GL in 2023, therefore no Principal Adjustments were required. There were no unbilled to actual revenue differences, as Orangeville Hydro bills on a calendar month (i.e. consumption used in December is billed in January). Orangeville Hydro books the January billings as the unbilled for December. As a result, no unbilled consumption is required for the purposes of the GA Workform.

- (d) Please explain why the items of c) above were part of principal adjustments during 2017 to 2021 while they are no longer applied for 2022 and 2023.

Response

True ups for CT 148 and CT 1142/142 took place after the fiscal year end was closed for 2017-2021, therefore Principal Adjustments were required. Account 1589 - Unbilled to actual revenue differences was used solely in the 2016 GA Workform as a removal of the difference from 1st estimate GA in unbilled to actual GA, which was incorrect. During the course of the OEB inspection of 2017-2020 balances, only one of the two unbilled to actual numbers from 2016 were reversed, where both should have been reversed. Orangeville Hydro never had Account 1588 – Unbilled to actual differences from 2017 to 2023.