

**OEB Staff Interrogatories  
Niagara-on-the-Lake Hydro Inc.  
EB-2025-0019**

Please note, Niagara-on-the-Lake Hydro Inc. (NOTL Hydro) 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*.

**Staff-1**

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

**Ref 2:** 2026 Application and Manager's Summary, Table 13, page 19.

**Preamble:**

On September 11, 2025, the OEB published the 2025 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 confirm that Tab 3 (Continuity Schedule) reflects the Q4 2025 OEB-prescribed interest rate of 2.91%. If not, please update Tab 3, as necessary.
- b. Please update Table 13 (1508 Large Use Deferral Account Continuity) in NOTL Hydro's 2026 Application, using the Q4 2025 OEB-prescribed interest rate of 2.91%.

**NOTL Hydro Response**

- a. Confirmed – 2.91% was utilized for Q4.
- b. Confirmed – 2.91% was utilized for Q4.

**Staff-2**

**Question(s):**

- a. In the instance the OEB releases any updated rates / charges (e.g., 2026 Uniform Transmission Rates) before NOTL Hydro provides its responses to OEB staff's interrogatories, please update the Rate Generator Model, as applicable, and identify the rates / charges that have been updated.

## **NOTL Hydro Response**

- a. Confirmed –NOTL Hydro will update the model if new rates are released. No new rates have been released at the time of this submission.

### **Staff-3**

**Ref 1:** 2026 Application, Section “3.2.6 Review and Disposition of Group 1 Deferral and Variance Account Balances, Sub-Section “Claimed Amounts”, page 14.

**Ref 2:** 2026 Application, Section “3.2.4 Electricity Distribution Retail Transmission Service Rates”, pages 8-9.

Per Ref 1, NOTL Hydro states that \$242,327 of the variance account balance requested for disposition relates to Network and Connection charges and that the majority of this amount is the result of the double-peak billing issues (see Ref 2). NOTL Hydro also states that it has made a written request to Hydro One Networks Inc. (Hydro One) to be reimbursed for the double-peak charges for the occurrences in 2024. Hydro One has indicated that it will not be responding to this request until a decision is made concerning double-peak billing issues in the Uniform Transmission Rates – Phase 2 (EB-2022-0352) hearing.

OEB staff notes that NOTL Hydro has included the double-peak billing amount in Account 1584 and Account 1586 for disposition in the application.

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

- a. Please provide the breakdown of account balances in Account 1584 and Account 1586, respectively, for the following:
- i. the balances in each account related to the double-peak billing impact; and
  - ii. the other balances not related to double-peak billing.
- b. Please comment on the following regarding the statement that “Hydro One has indicated they will not be responding to this request until a decision in the above-mentioned hearing has been made” (Ref 1):
- i. What is the likelihood that Hydro One is not going to refund any amount to NOTL Hydro for the double-peak billings in 2024?
  - ii. What is the likelihood that Hydro One will refund less than the incurred double-peak billing value to NOTL Hydro?
  - iii. Does the quoted statement mean that there is uncertainty in the timing of the refund, rather than the quantum of the refund?
- c. In the context of the response provided to question b above, please provide NOTL Hydro’s thoughts on not disposing of Account 1584 and Account 1586 balances in this application to avoid potential rate volatility, given that the double-peak billing amount in 2024 appears to be material.

## NOTL Hydro Response

- a. The table below represents NOTL Hydro's best estimate of the impact of the double peak billing

	<b>Account 1584</b>	<b>Account 1586</b>	<b>Total</b>
Total Claim	220,998	21,329	242,327
Double -peak billing impact	231,989	44,395	276,384
Other	(10,991)	(23,066)	(34,057)

b.

- i. Unfortunately, Hydro One history demonstrates that it feels entitled to retain incremental revenue earned as a result of its own outages so NOTL Hydro regards the likelihood that Hydro One is not going to refund any amount to NOTL Hydro for the double-peak billings in 2024 as very high.
  - ii. Unfortunately, Hydro One history demonstrates that it feels entitled to retain incremental revenue earned as a result of its own outages, so NOTL Hydro regards the likelihood that Hydro One is not going to refund any amount to NOTL Hydro for the double-peak billings in 2024 as very high.
  - iii. There is uncertainty as to whether there will be any refund, let alone the quantum given that Hydro One's history demonstrates that it feels entitled to retain incremental revenue earned as a result of its own outages.
- c. Given that Hydro One's history demonstrates that it feels entitled to retain incremental revenue earned as a result of its own outages, it would be imprudent for NOTL Hydro not to dispose of Account 1584 and Account 1586 balances in this application as this would simply defer the recovery for another year which would result in incremental interest costs and potentially higher recoveries should there be more Hydro One outages resulting in double peak billing in 2025.

### **Staff-4**

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

**Ref 2:** Commodity Accounts Analysis Workform, Tab 2, GA 2024.

OEB staff compiled tables below based on the evidence filed in the application:

	<b>Per RGM</b>	<b>Per Commodity WF</b>	<b>Variance</b>
<b>Principal Transaction in 2024</b>	\$ 36,876	\$ 39,062	\$ (2,187)
<b>kWh</b>	<b>Per RGM</b>	<b>Per Commodity WF</b>	<b>Variance</b>
<b>Non-RPP Class A</b>	90,862,516	90,832,851	29,665
<b>Non-RPP Class B</b>	75,106,882	75,136,547	(29,665)
<b>Total Non-RPP</b>	165,969,398	165,969,397	0

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

- a. Please confirm OEB staff's observation above and provide the reasons for the two discrepancies. Please update the Commodity Accounts Analysis Workform

and/or Rate Generator Model, if applicable.

### NOTL Hydro Response

- a. Confirmed, a revised Commodity Accounts Workform submitted with these responses.

#### Staff-5

**Ref 1:** 2026 Rate Generator Model, Tab 4, Billing Det. for Def-Var.

**Ref 2:** 2021 Rate Generator Model, Tab 5, Allocating Def-Var Balances.

OEB staff compiled the below table comparing the 1595 Recovery Portion (2021) and 1595 Recovery Portion (2022) in the 2026 Rate Generator Model and the proportion of allocation by rate class in the 2021 Rate Generator Model.

The Decision and Rate Order (EB-2020-0042) relating to the 2021 Rate Generator Model states that the final rate riders and payments will be in effect from May 1, 2021 to April 30, 2022.

Rate Class	Per Ref 1		Per Ref 2	
	1595 Recovery Portion (2021)	1595 Recovery Portion (2022)	% of Total kWh	% of Customer Numbers
RESIDENTIAL SERVICE CLASSIFICATION	75%	34%	32.7%	85%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	-1%	17%	18.4%	15%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	63%	37%	37.2%	0%
LARGE USE SERVICE CLASSIFICATION	33%	11%	11.3%	0%

Rate Class	Per Ref 1		Per Ref 2	
	1595 Recovery Portion (2021)	1595 Recovery Portion (2022)	% of Total kWh	% of Customer Numbers
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	0%	0%	0.1%	0%

a. Please provide the rationale for how NOTL Hydro arrived at the 1595 Recovery Portion values for 2021 and 2022. Please update the 2026 Rate Generator Model, if applicable.

a. Please see charts below for calculations:

[illegible]