

RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES

INTERROGATORY 1-CCC-4

Ref: Exhibit 1, Tab 4, Schedule 1, Appendix A, pp. 2, 5

Question(s):

a) Please provide the detailed calculations supporting the PCI-funded OM&A in Table 1 and provide excerpts from the Veridian and Whitby rebasing proceedings showing the OEB-approved OM&A.

b) Please provide the detailed calculations supporting the funded capital in Table 2 and provide excerpts from the Veridian and Whitby rebasing proceedings showing the OEB-approved capital-related revenue requirement.

c) If the following calculation is different from Elexicon's calculation of rate funded capital expenditures, please provide the 2020-2026 capital funding supported by rates using the approach below:

i. Identify the OEB-approved capital-related revenue requirement included in the last cost of service application for each legacy utility.

ii. Escalate the capital-related revenue requirement by each utility's OEB-approved PCI plus the g-factor.

iii. Sum the utilities funded OM&A (inclusive of the g-factor).

RESPONSE:

a) Please see response to 4-SEC-84.

b) Elexicon has provided a revised version of Table 2 of Exhibit 1 – Tab 4 – Schedule 1, Appendix A to reflect a minor correction to the calculation for OEB ICM Model Estimated Capital. The pre-filed evidence calculation did not utilize the most updated OEB ICM/ACM Model for the Whitby and Veridian rate zones. This table is provided in Excel file 1-CCC-04(1)_Capex In Rates Last COS Estimate_20260622, Tab CCC-4-b.

Table 1: Legacy Utilities Combined ICM Based Estimate of Capex in Rates vs Actual Capital Spend 2020-2026

Year	2020	2021	2022	2023	2024	2025	2026	Total
OEB ICM Model Estimated Capital (A)	\$24.2	\$25.2	\$29.5	\$31.8	\$36.9	\$32.9	\$30.9	211.5
Actual Net Capital (B)	\$35.2	\$53.4	\$78.4	\$52.5	\$68.8	\$59.7	\$77.2	425.4
Variance (C=A-B)	\$(10.9)	\$(28.2)	\$(48.9)	\$(20.7)	\$(31.9)	\$(26.8)	\$(46.2)	-213.9

The calculations for deriving the capital funding in rates is based on the OEB's 2025 ACM/ICM model and shown in Tabs "WRZ ICM Threshold Actual PC2025" and "VRZ ICM Threshold Actual PC2025" of Attachment 1 to this response. The OEB ICM Model Estimated Capital in Table 1 above is simply the sum of annual amounts for each of the Whitby Rate Zone (WRZ) and Veridian Rate Zone (VRZ) materiality threshold values for each year in 2020 through 2026. The calculations in the OEB's 2025 ACM/ICM model were adjusted to 1) use the actual Price Cap Index for each year, and 2) amend the 10% deadband to 0% to reflect the actual capital funding available in each of WRZ and VRZ rates. These modifications are shown in columns J, K and L of the noted Tabs.

Excerpts of the Revenue Requirement Work Forms from the Veridian and Whitby Draft Rate Orders are attached, as Attachment 2 and 3 to this response, respectively.

1

2

c)

3

i. Please see Excel files 1-CCC-04(2)_Veridian DRO RRWF Excerpt and 1-CCC-04(3)_Whitby DRO RRWF Excerpt. These show that the Veridian Capital Revenue Requirement as approximately \$27,573,789 and Whitby Capital Revenue Requirement as approximately \$11,317,749.

4

5

6

7

8

ii. Please see Excel file 1-CCC-04(1)_ Capex In Rates Last COS Estimate_20260622, Tab CCC-4-c. As the proposed calculation represents a capital related revenue requirement, it cannot be directly compared to Elexicon's actual capital expenditures. As such, the variance calculations that were in the original table in Exhibit 1 – Tab 4 – Schedule 1, Appendix A are not included.

9

10

11

12

13

14

iii. Please refer to response to 1-SEC-84.



Revenue Requirement Workform

Revenue Requirement

Line No.	Particulars	Application		Settlement Agreement		Per Board Decision	
1	OM&A Expenses	\$28,283,692		\$26,283,692		\$26,283,692	
2	Amortization/Depreciation	\$10,672,290		\$10,646,989		\$10,646,989	
3	Property Taxes	\$ -					
5	Income Taxes (Grossed up)	\$1,104,395		\$1,220,938		\$1,220,938	
6	Other Expenses	\$ -					
7	Return						
	Deemed Interest Expense	\$7,158,599		\$6,791,170		\$6,791,170	
	Return on Deemed Equity	\$8,748,056		\$8,914,692		\$8,914,692	
8	Service Revenue Requirement (before Revenues)	<u>\$55,967,033</u>		<u>\$53,857,480</u>		<u>\$53,857,480</u>	
9	Revenue Offsets	\$3,767,464		\$3,927,303		\$3,927,303	
10	Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)	<u>\$52,199,569</u>		<u>\$49,930,177</u>		<u>\$49,930,177</u>	
11	Distribution revenue	\$52,199,570		\$49,930,178		\$49,930,178	
12	Other revenue	\$3,767,464		\$3,927,303		\$3,927,303	
13	Total revenue	<u>\$55,967,034</u>		<u>\$53,857,481</u>		<u>\$53,857,481</u>	
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$1</u>	(1)	<u>\$1</u>	(1)	<u>\$1</u>	(1)

Notes

(1) Line 11 - Line 8



REVENUE REQUIREMENT WORK FORM

Name of LDC: Whitby Hydro Electric Corporation
File Number: EB-2009-0274
Rate Year: 2010 Settlement for 2011 Rates 11/30

		Revenue Requirement	
Line No.	Particulars	Application	Per Board Decision
1	OM&A Expenses	\$8,919,421	\$8,879,421
2	Amortization/Depreciation	\$4,929,391	\$4,800,644
3	Property Taxes	\$ -	\$ -
4	Capital Taxes	\$45,600	\$ -
5	Income Taxes (Grossed up)	\$1,149,325	\$1,190,590
6	Other Expenses	\$ -	\$ -
7	Return		
	Deemed Interest Expense	\$3,274,839	\$2,398,826
	Return on Deemed Equity	\$2,428,614	\$2,927,689
8	Distribution Revenue Requirement before Revenues	\$20,747,189	\$20,197,169
9	Distribution revenue	\$19,856,446	\$19,196,426
10	Other revenue	\$890,743	\$1,000,743
11	Total revenue	\$20,747,189	\$20,197,169
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	(\$0) (1)	(\$0) (1)

Notes

(1) Line 11 - Line 8

Per Board Decision reflects Whitby Hydro's settlement proposal to reach \$1,350,000 revenue deficit. The starting point for settlement is based on the revenue deficiency identified in Board Staff #35 (dated November 9, 2010) of \$2,564,095. All settlement adjustments are noted in the Settlement Detail S