RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY SEC-2

[p.14] Please provide the following information, for each of the four errors (paragraphs 25 a through d):

i. For each account, the amounts sought for recovery/refund by rate class, broken down by principal, interest, and total amount.

ii. Bill impacts by rate class.

RESPONSE:

i. Please see the tables below, as updated October 9, 2025, to reflect only the outstanding accounts remaining in this proceeding as of the date of filing (i.e. Accounts 1588, 1589 and 1550). The amounts presented below reflect the most current balances requested for disposition, as updated May 2, 2025[1].

Error #1: Related to Accounts 1588 & 1589 from 2016 to 2023

Account		Principal Balance Dec 31 2023	Total Interest to Apr 30 2025	Total Claim
RSVA - Power (excluding Global Adjustment)	1588	-3,115,786	-511,050	-3,626,836
RSVA - Global Adjustment	1589	-2,834,512	-613,549	-3,448,061
Total		**-5,950,298**	**-1,124,599**	**-7,074,897**

[1] Supplemental OEB Staff IRR 1 with respect to Accounts 1588 and 1589; Supplemental OEB Staff IRR 7 with respect to Accounts 1588 and 1589

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Allocation By Class	1588	1589
Residential	-1,508,444	-115,334
General Less Than 50 Kw	-450,829	-457,908
General 50 To 4,999 Kw	-901,147	-2,767,080
Unmetered Scattered Load	-3,892	-8,415
Sentinel Lighting	-2,138	-2,541
Street Lighting	-18,573	-96,783
Embedded Distributor	-741,813	0
Total	**-3,626,836**	**-3,448,061**

Error #2: Related to Accounts 1550[2]

Account		Principal Balance Dec 31 2023	Total Interest to Apr 30 2025	Total Claim
LV Variance Account	1550	1,102,392	149,225	1,251,617

Allocation By Class	1550
Residential	515,706
General Less Than 50 Kw	154,129
General 50 To 4,999 Kw	319,759
Unmetered Scattered Load	1,331
Sentinel Lighting	731
Street Lighting	6,350
Embedded Distributor	253,611
Total	**1,251,617**

[2] Account 1550 includes adjustments prior to 2021 as described in evidence

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RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-12

Ref. 1: ELK_GA_Workform Update_2016-2018_20242218, Tab GA 2016

Ref. 2: ELK_GA Workform_20241028

Ref. 3: 2025 GA Analysis Workform Instructions

Ref. 4: 2024 E.L.K. Energy IRM Application Manager's Summary Section paragraph 33 and 34.

Preamble:

In Ref. 1 and Ref. 2, the following amounts have been provided in Tab 1588.

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		
2016		97,208	97,208	15,006,345	0.6%
2017		- 678,727	- 678,727	13,936,405	-4.9%
2018		- 1,134,515	- 1,134,515	12,890,540	-8.8%
2019		- 553,808	- 553,808	12,777,701	-4.3%
2020		257,622	257,622	17,463,623	1.5%
2021		- 211,684	- 211,684	14,884,669	-1.4%
2022		- 173,550	- 173,550	22,814,971	-0.8%
2023		40,122	40,122	21,144,272	0.2%
Cumulative	**-**	**- 2,357,332**	**- 2,357,332**	**89,085,237**	**-2.6%**

In Ref.1, E.L.K. Energy states:

> E.L.K. reached the conclusion that this physical reconfiguration to the system occurred in 2017, but that this shift was not reflected in billing changes rendered by the Host Distributor to E.L.K. during the 2017 through 2019 period. E.L.K. believes it may not have been charged for approximately 28 MWh of electricity over this time period equaling an approximate cost of $3 million.

In Ref. 3, under Item 5a, the instructions sate the following:

> Input the Net Change in Principal Balance in the General Ledger. This should equal the GA transactions recorded in Account 1589 for the year.

- Do not include dispositions in this amount.
- Do not include principal adjustments in this amount as that will be shown in the "Principal Adjustments" column in the DVA Continuity Schedule.
- This amount should agree to the "Transactions Debit/(Credit)" column shown in the DVA Continuity Schedule.

Question(s):

a) Please explain if the 4705- Power Purchased is significantly lower in 2016 through 2021 as compared to 2022 and 2023 due to being undercharged for approximately 28MWh.

b) If not, please explain the variance.

c) 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 higher percentages for 2017 through 2021.

RESPONSE:

a)

Following the issues day held on October 2, 2025, E.L.K. Energy agreed to file an update to this interrogatory response.

On May 30, 2025, E.L.K. Energy filed with the OEB a response received from HONI in respect of interrogatory question Staff-9b. That response provided

> "*Hydro One re-configured the connection points of two embedded distributed generation facilities to Kingsville TS in the summer of 2020, and not in 2017 as noted by ELK, at which point the billing was adjusted accordingly. Therefore, there is no unbilled amount to be recovered by Hydro one from ELK Energy for the 2017-2019 period.*"

Given was E.L.K. Energy's principal explanation for the greater than +/-1% variance in the GA analysis workform related to Account 1588, in the same May 30th letter, E.L.K. Energy decided to continue to investigate this issue and asked the OEB to hold the proceeding in abeyance pending the results of this further investigation.

Based on internal discussions with HONI, E.L.K. Energy pursued several new areas of investigation with the support of its Metering Service Provider, as well as third party subject matter experts, with legal and regulatory support.

By the middle of June 2025, it was clear that these internal investigations were unable to reconcile the discrepancies. As a consequence on June 16, 2025, E.L.K. Energy notified the OEB that it was reaching out to the IESO for their assistance in resolving the matter.

E.L.K. Energy met with team of IESO subject matter experts several times to explain the issue and to work through the IESO wholesale metering side of the ledger. The IESO was professional and the meetings were productive and informative.

Following these meetings, the IESO team completed an assessment at E.L.K. Energy's request and explained:

> "*IESO Settlements confirms that the wholesale metering installations associated with E.L.K. Energy's facility are correctly registered. The meter points location ensures that all energy conveyed in and out is accurately measured and allocated and loss adjusted to the appropriate delivery points for the determination of the settlement amounts*."

Subsequently, on July 31, 2025, E.L.K. Energy Inc. proposed to end its investigation and resume the proceeding.

The reason E.L.K. Energy proposed to end its investigation were:

- E.L.K. Energy was unable to identify any further avenues available to investigate possible errors in the wholesale market invoicing. Both HONI and now the IESO had confirmed that there were no errors in their respective areas of control.
- The evidence showed that E.L.K. Energy was sitting on a large balance of funds that were owing to customers, which has been accruing since 2016 (9 years ago).
- It was not clear that E.L.K. Energy would be any further ahead on explaining the greater than 1% variance in Account 1588 even if we spent more time and effort on the investigation.

Consequently, E.L.K. Energy requested permission to resume the proceeding as it related to E.L.K. Energy's request to dispose of Accounts 1588 and 1589 over 4 years, to return Account 1550 balance to E.L.K. Energy over the same period, and a request for an order under 36.1.1(7)(b) of the Electricity Act.

b) Please see a) above.

c) Please see a) above. The adjusted 1599 transactions and balances were subject to the completed third party audit provided in evidence. E.L.K. Energy submits the variances are reasonable in light of the historical issues noted above, and further notes the impact of improved internal processes in 2022 and beyond yielding variances of +/-1%.