

OEB Staff Interrogatories Niagara-on-the-Lake Hydro Inc. EB-2026-0060

Please note, Niagara-on-the-Lake 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

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%.

NOTL Hydro Response

Continuity schedule updated. This change also impacts the Large Use Variance account. Revised values below.

	2025								2026				Projected Interest on Dec-31, 2025 Balances		
Account Number	Opening Principal Amounts as of Jan 1, 2025	Transactions Debit / (Credit) during 2025	OEB-Approved Disposition during 2025	Closing Principal Balance as of Dec 31, 2025	Opening Interest Amounts as of Jan 1, 2025	Interest Jan 1 to Dec 31, 2025	OEB-Approved Disposition during 2025	Closing Interest Amounts as of Dec 31, 2025	Principal Disposition during 2026 - instructed by OEB	Interest Disposition during 2026 - instructed by OEB	Closing Principal Balances as of Dec 31, 2025 Adjusted for Disposition during 2026	Closing Interest Balances as of Dec 31, 2025 Adjusted for Disposition during 2026	Projected Interest from Jan 1, 2026 to Dec 31, 2026 on Dec 31, 2025 balance adjusted for disposition during 2026	Total Interest	Total Claim
1508	(182,226)	(197,779)	59,840	(320,165)	(5,663)	(6,651)	3,098	(9,216)	122,386	6,426	(197,779)	(2,790)	(5,202)	(7,992)	(205,771)

Rate Class	kWh	kW	Customers	Distribution Revenue	% of Distribution Revenue	Allocation	Rate Rider
Residential	81,559,771	-	8,482	3,604,448	51.0%	(104,991)	(1.03) per customer
GS<50	46,917,037	-	1,500	1,563,719	22.1%	(45,548)	(0.0010) per kWh
GS>50	92,394,521	250,905	130	1,239,376	17.5%	(36,101)	(0.1439) per KW
Large User	84,851,381	145,279	1	388,582	5.5%	(11,319)	(0.0779) per KW
USL	357,382	-	64	22,421	0.3%	(653)	(0.0018) per kWh
Street Lights	573,150	1,600	2,291	245,809	3.5%	(7,160)	(4.4761) per KW
Total	306,653,242	397,784	12,468	7,064,354	100.0%	(205,771)	

Staff-2

Ref 1: Niagara-on-the-Lake Hydro, 2027 Rate Generator Model, Tab 3

Question(s):

- a. Please unhide and populate the Disposition and Recovery/Refund of Regulatory Balances rows of the continuity schedule for at least the years 2021, and 2022 by adjusting cell F47 of tab 1.

NOTL Hydro Response

The attached model is updated.

- b. Please change cell BU30 to 'No' given that Niagara-on-the-Lake Hydro is not disposing of regulatory balances (2009).

NOTL Hydro Response

The model is locked, NOTL Hydro cannot change cell BU30.

Staff-3

Ref 1: Niagara-on-the-Lake Hydro, 2027 Rate Generator Model, tab 3

Ref 2: EB-2022-0052, [Niagara-on-the-Lake Hydro Decision and Rate Order](#), December 8, 2022, pp.11, 14-15

Ref 3: EB-2022-0052, [Niagara-on-the-Lake Hydro Manager's Summary](#), July 15, 2022, p.19

OEB staff compiled the table below based on the evidence filed in the application and evidence from EB-2022-0052.

Table 1: 2023 DVA balances

kWh	Per Ref 2 & Ref 3	Per 2027 RGM cell AK34 and AP34	Absolute Variance
Group 1 Principal	\$264,170	N/A	N/A
Group 2 Principal	(\$13,692)	N/A	N/A
LRAMVA Principal	\$7,887	N/A	N/A
Total Principal	\$258,365	(\$252,013)	\$6,352
Group 1 Interest	\$18,387	N/A	N/A
Group 2 Interest	(\$337)	N/A	N/A
LRAMVA Interest	\$180	N/A	N/A
Total Interest	\$18,230	(\$18,231)	\$0

Question(s):

- a. Please confirm OEB staff's observation above and provide the reasons for the discrepancy in the 2023 principal amount. Please update the Rate Generator Model, as needed.

NOTL Hydro Response

NOTL Hydro does not confirm OEB staff's observation above. The approved LRAM amount for recovery in 2023 was the 2021-2022 amount of \$8,634. Principal amount of \$8,454 and interest amount of \$180.

Ref 2 – page 14

The OEB finds that Niagara-on-the-Lake Hydro's LRAMVA balance has been calculated in accordance with the OEB's CDM-related guidelines and updated LRAMVA policy. The OEB approves the disposition of Niagara-on-the-Lake Hydro's LRAMVA debit balance of \$8,634, as set out in Table 8.2 below.

Table 8.2 LRAMVA Balance for Disposition

Account Name	Account Number	Actual CDM Savings (\$) A	Forecasted CDM Savings (\$) B	Carrying Charges (\$) C	Total Claim (\$) D=(A-B)+C
LRAMVA	1568	109,788	101,334	180	8,634

The balance in the LRAMVA is now zero, and no further entries to the LRAMVA are permitted at this time. The LRAMVA will not be discontinued, in the event that Niagara-on-the-Lake Hydro requests the use of the LRAMVA for a CDM activity in a future application, which the OEB will consider on a case-by-case basis.²⁷

Also missing from the table above is the shared tax amount of from tabs 8 and 9 from the 2022 IRM Generator model '[NOTL 2023 IRM Appl App 2 IRM Rate Generator Model 20221208](#)'. Since this amount did not produce a rate rider in any rate class it was added to the account 1595 balance.

Rate Class		Total kWh (most recent RRR filing)	Total kWh (most recent RRR filing)	Allocation of Tax Savings by Rate Class	Distribution Rate Rider	
RESIDENTIAL SERVICE CLASSIFICATION	kWh	78,544,394		-3,666	0.00	\$/customer
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	42,026,390		-1,481	0.0000	kWh
GENERAL SERVICE 50 to 4,999 KW SERVICE CLASSIFICATION	kW	76,922,415	195,348	-1,245	0.0000	kW
LARGE USE SERVICE CLASSIFICATION	kW	19,135,794	67,379	-242	0.0000	kW
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	262,765		-10	0.0000	kWh
STREET LIGHTING SERVICE CLASSIFICATION	kW	561,901	1,568	-275	0.0000	kW
STANDBY POWER SERVICE CLASSIFICATION	kW			0	0.0000	kW
Total		217,453,659	264,295	(\$6,919)		

If the allocated tax sharing amount does not produce a rate rider in one or more rate class (except for the Standby rate class), a distributor is required to transfer the entire OEB-approved tax sharing amount into Account 1595 for disposition at a later date (see Filing Requirements, Appendix B)

The total principal balance is \$252,013 consistent with 2027 RGM cell AK34.

	EB-2022-0052 Decision and Rate Order	EB-2026-0060 Rate Model	Variance
Group 1 Principal	264,169.97		
Group 2 Principal	(13,692.15)		
LRAM Principal	8,454.00		
Tax Sharing Principal	(6,919.00)		
Total Principal	252,012.82	252,012.82	-
Group 1 Interest	18,387.37		
Group 2 Interest	(336.82)		
LRAM Interest	180.00		
Tax Sharing Interest	-		
Total Interest	18,230.55	18,230.55	-

Staff-4

Ref 1: Niagara-on-the-Lake Hydro, 2027 Rate Generator Model

Ref 2: Commodity Accounts Analysis Workform, Tab 2, GA 2025

OEB staff compiled tables below based on the evidence filed in the application and 2025 RRR filings.

Table 2: Consumption variance between the Rate Generator Model and the Commodity Accounts Analysis Workform

kWh	Per RGM	Per RRR filing & Commodity WF	Variance
Non-RPP Class A	99,945,627 ¹	100,408,889	(463,262)
Non-RPP Class B	78,759,211 ²	78,295,950	463,261
Total Non-RPP	178,704,838	178,704,838	0

Table 3: Demand variance between the rate generator model (RGM) and the 2025 RRR filings

kW	Per RGM	Per RRR filing	Variance
Class A	189,551	190,594	(1,043)

Question(s):

- Please confirm OEB staff's observation above and provide the reasons for the discrepancies. Please update the Commodity Accounts Analysis Workform and/or Rate Generator Model, if applicable.

NOTL Hydro Response

NOTL Hydro confirms OEB staff's observation and has corrected the values. The reason for the discrepancy was an input error on the class a/b line for the transition customers and the exclusion of one smaller account for the full year.

Staff-5

Ref 1: 2027 Rate Generator Model, Tab 4, Billing Det. for Def-Var.

Ref 2: 2023 Rate Generator Model, Tab 5, Allocating Def-Var Balances.

OEB staff compiled the table below comparing the 1595 Recovery Portion (2023) in the 2027 Rate Generator Model and the proportion of allocation by rate class in the 2023 Rate Generator Model.

The Decision and Rate Order (EB-2022-0052) relating to the 2023 Rate Generator Model states that the final rate riders and payments will be in effect from January 1, 2023 to December 31, 2023.

¹ Niagara-on-the-Lake Hydro, 2027 Rate Generator Model, Tab 6, sum of Class A consumption data

² Niagara-on-the-Lake Hydro, 2027 Rate Generator Model, Tab 6.1a

Table 4: Account 1595 (2023) recovery portion reconciliation

Rate Class	Per Ref 1	Per Ref 2	
	1595 Recovery Portion (2023)	% of Total kWh	% of Customer Numbers
RESIDENTIAL SERVICE CLASSIFICATION	27.0%	36.1%	84.6%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	11.3%	19.3%	15.4%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	53.5%	35.4%	0%
LARGE USE SERVICE CLASSIFICATION	7.8%	8.8%	0%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	0.1%	0.1%	0%
STREET LIGHTING SERVICE CLASSIFICATION	0.4%	0.3%	0%
STANDBY POWER SERVICE CLASSIFICATION	0.0%	0%	0%

Question(s):

- Please provide the rationale for how Niagara-on-the-Lake Hydro arrived at the 1595 Recovery Portion values for 2023. Please update the 2027 Rate Generator Model, if applicable.

NOTL Hydro Response

As per note one on tab 4 of the Rate Generator Model “Residual Account balance to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented.” NOTL Hydro interprets this to mean that the balances should be allocated based on the original amounts allocated to each rate class and not on kWh. This is consistent with how NOTL Hydro has treated this in past applications. Refer to table 15 on pg. 19 in the Manager’s Summary for the detailed calculation.

Staff-6

Ref 1: EB-2025-0019, Decision and Order, December 11, 2025, p.10

Preamble:

Niagara-on-the-Lake Hydro’s 2026 IRM included the disposition of a debit balance of \$220,998 in Account 1584 (RSVA – Retail Transmission Network Charge) and \$21,329

in Account 1586 (RSVA – Retail Transmission Connection Charge), which included charges related to a 2024 Double-Peak Billing issue. While the OEB recognized that these charges may potentially be refunded by Hydro One Networks Inc. (Hydro One Networks) at a later date, the OEB accepted disposition of the balance.

Question(s):

- a. Were charges related to the double-peak billing issue refunded by Hydro One Networks following the OEB's decision?
 - i. If yes, has the refund been reflected in the RSVAs?
 - ii. If not, please confirm that if Hydro One Networks provides a refund at a later date, that if it is still Niagara-on-the-Lake Hydro's intention to reflect the refund in the RSVAs or in a newly established DVA.

NOTL Hydro Response

NOTL Hydro has not received a refund from Hydro One.

NOTL Hydro confirms that if Hydro One Networks provides a refund at a later date, it is still NOTL Hydro's intention to reflect the refund in the RSVAs or in a newly established DVA.

Staff-7

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

Ref 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 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 Niagara-on-the-Lake Hydro 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.

NOTL Hydro Response

No, NOTL Hydro has well defined settlement processes in place and does not utilize the OEB Commodity model. NOTL Hydro bills on actual GA and commodity costs and therefore does not require the 2 true-up approach in the OEB model.

Staff-8

Question(s):

- a. In the instance the OEB releases any updated rates/charges (e.g., 2027 preliminary Uniform Transmission Rates) before Niagara-on-the-Lake Hydro 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.

NOTL Hydro Response

No updates were released prior to the submission of these responses.