



2023 IRM APPLICATION

EB-2022-0058

Submitted on: November 16<sup>th</sup>, 2022

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**IN THE MATTER OF** the Ontario Energy Board Act, 1998, S.O.

1998, c.15, (Schedule B); **AND IN THE MATTER OF** an

Application by Ottawa River Power Corporation to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable distribution rates and other service charges to be effective

May 1, 2023.

## 1. Applicant

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## 2. Application

Ottawa River Power Corporation (“ORPC”) hereby applies to the Ontario Energy Board (the “Board”) for approval of its 2023 Distribution Rate Adjustments effective May 1, 2023. ORPC applies for an Order or Orders approving the proposed distribution rates and other charges as set out in Appendix B of this Application as just and reasonable rates and charges pursuant to Section 78 of the OEB Act.

Ottawa River Power Corporation has followed Chapter 3 of the Board’s Filing Requirements for Transmission and Distribution Applications dated July 12, 2018 along with the Key References listed at Chapter 3 Incentive Rate-Setting Applications.

ORPC confirms that the billing determinants used in the model are from most recent reported RRR filings. The utility reviewed both the existing “Tariff Sheets” and billing determinants in the pre-populated worksheets and confirms that they are accurate.

In the preparation of this application, ORPC used the 2023 IRM Rate Generator issued on July 21<sup>st</sup>, 2022. The rate and other adjustments being applied for and as calculated through the use of the above models include a Price Cap Incentive Rate-Setting (“Price Cap IR”) option to adjust its 2023 rates (The Price Cap IR methodology provides for a mechanistic and formulaic adjustment to distribution rates and charges in the period between Cost of Service applications). The model also adjusts Retail Transmission Service Rates in accordance with Board Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates revised on June 28, 2012.

Along with revisions to its distribution rates, Ottawa River Power also seeks approval of the following matters:

- Continuance of the Specific Services charges and Loss Factors;
- Continuance of the MicroFit monthly charge;
- Continuance of the Smart Meter Entity charge based on the rate prescribed in the letter issued by the OEB on September 8<sup>th</sup>, 2022;
- Disposition of 2021 balances in Accounts 1550, 1551, 1580, 1584 and 1586; and
- Disposition of 2017 balances in Accounts 1588 and 1589.

### 3. Excess Dead-Band Earnings

Ottawa River Power Corporation is seeking an adjustment to its base rates through Price Cap IR. The utility achieved a Regulatory Return on Equity of 8.57% in 2021 which is well within the deemed ROE of 9.19%.

#### 4. Scope of Application

The Scope of this application under the Incentive Rate-Setting Mechanism for the 2023 rate year includes:

- 2023 IRM Rate Generator
- 2023 GA Analysis Work Form
- Proposed 2023 Tariff of Rates and Charges
- Customer Bill Impacts

#### 5. Current Tariff Sheets

The Tariff of Rate and Charges for rates currently in effect are presented in Appendix A.

#### 6. Proposed Tariff Sheets

The Tariff of Rates and Charges proposed in this Application are presented in Appendix B.

#### 7. Effective Date

Ottawa River Power Corporation requests an effective of May 1, 2023 for the Proposed Tariff of Rates and Charges.

In the event that the Board is unable to provide a Decision and Order in this Application for implementation by the Applicant as of May 1, 2023, ORPC requests that the Board issue an Interim Rate Order declaring the current Distribution Rates and Specific Service Charges as interim until the decided implementation date of the approved 2023 distribution rates. If the effective date does not coincide with the Board's decided implementation date for 2023 distribution rates and charges, Ottawa River Power requests to be permitted to recover the incremental revenue from the effective date to the implementation date.

## 8. Form of Hearing Request

ORPC requests pursuant to Section 34.01 of the Board's Rules of Practice and Procedure that this application be disposed of by way of a written hearing.

## 9. Notice of Application

Ottawa River Power attests that the utility, its shareholders and all its customer classes will be affected by the outcome of this application. ORPC will make the application and the evidence, and any amendments thereto, available for public review at Ottawa River Power Corporation's office and in a prominent place on Ottawa River Power Corporation's website at [www.orpowercorp.com](http://www.orpowercorp.com) pending OEB direction.

## 10. Company Profile

Ottawa River Power Corporation serves the urban communities of the City of Pembroke, the Township of Whitewater (Beachburg only), the Town of Mississippi Mills (Almonte Ward only) and the Township of Killaloe, Hagarty & Richards (Killaloe only). Three exceptions to this geographic description are located in the Town of Mississippi Mills. During 2008 Ottawa River Power Corporation applied to the Ontario Energy Board to have its service area amended to include the west half of Lot 14 in the Township of Ramsey. This amendment was granted by the OEB under order EB-2008-0094. During 2009 ORPC applied to the OEB for another service area amendment in the Town of Mississippi Mills. In June 2009 the OEB amended the service area of ORPC under order EB-2009-0019 to include Phase 1 of Sadler Estates Development (Part of Lot 16, Conc. 10). In 2015, the OEB amended the Almonte area to include the property of Orchard View on 219 Patterson Street, East Part of Lot 14, Concession 10, Almonte Ward, now in the Town of Mississippi Mills (EB-2015-0153). In 2022, the OEB further amended the Almonte area to include the East Half of Lot 14, Concession 10, Almonte Ward, Municipality of Mississippi Mills, County of Lanark (EB-2022-0224).

ORPC has 510 kilometers of lines comprised of 366 kilometers of overhead lines and 144 kilometers of underground lines. ORPC's distribution plant includes twelve substations: nine at 4.16 KV and three at 12.4 KV. Eight substations are in the City of Pembroke and four substations are located in the Town of Mississippi Mills. Ottawa River Power Corporation has 12 sub-transmission transformers and approximately 1600 distribution transformers.

At the end of 2021, Ottawa River Power had approximately 11,500 customers comprised of 88% residential customers and 12% commercial customers including small businesses and industry. The balance of the utility's customer base is comprised of Sentinel Lighting, Street Lights and Unmetered Scattered Load.

Ottawa River Power has no customers designated as wholesale market participants and has 1 Class A customer.



Ottawa River Power last filed for a Cost of Service application in 2021 for rates that became effective on May 1, 2021 (EB-2021-0052) and is anticipating filing its next Cost of Service application in August 2026 for rates effective May 1, 2027.

### 11. Price Cap Adjustment

As per Board policy (Chapter 3), distribution rates are to be adjusted according to the Price Cap model presented through the Board’s Rate Generator model. The calculation would be based on the annual percentage change in the GDP-IPI index.

In accordance with the Report of the Board: Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario’s Electricity Distributors, Ottawa River Power Corporation has used an assigned Stretch Factor Group II to calculate its Price Cap. The following table shows ORPC’s factor to its Price Cap Adjustment.

#### Price Cap Parameters

Stretch Factor Group	II
Price Escalator	3.70%
Stretch Factor Value	0.15%
Productivity Factor	0.00%
Price Cap Index	3.55%

While the price factor adjustment under this application would apply to the fixed and volumetric distribution rates for Ottawa River Power, it would not affect the following:

- Rate adders and riders
- Low voltage service charges
- Retail Transmission Service Rates
- Wholesale Market Service Rate
- Rural Rate Protection Charge
- Standard Supply Service – Administrative Charge

- MicroFIT Service Charge
- Specific Service Charges
- Transformation and Primary Metering Allowances
- Smart Metering Entity Charge

## 12. Revenue to Cost Ratio Adjustments

Ottawa River Power is not proposing to adjust its revenue to cost ratios in this proceeding as its revenue to cost ratios were adjusted and set as part of the 2021 Cost of Service application and will be reset in its next Cost of Service application.

## 13. Rate Design for Residential Electricity Customers

In accordance with the new Rate Design for Residential Electricity policy issued on April 2, 2015, Ottawa River Power implemented the final transition of five yearly adjustments to its Monthly Fixed Charge for the residential customer class in its previous IRM filed for rates effective May 1<sup>st</sup>, 2020. Therefore, no further transition is required through this application.

## 14. RTSR Adjustments

Ottawa River Power is applying for an adjustment of its Retail Transmission Service Rates (RTSR) based on a comparison of historical transmission costs adjusted for new Uniform Transmission Rates (UTR) levels and revenues generated from existing RTSRs. This approach is expected to minimize variances in the USoA Accounts 1584 and 1586.

OPRC used the RTSR Adjustment Worksheets embedded in the IRM Model, to determine the proposed adjustments to the RTSR approved in the 2023 IRM application. The Loss Factor applied to the metered kWh is the actual Board-approved 2022 Loss Factor.

The proposed adjustments of the RTSR are shown in the table below and the detailed calculations can be found in the 2023 IRM Model filed in conjunction with this application.

### Proposed Network Service Rate

Rate Class	Unit	Current Network Service Rate	Proposed Network Service Rate
Residential Service	\$/kWh	0.0072	0.0080
General Service Less Than 50 kW Service	\$/kWh	0.0064	0.0071
General Service 50 To 4,999 kW Service	\$/kW	2.6691	2.9814
Sentinel Lighting Service	\$/kW	2.0229	2.2596
Street Lighting Service	\$/kW	2.0129	2.2484
Unmetered Scattered Load Service	\$/kWh	0.0064	0.0071

### Proposed Line and Transformation Connection Service Rate

Rate Class	Unit	Current Line and Connection Service Rate	Proposed Line and Connection Service Rate
Residential Service	\$/kWh	0.0053	0.0057
General Service Less Than 50 kW Service	\$/kWh	0.0047	0.0051
General Service 50 To 4,999 kW Service	\$/kW	1.8907	2.0341
Sentinel Lighting Service	\$/kWh	1.4926	1.6058
Street Lighting Service	\$/kW	1.4618	1.5727
Unmetered Scattered Load Service	\$/kW	0.0047	0.0051

## 15. Deferral and Variance Account Continuity Schedule

Ottawa River Power Corporation has completed the Board Staff's 2023 IRM Rate Generator – Tab 3 2021 Continuity Schedule and the threshold test at Tab 4 shows a claim per kWh of \$0.0037. The Report of Board on Electricity Distributors' Deferral and Variance Account Review Report (the "EDDVAR Report") provides that during the IRM plan term, the distributor's Group 1 audited account balances will be reviewed and disposed if the pre-set disposition threshold of \$0.001 per kWh (debit or credit) is exceeded unless otherwise elected by the distributor. This amount does exceed the threshold and Ottawa River Power is requesting disposition of Group 1 accounts 1550, 1551, 1580, 1584 and 1586 up to December 31, 2021, and Group 1 accounts 1588 and 1589 up to December 31, 2017. The Continuity Schedule only allowed figures from 2016 forward whereas the period of disposition requested for accounts 1588 and 1589 is from 2015 to 2017, therefore ORPC has presented the 2015 Continuity Schedule in Appendix L.

The DVA Continuity schedule for accounts 1550, 1551, 1580, 1584 and 1586 includes principal adjustments in 2020 to bring forward the ending 2020 balances that were previously disposed in the Cost of Service application (EB2021-0052). No other principal adjustments were presented for these accounts. Analyses assessing the reasonability of balances in accounts 1550, 1551, 1580, 1584 and 1586 were presented in Appendices F, G, H, I and J.

For accounts 1588 and 1589, Ottawa River Power is only requesting disposition up to December 31, 2017, at this time due to an ongoing internal review of balances from 2018, 2019, 2020 and 2021 resulting from the OEB review performed on accounts 1588 and 1589. The principal adjustments for accounts 1588 and 1589 for each year of 2015, 2016 and 2017 are presented in Appendix C along with the calculations. The OEB review identified a global adjustment allocation issue between RPP and non-RPP. The appendix attempts to calculate the correct allocation. However, as mentioned in the Global Adjustment Analysis Workform section below, there are a few estimates that can significantly impact the allocation between accounts 1588 and 1589. Any adjustment however is offsetting between the two accounts and would have no impact to the customer if adjusted.

All interest recorded on carrying charges are calculated using simple interest applied to the monthly balance and are recorded in separate sub-accounts.

## 16.RSVA Power – Account 1588

Ottawa River Power Corporation's (ORPC) Account 1588 is composed of electricity purchased from Hydro One, embedded generators and Microfits and energy revenue from the customer for each class of customer.

Electricity from Hydro One and Brookfield is purchased at the spot rate whereas electricity purchased from the Mississippi River Power Corporation (MRPC) and Enerdu Power Systems embedded generators and Microfits is purchased at contracted rates. All purchases are recorded in Account 4705. ORPC records the difference between the contracted rates and the weighted average price on any amounts paid to MRPC, Enerdu and Microfits from Hydro One on each of its monthly settlement with Hydro One and these recoveries are recorded in Account 4705.

Customers are charged at time-of-use, weighted average (WAP) or the Hourley Ontario Energy Price (HOEP) and the charges are recorded in Account 4006, 4010, 4015, 4025, 4030 or 4035. The weighted average rate is calculated based on the HOEP multiplied by the Net System load for the given hour. On each settlement with Hydro One, the WAP data is extracted from the customer information system. The dollar amount of WAP charged to each customer class is then allocated between the RPP Blocks and time-of-use pricing based on consumption in each class. The difference between the price charged to the customer and the WAP represents the global adjustment portion of RPP prices which is reported in ORPC's Hydro One settlement. Items remaining in Account 1588 include differences between the hourly weighted average price paid for electricity and the billing period weighted average price charged to customers and differences between actual line losses as compared to the total loss factor. Additionally, ORPC allocates the RPP portion of global adjustment to account 1588. This is calculated by determining the proportion of non-RPP to RPP usage on total usage and reallocation the RPP portion of global adjustment paid to Hydro One to account 1588.

Ottawa River Power Corporation underwent a review of accounts 1588 and 1589 by the Ontario Energy Board compliance division. The company has presented 2015, 2016 and 2017 principal adjustments in Appendix C and is currently reviewing adjustments required for 2018, 2019, 2020 and 2021. As a result, Ottawa River Power Corporation believes that it is only appropriate currently to request disposition of December 31, 2017, 1588 and 1589 balances. The December 31, 2017, balances were previously disposed on an interim basis through its 2019 IRM application (EB-2018-0063) resulting in total claims of \$(23,546) and \$134,647 for 1588 and 1589 respectively. The new proposed claim for 1588 and 1589, including adjusted carrying charges and for the previous interim disposition approved, are \$630,918 and \$(445,738) respectively. The amount presented for disposition in the DVA Continuity Schedule does not match the RRR filing as ORPC excluded figures from 2018 forward for disposition.

### 17.RSVA Global Adjustment – Account 1589

ORPC had 1 Class A customer as of July 1<sup>st</sup>, 2019. This account is reviewed annually for eligibility and annual adjustments to the power factor are communicated to the customer. For its Class B customers, ORPC reviews the general service accounts on an annual basis to determine which customers are eligible for the RPP. Accounts are also reviewed at the time that an account changes ownership. Any billing adjustments are done as part of the next billing period.

ORPC uses the Global Adjustment 1<sup>st</sup> estimate rate posted on the IESO website for the settlement month. The variance between the estimate and the actual GA rate is recorded and reflected in RSVA GA 1589 on a monthly basis.

Ottawa River Power Corporation's (ORPC) account 1589 is composed of the non-RPP portion of Global Adjustment (GA) paid to Hydro One, the GA received on the generator payment from Hydro One and the GA charged to customers.

The non-RPP portion of GA paid on electricity provided from Hydro One is recorded in Account 4707 whereas the RPP portion is recorded in account 4705. When ORPC settles with Hydro One for GA purposes, the billed kWhrs in a given month are extracted from the customer information system

and the RPP data is subtracted to obtain the non-RPP volume related to billed GA. ORPC then multiplies the total GA paid to Hydro One by the proportion of RPP usage to total usage to determine the amount of GA to reallocate to RPP customers within 4705. For non-RPP usage, ORPC multiplies the volume by the GA actual rate for the applicable usage month to calculate the actual value of the GA that would have been charged to customers had the actual GA rate for the month been used and the actual GA amount is settled with Hydro One on a monthly basis. True-ups, if any, are recorded in subsequent months. ORPC estimates usage using the most accurate GA rate available (second estimate or actual) for any unbilled kWhs.

ORPC also receives a monthly generator payment from Hydro One for all electricity, if any, that was over-generated by Mississippi River Power Corporation – an embedded generator – directly into the Hydro One grid. The GA credit received on the generator payment is recorded into Account 4707.

ORPC customers are charged based on the 1<sup>st</sup> estimate of the GA.

In regard to the 2023 proceeding, as mentioned above in the RSVA Power – Account 1588 section Ottawa River Power Corporation requests disposition of December 31, 2017, 1588 and 1589 balances. The December 31, 2017, balances were previously disposed on an interim basis through its 2019 IRM application (EB-2018-0063) resulting in total claims of \$(23,546) and \$134,647 for 1588 and 1589 respectively. The new proposed claim for 1588 and 1589, including adjusted carrying charges and for the previous interim disposition approved, are \$630,918 and \$(445,738) respectively. The amount presented for disposition in the DVA Continuity Schedule does not match the RRR filing as ORPC excluded figures from 2018 forward for disposition.

## **18. Adjustments to Deferral and Variance Accounts**

In its rate application for rates effective May 1<sup>st</sup>, 2019, Ottawa River Power Corporation applied for a disposition of Group 1 Deferral and Variance Accounts and was approved for disposition on an interim basis. As noted above, Ottawa River Power Corporation underwent a review of accounts 1588 and 1589 with the Ontario Energy Board for the years 2015, 2016, 2017, 2018 and 2019. The utility was able to review years 2015, 2016 and 2017 and has presented its proposed principal adjustments in

Appendix C and is currently reviewing adjustments required for 2018, 2019, 2020 and 2021. The calculation methodology of the principal adjustments for 2015, 2016 and 2017 was based on recommendations made by the OEB during its review and the calculation was sent to the OEB for review prior to the submission of this application with few issues noted. The company is therefore requesting that the adjusted balances up to December 31, 2017, for accounts 1588 and 1589 be disposed on a final basis. Balances for 2018, 2019, 2020 and 2021 are anticipated to be reviewed and the principal adjustments presented within the IRM for rates effective May 1, 2024.

**19. Deferral and Variance Account Disposition Rate Riders**

Ottawa River Power Corporation is proposing the following rate riders in regard to disposition of accounts 1550, 1551, 1580, 1584, 1586, 1588 and 1589:

**Proposed Group 1 Deferral/Variance Account Rate Rider**

<b>Rate Class</b>	<b>Unit</b>	<b>Proposed Rate Rider (Group 1 exc. 1589)</b>
Residential Service	\$/kWh	0.0030
General Service Less Than 50 kW Service	\$/kWh	0.0030
General Service 50 To 4,999 kW Service	\$/kW	1.1041
Sentinel Lighting Service	\$/kW	1.1337
Street Lighting Service	\$/kW	1.0960
Unmetered Scattered Load Service	\$/kWh	0.0031

**Proposed 1589 Deferral/Variance Account Rate Rider**

<b>Rate Class</b>	<b>Unit</b>	<b>Proposed Rate Rider (Group 1 exc. 1589)</b>
Residential Service	\$/kWh	(0.0070)
General Service Less Than 50 kW Service	\$/kWh	(0.0070)
General Service 50 To 4,999 kW Service	\$/kWh	(0.0070)



Sentinel Lighting Service	\$/kWh	(0.0070)
Street Lighting Service	\$/kWh	(0.0070)
Unmetered Scattered Load Service	\$/kWh	(0.0070)

Due to the impact of the rate rider, Ottawa River Power Corporation is proposing a 24-month recovery for the Group 1 Deferral/Variance rate rider and a 12-month recovery period for the 1589 Deferral/Variance account rate rider. A prolonged recovery period of the Group 1 Rate Rider decreases the total bill impact for residential customers from 7% to 5% which the utility finds necessary to decrease the impact due to higher-than-normal inflation of living costs and operating costs for customers.

## 20. Implementation of new 1588 and 1589

Ottawa River Power Corporation underwent a review with the Ontario Energy Board for accounts 1588 and 1589 balances. It has presented principal adjustments to years 2015, 2016 and 2017 to comply with the guidance from the OEB issued on February 21, 2019 and with the guidance issued by the OEB during its review. The review staff indicated the review for all years did not need to be complete by this IRM filing, but a subset of years completed would be necessary. The principal adjustments were presented to the review staff prior to the inclusion within this application. Therefore, ORPC has completed its review of 2015, 2016 and 2017 and is still reviewing its 2018, 2019, 2020 and 2021 balances. The company cannot confirm its compliance with guidance from the OEB issued on February 21, 2019 for 2018, 2019, 2020 and 2021 years at this time. It is the company's intention to complete its review and present principal adjustments prior to and within its next IRM filing for rates effective May 1<sup>st</sup>, 2024. Prior to the audit, Ottawa River Power believed that it had fully implemented the guidance. Further details on the principal adjustments made to 2015, 2016 and 2017 are presented in Appendix C and are described in Section 25 – GA Analysis Workform below.

## 21. Specific Service Charge and Loss Factors

Ottawa River Power Corporation is applying to continue the current Specific Service Charges, and Loss Factors as approved by the Board (EB-2021-0052).

## 22. Disposition of LRAMVA

On March 31, 2010, the Minister of Energy and Infrastructure issued a directive (the "Directive") to the Board regarding electricity CDM targets to be met by licensed electricity distributors. The Directive required that the Board amend the licenses of distributors to add, as a condition of license, the requirement for distributors to achieve reductions in electricity demand through the delivery of CDM programs over a four-year period beginning January 1, 2011. Section 12 of the Directive required that the Board have regard to the objective that lost revenues that result from CDM Programs should not act as a disincentive to a distributor. On April 26, 2012, the Board issued Guidelines for Electricity Distributor Conservation and Demand Management ("CDM Guidelines"). In keeping with the Directive, the Board adopted a mechanism to capture the difference between the results of actual, verified impacts of authorized CDM activities undertaken by distributors between 2011 and 2014 and the level of activities embedded into rates through the distributors load forecast in an LRAM variance account.

In accordance with the Board's Guidelines for Electricity Distributor Conservation and Demand Management (EB-2012-0003) issued on April 26, 2012, at a minimum, distributors must apply for disposition of the balance in the LRAMVA at the time of their Cost of Service rate applications. Distributors may apply for the disposition of the balance in the LRAMVA on IRM rate applications if the balance is deemed significant by the applicant.

Ottawa River Power disposed of the balance of 1568 up to 2019 in its Cost of Service application for rates effective May 1<sup>st</sup>, 2022. As such ORPC is not seeking further disposition with this application.

### 23. Tax Change

The IRM model indicates that the utility is subject to a tax rate change from its Cost of Service application in 2022 to the 2023 rate. The model indicates a tax sharing amount of \$(1,875) which did not produce a rate rider in any of the rate classes based on the allocated tax sharing. As such, per Filing Requirements and pending approval by the OEB of this proceeding, ORPC will transfer the tax sharing amount into account 1595 for disposition at a later date.

### 24. ICM / Z-Factor

ORPC is not applying for any new recovery of Incremental Capital or Z-Factor in this proceeding.

### 25. Global Adjustment Analysis Work Form

Ottawa River Power Corporation has completed the Global Adjustment (GA) analysis work form for 2023. ORPC received approval for interim disposition of the Global Adjustment account up to December 31, 2017, however the corporation underwent a review of account 1589 with the Ontario Energy Board and determined that adjustments were required to 2015 through 2019. Therefore, the company has included 2015, 2016, 2017, 2018, 2019, 2020 and 2021 in its analyses. However, due to the extensive time required related to the review of the required adjustments, the utility is only proposing to dispose of years 2015, 2016 and 2017 as it has completed its review of those years. It is expected that ORPC will complete its review of the remaining years by its next IRM filing for rates effective in 2024. The adjustments required to 2015, 2016 and 2017 have been presented in Appendix C and further details on the principal adjustments calculated were provided in section 17 above. The GA Analysis Workform only provides from 2017 forward and as ORPC requires years prior to that, it has provided the 2015 GA Analysis in Appendix D, the 2016 GA Analysis in Appendix E and the 2015 and 2016 1588 Reasonability in Appendix K. The workform calculates the expected GA variance between billed consumption and consumption adjusted for unbilled revenues. The total expected variance is then reconciled against the changes in the general ledger and any difference greater than

+ or – 1% must be explained. ORPC has not completed its review of 2018 through 2021 and therefore does not provide explanations for the unresolved differences in those years.

Years 2015, 2016 and 2017 present differences of -3.9%, -3.5% and -6.0% respectively or \$(218,510), \$(245,566) and \$(404,739) respectively. Although these differences are above the 1% threshold, ORPC would note that the principal adjustments for 2015, 2016 and 2017 are estimates due to the lack of available data. The principal adjustments are presented in Appendix C along with the calculations. In 2015, 2016 and 2017, ORPC was not billing on a calendar month basis for the majority of its billing cycles and meters were only read on the cycle end date rather than the end of the month. This resulted in estimations based on a proration of the non-RPP usage using the numbers of days in each month. Additionally, ORPC could not obtain a monthly breakdown of the RPP and estimated the monthly RPP usage based on the proportional monthly representation of non-RPP usage. ORPC calculated that an average annual difference in allocation between RPP and non-RPP of 1% can have an impact of approximately \$150,000. Based on the estimated nature of the adjustments for 2015, 2016 and 2017 and the large dollar impact of small percentage variances between RPP and non-RPP usage, ORPC finds the unresolved differences reasonable as they suggest minimal average annual variances between the estimates and actuals of 1% to 3%. Additionally, the 1588 and 1589 RSVA accounts are varying in opposite directions which supports an allocation difference between non-RPP and RPP.

## 26.1595 Analysis Work Form

Per the Chapter 3 Filing Requirements, distributors who meet the requirements for disposition of residual balances of Account 1595 sub-accounts must file the 1595 Analysis Work Form to assess if the residual balances proposed for disposition are reasonable. ORPC is not currently seeking disposition of residual balances of Account 1595 sub-accounts as the 2019 rate rider, which ended on April 30, 2020, is only eligible for disposition once the December 31, 2022, account balance has been audited. Therefore, the 1595 Analysis Work Form was not provided.

## 27. Wholesale Market Charge Account 1580

Ottawa River Power Corporation is an embedded distributor and is not charged CBR for its Class B customers. Ottawa River Power Corporation is charged CBR for its sole Class A customer who enrolled as of July 1, 2019 but no balance pertaining to this customer exists in account 1580 at December 31, 2021.

## 28. Bill Impacts

The table below shows the proposed bill impacts as calculated at Sheet 20 of the model.

### Bill Impacts by Sub-Total

**Table 2**

RATE CLASSES / CATEGORIES (eg: Residential TOU, Residential Retailer)	Units	Sub-Total						Total	
		A		B		C		Total Bill	
		\$	%	\$	%	\$	%	\$	%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	KWh	\$ 2.89	12.2%	\$ 4.68	15.9%	\$ 5.61	14.3%	\$ 5.68	5.0%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - RPP	KWh	\$ (1.76)	-3.2%	\$ 3.43	5.0%	\$ 5.72	6.2%	\$ 5.79	2.0%
GENERAL SERVICE 50 to 4.999 kW SERVICE CLASSIFICATION - Non-RPP (Other)	KW	\$ 78.29	21.3%	\$ 22.90	4.8%	\$ 68.47	7.4%	\$ 77.38	2.1%
SENTINEL LIGHTING SERVICE CLASSIFICATION - Non-RPP (Other)	KW	\$ 2.90	32.1%	\$ 3.24	31.6%	\$ 3.59	26.1%	\$ 4.06	15.1%
STREET LIGHTING SERVICE CLASSIFICATION - Non-RPP (Other)	KW	\$ 727.02	40.2%	\$ 796.86	40.9%	\$ 857.48	33.6%	\$ 968.95	20.7%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - RPP	KWh	\$ 6.99	43.3%	\$ 13.45	38.7%	\$ 16.53	25.1%	\$ 16.75	5.1%
RESIDENTIAL SERVICE CLASSIFICATION - Non-RPP (Retailer)	KWh	\$ 2.89	12.2%	\$ (0.57)	-2.0%	\$ 0.36	0.9%	\$ 0.41	0.3%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	KWh	\$ 3.03	12.9%	\$ 3.69	14.3%	\$ 4.05	13.7%	\$ 4.10	7.1%
GENERAL SERVICE 50 to 4.999 kW SERVICE CLASSIFICATION - Non-RPP (Other)	KW	\$ 78.29	21.3%	\$ (721.69)	-152.3%	\$ (721.69)	-152.3%	\$ (815.51)	-5.2%

The 10<sup>th</sup> percentile was calculated in the following manner

- 1) The utility produced a report which included *Residential Customer Number* and their *Monthly Consumptions*.
- 2) The report was then sorted by lowest to highest consumption.
- 3) The utility then calculates the 10<sup>th</sup> percentile threshold as being 283 kWh.
- 4) The report filtered out customers that had less than 12 months of consumption and those that used less than 50 kWh per month.

As per instructed by Board Staff, the bill impacts presented are calculated based on the *dollar change in Sub-Total C – Delivery* divided by *total bill before tax and before the Ontario Energy Rebate*.

With the exception of the Residential and GS<50 which use the typical 750 and 2000 kWh/month respectively, the other classes were calculated using a monthly average consumption.

Ottawa River Power Corporation has completed the transition to fully fixed residential distribution service rates and therefore a 10<sup>th</sup> percentile calculation and mitigation plan is not required. However, the 10<sup>th</sup> percentile was still presented for comparative purposes.

## 29. Certification

In accordance with filing requirements for Electricity Distribution Rate Applications, I hereby certify that, to the best of my knowledge, the information and evidence contained in this application are accurate, complete and consistent with filing requirements. I also certify that Ottawa River Power Corporation has robust processes and internal controls in place for the preparation, review, verification and oversight of all account balances being requested for disposition.



Jeffrey Roy

Chief Financial Officer

Ottawa River Power Corporation

283 Pembroke Street West

Pembroke ON K8A 6Y6

The following are appended to and form part of this Application

Appendix A	Current Tariff Sheet
Appendix B	Proposed Tariff Sheet
Appendix C	Account 1589 True-Up Analysis
Appendix D	2015 Global Adjustment Analysis Workform
Appendix E	2016 Global Adjustment Analysis Workform
Appendix F	Account 1550 Balance Analysis
Appendix G	Account 1580 Balance Analysis
Appendix H	Account 1584 Balance Analysis
Appendix I	Account 1586 Balance Analysis
Appendix J	Account 1551 Balance Analysis
Appendix K	1588 (2015-2016) Reasonability
Appendix L	2015 Deferral/Variance Account Continuity Schedule