



Ontario  
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**BY EMAIL**

August 19, 2025

Ritchie Murray  
Acting Registrar  
Ontario Energy Board  
2300 Yonge Street, 27th Floor  
Toronto ON M4P 1E4

Dear Ritchie Murray:

**Re: EB-2025-0209 Application for an Accounting Order**

In accordance with the Notice and Procedural Order No. 1, please find attached the Ontario Energy Board (OEB) staff interrogatories in the above proceeding. The applicant and intervenors have been copied on this filing.

Ottawa River Power Corporation's responses to interrogatories are due by September 3, 2025.

Any questions relating to this letter should be directed to Kelli Benincasa at [Kelli.Benincasa@oeb.ca](mailto:Kelli.Benincasa@oeb.ca) or at 416-440-7624. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

*Kelli Benincasa*

Kelli Benincasa  
Incentive Rate Setting

Encl.

**OEB Staff Interrogatories  
Ottawa River Power Corporation  
EB-2025-0209**

Please note, Ottawa River Power Corporation (ORPC) 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*.

**1-Staff-1**

**Ref: ORPC Deferral Account Request, July 11, 2025, p. 5**

Please explain whether ORPC is aware of any previously approved accounting orders by the OEB that address similar issues (e.g., formula/model errors or rate base corrections). If so, please identify these applications with references to the rate applications and elaborate on the similarities/differences in the fact pattern to ORPC's situation.

**1-Staff-2**

**Ref 1: ORPC Deferral Account Request, July 11, 2025– Proposal Section and Figure 7**

**Ref 2: ORPC\_AppendixJ\_Recalculated2022RRWF\_20250627 2.xlsm**

ORPC has proposed a methodology for calculating lost revenue based on the difference between recalculated and approved distribution rates applied to actual monthly consumption by rate class, adjusted for the price cap index. ORPC also indicates that this approach is intended as a placeholder.

Please clarify the following:

- a) Please explain the rationale for using actual monthly consumption data by rate class to calculate the revenue shortfall. How does ORPC ensure that this approach isolates the impact of the ICM exclusion from other factors such as weather, economic conditions, or customer growth?
- b) Please confirm whether ORPC considered using normalized or weather-adjusted consumption data instead of actual monthly consumption to calculate the revenue shortfall? If not, please explain why this approach was not pursued and how ORPC ensures that the use of actual data does not overstate or understate the impact of the ICM exclusion.
- c) Please confirm whether ORPC has considered using a hybrid approach (e.g., approved forecast for 2022 and actuals for subsequent years) or any other alternatives? If so, please explain why these were not adopted.

- d) Please recalculate the annual revenue requirement shortfall using the approved 2022 forecast consumption by rate class, rather than actuals. Include all supporting schedules and assumptions. Additionally, please provide a comparison table showing the difference between the originally filed figures and the recalculated results using this method.
- e) Please confirm that the current methodology is intended to support the request for account establishment and is not proposed as the final determination of the recoverable amounts.
- f) Please indicate whether ORPC intends to develop and propose a refined or alternative methodology for calculating lost revenue as part of its next rebasing application. If so, do you expect significant changes in terms of methodology and dollar value compared to what has been filed now?
- g) Please confirm whether ORPC expects to update the tracked balance in the deferral account retroactively if a different methodology is adopted at rebasing.

**1-Staff-3**

**Ref 1: ORPC Deferral Account Request, July 11, 2025 – Figure 7**

**Ref 2: ORPC\_AppendixJ\_Recalculated2022RRWF\_20250627 2.xlsm**

Please provide the detailed calculation supporting the Recalculated Target Return on Equity for 2022-2024 as shown in Figure 7 of the Deferral Account Request. Specifically:

- a) Please confirm whether ORPC has refiled the recalculated ROE figures for the years of 2022, 2023 and 2024 with the OEB under RRR 2.1.5.6? If yes, please provide its refiled ROE. If not, please provide the calculations of these revised ROE figures and provide ORPC's plan to refile its annual Reporting and Record-keeping Requirements (RRR) filings to reflect the recalculated ROE values.
- b) Please explain the implications of the recalculated 2022 over-earning in the context of the 2022 rate increase that was requested and approved by the OEB.
- c) Please explain to what extent ORPC attributes the recalculated over-earning to the correction of the rate base error? Please provide any supporting analysis.
- d) Please confirm whether ORPC has considered whether the recalculated over-earning affects the validity or fairness of the approved 2022 rates?

**1-Staff-4**

**Ref: ORPC Deferral Account Request, July 11, 2025 – Figure 7**

ORPC's recalculated 2022 ROE deviation of +3.50% exceeds the OEB's  $\pm 300$  basis point deadband. OEB staff notes that ORPC has its price cap increase approved in its 2023 to 2025 IRM applications.

Please provide ORPC's thoughts on the implication of 2022 over-earning and any rate adjustments needed.

**1-Staff-5**

**Ref: ORPC Deferral Account Request, July 11, 2025 – Page 8 (Accounting Treatment)**

Please file a standalone accounting order as a separate attachment to the application.

**1-Staff-6**

**Ref: ORPC Deferral Account Request, July 11, 2025 – Figure 4**

Please confirm the reason for the change in tax rate between the two scenarios in Figure 4.

**1-Staff-7**

**Ref: ORPC Deferral Account Request, July 11, 2025 – Page 5 (Alternatives Section)**

ORPC states that it considered alternative mitigation measures including immediate implementation of a rate rider and foregoing all or part of the lost revenues.

- a) Please explain the rationale for selecting the deferral account approach over other recovery options, including immediate implementation of a rate rider.
- b) Please confirm whether ORPC consider recovering only a portion of the lost revenues—rather than the full amount—as a way to balance fairness to ratepayers with its own financial recovery? If so, please describe how this option was evaluated and why it was ultimately not pursued.
- c) Please describe how ORPC assessed the fairness and reasonableness of its proposed recovery method, particularly in light of the recalculated 2022 ROE and associated over-earning.
- d) Please indicate whether ORPC intends to revisit these alternative recovery options in its next rate application, and under what circumstances?