Coopérative Hydro Embrun Inc.
EB-2026-0031
October 2, 2026

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Staff Question-1
Ref: Rate Generator Model, Tab 3, Continuity Schedule

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
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 Ilustrative 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 Coopérative Hydro Embrun 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.
b) Please explain whether MRP-related activities recorded in Account 1588 contributed to Coopérative Hydro Embrun's Account 1588 balance exceeding the +/-1% threshold test in 2025.

   i. If yes, please provide a detailed explanation and the applicable completed reconciliation Tables 42 and/or Table 43 from Reference 2 corresponding to the material variances identified in part a) i).

Staff Question-3

Question(s):

a) In the instance the OEB releases any updated rates/charges (e.g., 2027 preliminary Uniform Transmission Rates) before Coopérative Hydro Embrun 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
Ref 1: Manager's Summary 13.4, page 14
Ref 2: Rate Generator Model, Tab 1, Information Sheet
Ref 3: Rate Generator Model, Tab 3, Continuity Schedule
Ref 4: EB-2025-0048 Rate Generator Model, Tab 4, Billing Det. for Def-Var

The written application indicates that Account 1588 and 1589 balances were last disposed of as of December 31, 2024. The rate generator model indicates that the balances were last disposed up to 2023. The continuity schedule includes transactions for 2024.

The 2026 Rate Generator indicates that the DVAs including 1588 and 1589 did not meet the threshold test, and therefore were not disposed.

Question(s):

a) Please confirm that 1588 and 1589 balances were not disposed up to December 31, 2024, or explain.

Staff Question-5
Ref: Rate Generator Model, sheet 4. Billing Det. for Def-Var

The dropdown box for confirming accuracy of the pre-populated RRR data has not been selected.

Question(s):

a) Does Coopérative Hydro Embrun confirm the accuracy of the billing determinants used?

Staff Question-6
Ref 1: Rate Generator Model, sheet 3. Continuity Schedule
Ref 2: Rate Generator Model, sheet 4. Billing Det.

An allocation for 1595 Recovery Proportion (2021) has not been provided, but Coopérative Hydro Embrun is proposing to dispose of a balance for that year.

Question(s):

a) Please provide a revised model with a 1595 Recovery Proportion for 2021.

Staff Question-6
Ref: Commodity Accounts Analysis Workform, GA 2024
Ref: Commodity Accounts Analysis Workform, GA 2025
Ref: Commodity Accounts Analysis Workform, Account 1588

The GA 2024 worksheet in cell K63 indicates a difference between the calculated loss factor, and approved loss factor of 2.97%. This exceeds the threshold of 1% difference where an explanation is required.

The GA 2025 worksheet indicates Non-RPP Class B load of approximately 3.2 GWh in cell D18, reflecting a material decrease from the 4.2 GWh in 2024. The 3.2 GWh also results in a calculated loss factor of 41.66%.

Account 1588 has $55,644 (cell F19) of activity in 2025 which reflects 1.6% (cell H19) of the total purchased amount of $3.4m (cell G19).

Question(s):

a) Please provide an explanation for the difference between the calculated loss factor and the approved loss factor in 2024.
b) Please review the GA 2025 sheet, and correct or complete any required entries. Please work with OEB staff as required to achieve this.
c) Please provide an explanation for the magnitude of the Account 1588 transactions relative to total purchases.