RENFREW HYDRO INC.

2027 IRM APPLICATION

EB-2026-0068

Applicant's Responses to OEB Staff Questions

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Renfrew Hydro Inc. (RHI)
OEB Staff Questions
EB-2026-0068

Please note, RHI 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%.

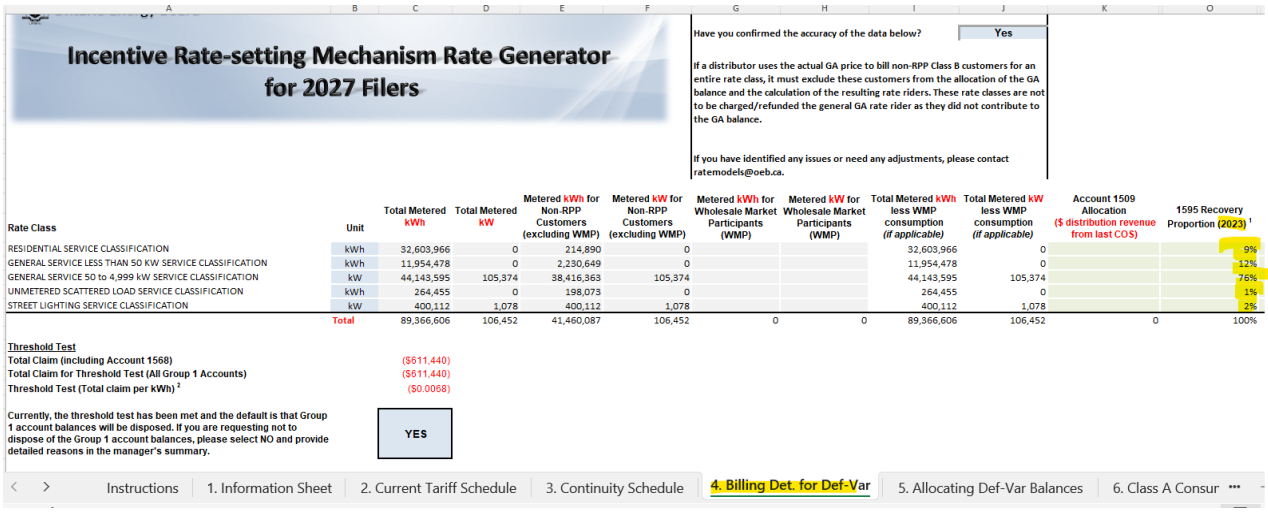
Renfrew Hydro Inc. - Response:

RHI confirms that the Rate Model Tab 3 (Continuity Schedule) has been updated 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: *2023 IRM Rate Generator Model Excel, "Billing Det. For Def-Var" tab 4, Column C*

Preamble:
In Reference 1 above, RHI provides the proportion of 1595 recovery for the vintage year 2023. OEB staff has reviewed the proportion from vintage year 2023 data and notes that different percentages are reflected, as outlined in the images below.



Incentive Rate-setting Mechanism Rate Generator for 2027 Filers

Have you confirmed the accuracy of the data below? Yes

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 (2023) [1]
RESIDENTIAL SERVICE CLASSIFICATION	kWh	32,603,966	0	214,890	0			32,603,966	0		9%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	11,954,478	0	2,230,649	0			11,954,478	0		12%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kW	44,143,595	105,374	38,416,363	105,374			44,143,595	105,374		76%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	264,455	0	198,073	0			264,455	0		1%
STREET LIGHTING SERVICE CLASSIFICATION	kW	400,112	1,078	400,112	1,078			400,112	1,078		2%
	Total	89,366,606	106,452	41,460,087	106,452	0	0	89,366,606	106,452	0	100%

Threshold Test
Total Claim (including Account 1568) ($611,440)
Total Claim for Threshold Test (All Group 1 Accounts) ($611,440)
Threshold Test (Total claim per kWh) [2] ($0.0068)

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

Instructions | 1. Information Sheet | 2. Current Tariff Schedule | 3. Continuity Schedule | 4. Billing Det. for Def-Var | 5. Allocating Def-Var Balances | 6. Class A Consur

	2023 RGM - tab 4 , column C Total Metered KWh	
RESIDENTIAL SERVICE CLASSIFICATION	30,880,817	36.8%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	11,040,455	13.2%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	41,367,498	49.3%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	269,519	0.3%
STREET LIGHTING SERVICE CLASSIFICATION	332,567	0.4%
	83,890,856	**100%**

Question(s):

a) Please provide and confirm the basis of the allocation in the 1595 Recovery Proportion for 2023 in Tab 4 of the 2027 IRM Rate Generator Model.

Renfrew Hydro Inc. - Response:

RHI's interpretation of the instructions on Tab 4. – "Residual Account balance to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented" is to use the percentage of amount requested for disposition as it was approved per rate class and not the percentage of metered kWh per rate class. RHI has provided the calculations used for the allocation of the 1595 Recovery Proportion for 2023 on the next page, which include the GA and WMS-CBR accounts.

b) Please verify and update the 1595 Recovery Proportion for 2023 in the 2027 IRM Rate Generator Model, as necessary.

Renfrew Hydro Inc. - Response:

RHI did not update the 1595 Recovery Proportion for 2023 residual balance of $2,940 in the 2027 IRM Rate Generator Model.

EB-2022-0060

Allocation of Group 1 Accounts (including Account 1568)

Rate Class	% of Total kWh	From 2023-IRM Rate Generator Model, Tabl 5.- Allocating Def-Var Balances								From Tab 6.1-GA	From Tab 6.2-CBR B	Total of Group 1 Disposal	
		1550	1551	1580	1584	1586	1588	1595_(2019)	1568	GA 1589	WMS-CBR 1580-Sub	Agrees with Tab. 3 - Continuity Schedule. EB-2022-0060	Percentage of Total Group 1 Disposal
RESIDENTIAL SERVICE CLASSIFICATION	36.8%	43,512	(1,989)	(20,992)	(2,631)	(2,286)	(19,742)	(1,188)	2,476	($1,469)	($4,706)	($9,015)	9%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	13.2%	15,556	(234)	(7,505)	(941)	(817)	(7,058)	(356)	82	($9,734)	($1,682)	($12,689)	12%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	49.3%	58,288	0	(28,120)	(3,525)	(3,062)	(26,446)	(509)	23,312	($93,442)	($4,289)	($77,793)	76%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	0.3%	380	0	(183)	(23)	(20)	(172)	(17)	(18)	($1,057)	($41)	($1,152)	1%
STREET LIGHTING SERVICE CLASSIFICATION	0.4%	469	0	(226)	(28)	(25)	(213)	(60)	(681)	($1,304)	($51)	($2,119)	2%
Total		**118,205**	**(2,223)**	**(57,027)**	**(7,148)**	**(6,210)**	**(53,630)**	**(2,129)**	**25,170**	**(107,006)**	**(10,769)**	**(102,766)**	**100%**

Staff Question - 3

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 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 RHI 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.

Renfrew Hydro Inc. - Response:

RHI did not use Table 42 and/or 43 of Ref. 2 to track or quantify the MRP-related energy variances recorded in Account 1588. RHI planned to investigate and track only if the energy variances recorded in Account 1588 were material and greater than the 1% threshold. RHI's reasonability threshold test of the account balance in 1588 Commodity Accounts Analysis Workform resulted in -0.3%.

Staff Question - 4

Question(s):

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

Renfrew Hydro Inc. - Response:

The OEB has issued and RHI has updated the preliminary UTR's and proposed Hydro One ST RTSR's in the attached updated rate generator. RHI confirms these are the only adjustments made in the attached updated IRM rate generator.