

**EPCOR Electricity Distribution Ontario Inc. (EPCOR Electricity Distribution)
OEB Staff Questions
EB-2026-0036**

Please note, EPCOR Electricity Distribution 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: *2027 IRM Rate Generator Model Excel, "Continuity Schedule" tab 3*

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 (CWIP) 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 1: *2027 IRM Rate Generator Model Excel, "Billing Det. For Def-Var" tab 4*

Reference 2: *2021 IRM Rate Generator Model Excel, "Billing Det. For Def-Var" tab 4, Column C*

Reference 3: *2022 IRM Rate Generator Model Excel, "Billing Det. For Def-Var" tab 4, Column C*

Preamble:

In Reference 1 above, EPCOR Electricity Distribution provides the Proportion of 1595 Recovery for vintage years 2021 and 2022. OEB staff has reviewed the proportions from vintage years 2021 and 2022 and notes that different percentages are reflected, as outlined in the images below.

Incentive Rate-setting Mechanism Rate Generator for 2027 Filers

If a distributor uses the actual GA price to bill non-RPP Class B customers for an entire rate class, it must exclude these customers from the allocation of the GA balance and the calculation of the resulting rate riders. These rate classes are not to be charged/refunded the general GA rate rider as they did not contribute to the GA balance.

If you have identified any issues or need any adjustments, please contact ratemodels@oeb.ca.

Rate Class	Unit	Total Metered KWh	Total Metered kW	Metered kWh for Non-RPP Customers (excluding WMP)	Metered kW for Non-RPP Customers (excluding WMP)	Metered kWh for Wholesale Market Participants (WMP)	Metered kW for Wholesale Market Participants (WMP)	Total Metered kWh less WMP consumption (if applicable)	Total Metered kW less WMP consumption (if applicable)	Account 1509 Allocation (\$ distribution revenue from last COS)	1595 Recovery Proportion (2021)	1595 Recovery Proportion (2022)
RESIDENTIAL SERVICE CLASSIFICATION	kWh	146,927,699	0	1,272,590	0			146,927,699	0		32%	40%
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	kWh	49,851,141	0	8,082,735	0			49,851,141	0		37%	36%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kW	133,563,523	328,901	114,642,329	271,487	2,118,960	4,417	131,444,564	324,484		47%	42%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	389,109	0	20,640	0			389,109	0		0%	0%
STREET LIGHTING SERVICE CLASSIFICATION	kW	1,227,354	3,448	1,227,354	3,448			1,227,354	3,448		4%	3%
Total		331,958,827	332,349	125,245,649	274,935	2,118,960	4,417	329,839,868	327,931	0	100%	100%

Threshold Test

Total Claim (including Account 1568) (\$418,228)

Total Claim for Threshold Test (All Group 1 Accounts) (\$418,228)

Threshold Test (Total claim per kWh)² (\$0.0013)

Currently, the threshold test has been met and the default is that Group 1 account balances will be disposed. If you are requesting not to dispose of the Group 1 account balances, please select NO and provide detailed reasons in the manager's summary.

YES

² Residual Account balance to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented.

< > ...
2. Current Tariff Schedule
3. Continuity Schedule
4. Billing Det. for Def-Var
5. Allocating Def-Var Balances
6. Class A Consumption Data
6.1 GA
6.2 CBR B
7. Calculation of ...

2021 RGM - tab 4, column C		
Total Metered KWh		
RESIDENTIAL SERVICE CLASSIFICATION	125,942,764	41.52%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	46,523,087	15.34%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	129,239,782	42.61%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	393,942	0.13%
STREET LIGHTING SERVICE CLASSIFICATION	1,202,769	0.40%
	303,302,344	100%

2022 RGM - tab 4, column C		
Total Metered KWh		
RESIDENTIAL SERVICE CLASSIFICATION	134,777,552	45.33%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	42,533,574	14.31%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	118,373,282	39.82%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	396,233	0.13%
STREET LIGHTING SERVICE CLASSIFICATION	1,224,245	0.41%
	297,304,886	100%

Question(s):

- Please provide and confirm the basis of the allocation in the 1595 Recovery Proportion for 2021 and 2022 in Tab 4 of the 2027 IRM Rate Generator Model.
- Please verify and update the 1595 Recovery Proportion for 2021 and 2022 in the 2027 IRM Rate Generator Model, as necessary.

Staff Question - 3

Reference: 2027 IRM Rate Generator Model Excel, "Class A Consumption Data" tab 6

Preamble:

OEB staff has noted that the Rate Class information for Rate Classes with Class A customers is not reflected in the reference noted above.

Incentive Rate Setting Mechanism Rate Generator for 2027 Filers

1a The year Account 1589 GA was last disposed

1b The year Account 1589 CBR Class B was last disposed Note that the sub-account was established in 2015.

2a Did you have any customers who transitioned between Class A and Class B (transition customers) during the period the Account 1589 GA balance accumulated (i.e. from the year after the balance was last disposed per #1a above to the current year requested for disposition)? (If you received approval to dispose of the GA account balance as at December 31, 2019, the period the GA variance accumulated would be 2019 to 2022.)

2b Did you have any customers who transitioned between Class A and Class B (transition customers) during the period the Account 1589, sub-account CBR Class B balance accumulated (i.e. from the year after the balance was last disposed per #1b above to the current year requested for disposition)? (If you received approval to dispose of the CBR Class B account balance as at December 31, 2019, the period the CBR Class B variance accumulated would be 2020 to 2022.)

3b Enter the number of rate classes in which there were customers who were Class A for the full year during the period the Account 1589 GA or Account 1589 CBR B balance accumulated (i.e. from the year after the balance was last disposed per #1a/#1b above to the current year requested for disposition). In the table, enter the total Class A consumption for full year Class A customers in each rate class for each year, including any transition customer's consumption identified in table 3a above that were Class A customers for the full year before/after the transition year (i.e. if a customer transitioned from Class B to A in 2021, exclude this customer's consumption for 2021 but include this customer's consumption in 2022 as there were a Class A customer for the

Rate Classes with Class A Customers - Billing Determinants by Rate Class

Rate Class	Rate Class	2025	2024	2023	2022	2021
Rate Class 1	Rate Class	1,000	53,794,453			
	LVI	105,305				

< > ... 2. Current Tariff Schedule 3. Continuity Schedule 4. Billing Det. for Def-Var 5. Allocating Def-Var Balances 6. Class A Consumption Data 6.1 GA 6.2 CBR B 7. Calculation of ...

Question(s):

- a) Please update Tab 6 (Class A Consumption Data) to ensure that the information for Rate Classes with Class A customers is accurately reflected.

Staff Question - 4

Reference 1: *OEB Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589 (Accounting Guidance), April 28, 2025*

Reference 2: *Updated Illustrative Commodity Model, April 28, 2025*

Preamble:

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 Reference 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.

Reference 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 Reference 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 EPCOR Electricity Distribution 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 - 5

Reference 1: 2027 IRM Commodity Analysis Workform, Excel, Tab "GA 2025", Note 2

Reference 2: RRR Tab – GA 2025

Ontario Energy Board

Commodity Accounts Analysis Workform

Note 2 **Consumption Data Excluding for Loss Factor (Data to agree with RRR as applicable)**

Year		2025		
Total Metered excluding WMP	C = A+B	329,841,221	kWh	100%
RPP	A	204,594,219	kWh	62.0%
Non-RPP	B = D+E	125,247,002	kWh	38.0%
Non-RPP Class A	D	53,794,469	kWh	16.3%
Non-RPP Class B*	E	71,452,533	kWh	21.7%

*Non-RPP Class B consumption reported in this table is not expected to directly agree with the Non-RPP Class B Including Loss Adjusted Billed Consumption in the GA Analysis of Expected Balance table below. The difference should be equal to the loss factor.

1. Information Sheet

GA 2025

Account 1588

Principal Adjustments

+

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CAA Workform
Tab - GA 2025

Utility : EPCOR Electricity Distribution Ontario Inc.

Year : 2025

Instructions for Case Managers

1. The data in the table below represents the RRR-reported values from the utility.
2. The values in the green cells of the table under Note 2 of Tab GA should reconcile with the corresponding values shown in green below.
3. If the utility has multiple service areas, select all rate classes associated with the service area(s) being reviewed in the filter below.

Filter - Rate Class (only if applicable)

All v

Note 2 Consumption Data Excluding for Loss Factor (Data to agree with RRR as applicable)

Year		2025	
Total Metered excluding WMP	C = A + B	329,839,868	kWh
RPP	A	204,594,219	kWh
Non RPP	B = D + E	125,245,649	kWh
Non-RPP Class A	D	53,794,469	kWh
Non-RPP Class B	E	71,451,180	kWh

Preamble:

OEB staff notes a discrepancy between the GA 2025 amounts reported in Note 2 of the Commodity Accounts Analysis Workform and those reported in EPCOR Electricity Distribution's RRR.

Question(s):

- a) Please review Note 2 in the GA 2025 tab of the Commodity Accounts Analysis Workform and explain the discrepancy identified. As appropriate, please update the values reported in the GA 2025 tab to ensure they are accurate and consistent with the RRR reporting.

Staff Question - 6

Reference 1: 2027 IRM Commodity Analysis Workform, Excel, Tab "GA 2025", Note 3

Reference 2: 2026 IRM Commodity Analysis Workform, Excel, Tab "GA 2024", Note 3

Preamble:

OEB staff noted that EPCOR Electricity Distribution selected "Yes" in Cell G27 in the 2027 IRM application, but EPCOR Electricity Distribution selected "No" in the same cell in the 2026 IRM application.

Question(s):

- a) Please explain why EPCOR Electricity Distribution changed its response from "No" to "Yes", from its 2026 IRM application to 2027 IRM application, regarding whether the GA Rate used for unbilled revenue is the same as the one used for billed revenue in any particular month.
- b) Please confirm the dollar value impact of this change on the expected unbilled revenue.

Staff Question - 7

Question(s):

- a) In the instance the OEB releases any updated rates/charges (e.g., 2027 Uniform Transmission Rates) before EPCOR Electricity Distribution provides its responses to OEB staff's questions, please update the Rate Generator Model, as applicable, and identify the rates/charges that were updated.