

Wasaga Distribution Inc.

EB-2016-0108

November 21, 2016

Question #1

Ref: IRM Model – tab 3 Continuity Schedule: OEB-approved disposition balances in 2016

- On the continuity schedule of the 2017 IRM model, Wasaga Distribution reported \$1,879 in account 1550 OEB-approved interest disposition in 2016. This amount does not match the total interest of \$2,295 to be disposed in account 1550 in Wasaga Distribution's 2016 CoS EDDVA model. Please confirm the correct interest disposition amount for this account. OEB staff will update the model accordingly.
- It's also noted that, as per the EDDVAR model in Wasaga Distribution's 2016 CoS application, there were disposition balances in accounts 1595(2011), 1595(2012) and 1595(2014) included in the total 2016 group 1 disposition. These balances are not reported on the continuity schedule of the 2017 IRM model. Please provide explanation for the discrepancies. OR please provide the correct account balances that should be reported on the continuity schedule and OEB staff will update the model accordingly.

2017 IRM model – continuity schedule

		2016			
Account Descriptions	Account Number	Principal Disposition during 2016 - instructed by OEB	Interest Disposition during 2016 - instructed by OEB	Closing Principal Balances as of Dec 31, 2016 Adjusted for Dispositions during 2016	Closing Interest Balances as of Dec 31, 15 Adjusted for Disposition in 2016
Group 1 Accounts					
LV Variance Account	1550	71,215	1,879	185,076	238
Smart Metering Entity Charge Variance Account	1551	(5,251)	(38)	(4,596)	(40)
RSVA - Wholesale Market Service Charge	1580	1,286	(115)	(172,506)	(175)
Variance WMS – Sub-account CBR Class A	1580			0	0
Variance WMS – Sub-account CBR Class B	1580	0	0	34,953	114
RSVA - Retail Transmission Network Charge	1584	(84,691)	(2,081)	85,888	(16)
RSVA - Retail Transmission Connection Charge	1586	(199,401)	(5,457)	(90,814)	682
RSVA - Power	1588	(62,600)	(3,965)	(1,116,470)	(2,732)
RSVA - Global Adjustment	1589	252,189	9,731	307,774	(2,713)
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁴	1595			0	0
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁴	1595			0	0
Disposition and Recovery/Refund of Regulatory Balances (2011) ⁴	1595			(507,315)	7,748
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁴	1595	0	0	155,948	(60,015)
Disposition and Recovery/Refund of Regulatory Balances (2013) ⁴	1595			0	0
Disposition and Recovery/Refund of Regulatory Balances (2014) ⁴	1595			38,699	(50,828)
Disposition and Recovery/Refund of Regulatory Balances (2015) ⁴	1595			418,395	88,975
<i>Not to be disposed of unless rate rider has expired and balance has been audited</i>					

2016 CoS EDDVAR model – continuity schedule

Account Number	Closing Principal Balances as of Dec 31-14 Adjusted for Dispositions during 2015	Closing Interest Balances as of Dec 31-13 Adjusted for Dispositions during 2014	Projected Interest from Jan 1, 2015 to December 31, 2015 on Dec 31 -14 balance adjusted for disposition during 2014 ⁵	Projected Interest from January 1, 2016 to April 30, 2016 on Dec 31 -14 balance adjusted for disposition during 2015 ⁵	Total Claim
1550	\$71,215	\$416	\$1,618	\$261	\$73,511
1551	-\$5,252	-\$20	\$2	-\$19	-\$5,290
1580	\$1,286	\$824	-\$943	\$5	\$1,172
1584	-\$84,692	-\$1,286	-\$484	-\$311	-\$86,773
1586	-\$199,400	-\$1,190	-\$3,536	-\$731	-\$204,858
1588	-\$62,600	-\$2,487	-\$1,248	-\$230	-\$66,565
1589	\$252,189	\$692	\$8,114	\$925	\$261,919
ances (2008)	\$0	\$0	\$0	\$0	\$0
ances (2009)	\$0	\$0	\$0	\$0	\$0
ances (2010)	\$0	-\$1,737	\$1,737	\$0	\$0
ances (2011)	-\$315,946	\$12,319	-\$3,768	-\$1,158	-\$308,553
ances (2012)	-\$210,044	-\$129,743	-\$2,505	-\$770	-\$343,062
ances (2013)	\$0	\$0	\$0	\$0	\$0
ances (2014)	-\$426,104	-\$48,382	-\$5,081	-\$1,562	-\$481,129
al Adjustment)	-\$979,348	-\$170,593	-\$6,096	-\$3,591	-\$1,159,627
al Adjustment)	-\$1,231,536	-\$171,285	-\$14,209	-\$4,516	-\$1,421,547
1589	\$252,189	\$692	\$8,114	\$925	\$261,919

Question #2

Ref: IRM Model – tab 3 Continuity Schedule: RRR 2.1.7 – account 1580 Sub-account CBR Class B

It's noted that Wasaga Distribution filed a zero balance in RRR 2.1.7 in account 1580 CBR Class B. OEB staff understand that the balance filed in RRR 2.1.7 under control account 1580 includes the amount in sub-account CBR Class B. However, the 2015 year-end balance in sub-account CBR Class B should still be filed in this sub-account in RRR. (The variance in cell BT23 on the continuity schedule is expected due to the difference in filing requirements between RRR and continuity schedule.)

- Please revise the RRR filing accordingly and notify OEB staff when the revision is processed. (No action is required on the IRM model.)

	Balances		2.1.7 RRR	
Account Number	Total Claim		As of Dec 31-15	Variance RRR vs. 2015 Balance (Principal + Interest)
1550	188,028		258,408	(0)
1551	(4,703)		(9,923)	0
1580	(175,212)		(136,443)	35,067
1580	<input type="checkbox"/> Check to Dispose of Account (Disabled) 0		0	0
1580	<input checked="" type="checkbox"/> Check to Dispose of Account 35,580		0	(35,068)
1584	87,131		(900)	0
1586	(91,464)		(294,990)	0
1588	(1,135,577)		(1,185,768)	(0)
1589	309,575		566,981	(0)

Question #3

Ref: IRM Model – tab 3 Continuity Schedule: variances in account 1595 (2010), 1595 (2011) and 1595 (2012)

As shown in the screenshot below, there're variance amounts between RRR and 2015 year-end balances on the continuity schedule in account 1595 (2010), 1595 (2011) and 1595 (2012). Please review and provide explanations for these variances.

	Balances		2.1.7 RRR	
Account Number	Total Claim	As of Dec 31-15		Variance RRR vs. 2015 Balance (Principal + Interest)
1550	188,028	258,408		(0)
1551	(4,703)	(9,923)		0
1580	(175,212)	(136,443)		35,067
1580	<input type="checkbox"/> Check to Dispose of Account (Disabled) 0	0		0
1580	<input checked="" type="checkbox"/> Check to Dispose of Account 35,580	0		(35,068)
1584	87,131	(900)		0
1586	(91,464)	(294,990)		0
1588	(1,135,577)	(1,185,768)		(0)
1589	309,575	566,981		(0)
1595	<input type="checkbox"/> Check to Dispose of Account 0	0		0
1595	<input type="checkbox"/> Check to Dispose of Account 0	(499,566)		(499,566)
1595	<input type="checkbox"/> Check to Dispose of Account 0	95,933		595,499
1595	<input checked="" type="checkbox"/> Check to Dispose of Account 98,220	0		(95,933)
1595	<input type="checkbox"/> Check to Dispose of Account 0	0		0
1595	<input type="checkbox"/> Check to Dispose of Account 0	(12,129)		(0)
1595	<input type="checkbox"/> Check to Dispose of Account 0	507,370		0

Question #4

Ref: balances in account 1588 and account 1589

Wasaga Distribution has a total GA claim of \$309,575 resulting a rate rider of \$0.0153/kWh. This results in a charge of \$11.48 for a typical Non-RPP customer at 750kWh. OEB staff also notes that Wasaga Distribution had a large credit Transaction balance of \$1,116,470 in account 1588 in 2015.

- a) Please explain the reasoning for the large total GA claim in the 2017 application.
- b) Please explain the reasoning for the large credit transaction balance of \$1,116,470 in account 1588 Power in 2015.

Question #5

Ref: IRM Model – tab 12, 13, 14 RTSR: Line Connection Charge

Please confirm if Wasaga Distribution only receive two rates from Hydro One Networks Inc.: 1) Retail Transmission - Network and 2) Retail Transmission – **Transformation Connection**. The Line Connection rate is not applicable. If this is true, OEB staff will need to update the model tab 12 to

remove the units entered under Line Connection, so that the Line Connection \$ amounts will not be calculated on tab 13 and tab 14.

Question #6

Ref: IRM Model – tab 18 Additional Rates: CBR rate rider

As noted on tab 3 continuity schedule (in the blue textbox), if a distributor has only Class B customers, the balance in sub-account 1580 CBR Class B will be allocated and disposed with the control account 1580. If Wasaga Distribution has only Class B customers, the balance in account 1580 sub-account CBR Class B, \$35,580 has been added to the control account 1580 balance of (\$175,212) when allocating account balance to each class (see screenshot below of tab 5). Therefore, Wasaga Distribution should not calculate a separate rate rider outside the model to dispose of sub-account CBR Class B. It has been allocated and disposed with the control account 1580 in the group 1 DVA disposition. The CBR rate rider should be removed from tab 18.

- Please confirm Wasaga Distribution has no Class A customers, and in 2015, Wasaga Distribution had no customers moved between Class A and Class B.
- Please review and confirm the above description of disposition of sub-account 1580 CBR Class B. OEB staff will update the model to remove the CBR rate rider on tab 18.

	allocated based on Total less WMP			
	1551	1580	1584	
)	(4,422)	(101,978)	61,882	(6
)	(281)	(18,847)	11,436	(1
i	0	(16,413)	12,361	(1
!	0	(299)	182	
!	0	(2,094)	1,271	(
;	(4,703)	(139,631)	87,131	(9

Question #7

Ref: IRM Model – tab 20 Billing Determinant for Unmetered Classes

Wasaga Distribution's USL and Street Lighting classes are billed based on the number of connections. In Column N of tab 20 Bill Impacts, the number of connections of a typical customer in these two classes should be entered. Please provide the two numbers of connections for USL and Street Lighting classes. OEB staff will update the model.

Consumption (kWh)	Demand kW (if applicable)	RTSR Demand or Demand-Interval?	Billing Determinant Applied to Fixed Charge for Unmetered Classes (e.g. # of devices/connections)
750		N/A	
2,000		N/A	
170,000	300	DEMAND	
250		N/A	
42,000	125	DEMAND	
260		N/A	
260		N/A	

Question #8

**Ref: Tab “2. CDM Allocation” of LRAMVA Work Form
 EB-2011-0103, Wasaga Responses to Interrogatories – VECC #18
 Tab “5. 2015 LRAM” of LRAMVA Work Form**

Pre-amble:

Based on Wasaga’s interrogatory responses to VECC (#18) in the 2012 cost of service application (EB-2011-0103), Wasaga confirmed that the CDM adjustment of 802,000 kWh to the load forecast was to account for estimated 2012 CDM savings. This is shown in Tab “2. CDM Allocation” of Wasaga’s LRAMVA workform.

In Tab “5. 2015 LRAM” of LRAMVA Work Form, the persistence of 2011 CDM savings are claimed into future years, although it appears that the 2011 CDM savings persistence were captured in the 2012 load forecast.

Questions:

- a) Please indicate what year of actual data was used to develop Wasaga’s load forecast as part of its 2012 cost of service proceeding.
- b) In the event that 2011 actual data was used to develop the load forecast, please discuss the appropriateness of claiming 2011 persisting CDM savings into 2015 as these savings would already be built into Wasaga’s rates through its load forecast.
- c) Please exclude all savings related to 2011 CDM programs from the LRAM claim and provide an updated LRAMVA workform.

Updates to IRM Model made by OEB staff**1. Tab 16: GDP-IPI**

Consistent with the policy determinations set out in the Report of the Board on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors (EB-2010-0379) (Issued November 21, 2013 and updated December 4, 2013), the OEB has calculated the value of the inflation factor for incentive rate setting under the Price Cap IR and Annual Index plans, for rate changes effective in 2017, to be 1.9%. OEB staff has updated the price escalator on tab 16 of Wasaga Distribution's IRM model.

2. Tab 20: save additional rate classes

OEB staff has fixed the IRM model to save the additional rate classes on tab 20. "Residential Service Classification" has been saved in row 35 and 36.