

Oshawa PUC Networks Inc.
EB-2026-0065
September 22, 2026

Please note, Oshawa PUC Networks Inc. (Oshawa Power) 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

Reference(s):

1. Rate Generator Model, Tab 3, Continuity Schedule

Preamble:

On September 14, 2026, the OEB published Q4 2026 prescribed accounting interest rates applicable to the carrying charges of deferral, variance and construction work in progress accounts of natural gas utilities, electricity distributors and other rate-regulated entities.

Question(s):

- a. Please update Tab 3 (Continuity Schedule) as necessary to reflect the Q4 2026 OEB-prescribed interest rate of 2.87%.

Staff Question-2

Reference(s):

1. OEB Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589 (Accounting Guidance), April 28, 2025
2. Updated Illustrative Commodity Model, April 28, 2025

The OEB issued final updates to the Accounting Guidance and the updated Illustrative Commodity Model related to the implementation of the Independent Electricity System

Operator (IESO)'s Market Renewal Program (MRP), effective May 1, 2025. Page 11 of Ref. 1 states that:

In Tab "Variances in ac 1588" of the updated Illustrative Commodity Model, two new tables are added to quantify the energy variances that are included in Account 1588 for records-keeping purposes. While the quantification tables are not required to be filed with the OEB at this time, these tables assist the distributors in explaining the 1% threshold test in Account 1588.

Ref. 2 introduced two new reconciliation tables under the "Variances in ac 1588" tab to quantify energy cost variances arising from the implementation of MRP. In Page 11 of Ref. 1, the OEB stated that these tables are intended for record-keeping purposes and are not required to be filed with the OEB. However, these two reconciliation tables may assist the distributors in explaining the 1% threshold test in Account 1588 where applicable.

Question(s):

- a. Has Oshawa PUC utilized Table 42 and/or 43 of Ref. 2 to track or quantify the MRP-related energy variances recorded in Account 1588?
 - i. If so, please explain whether the variances recorded in Table 42 and Table 43 were material in 2025, respectively. Please provide the corresponding quantum of the variances if the variance(s) are material.
 - ii. If not, please explain why not.

Staff Question-3

Question(s):

- a. In the instance the OEB releases any updated rates/charges (e.g., 2027 preliminary Uniform Transmission Rates) before Oshawa PUC provides its responses to OEB staff's questions, please update the Rate Generator Model, as applicable. If any updates are made, please identify the rate and/or charge that have been updated.

Staff Question-4

Reference(s):

1. 2027 Rate Generator Model, Tab 6 ("Class Consumption Data"), Table: Rate Classes with Class A Customers - Billing Determinants by Rate Class - 2025

Preamble:

OEB staff notes that the consumption data contained in the referenced table does not reconcile with the Reporting and Record-Keeping Requirements (RRR) data. Specifically, the **total** kWh consumption for the following service classifications:

- General Service 50 to 999 kW Service Classification;
- General Service 1,000 to 4,999 kW Service Classification; and
- Large Use Service Classification

The total amount in Ref.1 is 107,793,149 kWh. However, the corresponding total Class A consumption in kWh reported in the RRR data is 110,449,012 kWh.

Question(s):

- a. Please explain the difference between the consumption totals reported in the RRR data and those reflected in the Rate Generator Model.
- b. If required, please update the Rate Generator Model to address the response to this staff question and refile the updated model with the responses to staff questions.

Staff Question-5

Reference(s):

1. 2027 IRM Application, Rate Generator Model, Tab 3, Continuity Schedule, Columns BG and BL.

Preamble:

OEB staff notes that, for certain deferral and variance accounts listed below, the closing principal balances and corresponding closing interest balances as of December 31, 2025 are in opposite positions (i.e., one balance is recorded as a debit and the other as a credit).

Account Description	Account Balance	Closing Principal Balance as of Dec. 31, 2025	Closing Interest Balance as of Dec. 31, 2025
RSVA - Wholesale Market Service Charge	1580	(2,103,369)	7,747
RSVA - Global Adjustment	1589	(781,321)	164,932
Disposition and Recovery/Refund of Regulatory Balances (2021)	1595	(38,494)	44,631
Disposition and Recovery/Refund of Regulatory Balances (2023)	1595	366,540	(395,982)
Disposition and Recovery/Refund of Regulatory Balances (2024)	1595	(377,543)	329,228
Disposition and Recovery/Refund of Regulatory Balances (2025)	1595	(118,541)	102,213

Question(s):

- For each of the accounts identified in the table above, please explain why the closing interest balance as of December 31, 2025 is in a different position (debit or credit) from the corresponding closing principal balance.
- Please identify and explain the specific transactions, adjustments, reclassifications, interest calculations, and/or disposition-related entries that resulted in the closing interest balance for each account.

Staff Question-6

Reference(s):

- 2027 Commodity Accounts Analysis Workform, Tab "GA 2025", Cells C92 and C93.

Preamble:

OEB staff notes that the unresolved difference, expressed as a percentage of expected Global Adjustment payments to IESO, is -1.0%. While this result falls within the acceptable $\pm 1.0\%$ threshold range, it is at the lower end of that range and is very close to the threshold.

Question(s):

- a. Please explain the factors contributing to the -1.0% unresolved difference reported in Cell C92 of the Ref. 1. In your response, please identify the primary drivers of the variance and explain why the unresolved difference is close to the $\pm 1.0\%$ threshold range.

Staff Question-7

Reference(s):

1. 2027 Commodity Account Analysis Workform, Tab "Account 1588", Note 7a - Principal Adjustments Breakdown, Cell C87.

Preamble:

OEB staff notes that a credit adjustment of approximately \$1.4 million is recorded for "CT 1142/142 true-up adjustment based on actual price and volume, Current Year". The explanation provided states that the adjustment is due to "TU submitted in 2026".

Question(s):

- a. Please provide a more detailed explanation of the adjustment recorded in Ref. 1 and explain the nature of the adjustment, and the factors that contributed to the approximately \$1.4 million credit balance.

Staff Question-8

Reference(s):

1. Accounting Procedures Handbook for Electricity Distributors, December 2011, p. 40.
2. 2027 IRM Rate Generator Model, Tab 3, Continuity Schedule, Columns BE and BJ.

Preamble:

For Account 1595, Ref. 1 states that:

"... account shall be used to record the approved principal account balances on the transfer to Account 1595 of the Board-approved deferral or variance account balances. This account shall also include the amounts recovered (or refunded) in rates through regulatory asset or deferral and variance accounts rate riders."

OEB staff notes that, in Ref. 2, no amount has been recorded in Account 1595 (2025) for the disposition of approved balances.

Question(s)

- a. Please explain why no amount has been recorded in Account 1595 (2025) for the disposition of the OEB-approved principal and interest balances shown in Ref. 2.
- b. If applicable, please update the Continuity Schedule to reflect the appropriate amount in Account 1595 (2025) and refile the updated Rate Generator Model as part of the response to OEB staff questions.

Staff Question-9

Reference(s):

1. 2027 Rate Generator Model, Tab 4, *Billing Determinants for Deferral and Variance Accounts*, Cell C28-29.
2. 2027 IRM Rate Application, Bill Impacts, pp. 30-31.

Preamble:

OEB staff notes that the Oshawa PUC is seeking disposition of a net credit balance of approximately \$4.6 million. OEB staff further notes that this credit balance is primarily driven by balances recorded in Accounts 1580 (RSVA - Wholesale Market Service Charge), 1586 (Retail Transmission Connection Charge), 1588 (RSVA - Power), and 1589 (RSVA - Global Adjustment).

Question(s):

- a. Please explain the factors contributing to the net credit balance of approximately \$4.6 million proposed for disposition.
- b. For each of Accounts 1580, 1586, 1588, and 1589, please identify and explain the significant transactions, adjustments, settlements, or other events that contributed to the credit balances recorded in these accounts.
- c. Please explain the nature of the transactions that gave rise to the balances in these accounts and discuss whether any of these balances are attributable to one-time or unusual events.
- d. Please confirm whether the balances proposed for disposition are representative of normal account activity. If not, please explain the circumstances that resulted in the atypical balances.

- e. Please confirm whether the customer rate decreases presented in Ref. 2 are primarily attributable to the approximately \$4.6 million credit balance proposed for disposition.