

**Ottawa River Power Corporation
EB-2022-0058**

Staff Question-1

Ref 1: EB-2021-0052, DVA Continuity Schedule, Tab 2a (Column BG)

Ref 2: Rate Generator Model, Tab 3 Continuity Schedule (Column AW)

Closing Principal Balance as of Dec 31, 2020, excluding Accounts 1588 and 1589, in Reference 1 does not agree to the Closing Principal Balance as of Dec 31, 2020 in Reference 2.

Question:

- a) Please reconcile the difference and revise the schedule as needed.

Ottawa River Power has updated the IRM model to exclude the OEB-approved 2021 disposition amounts from Columns AW and BB in Tab 3 and has included the dispositions in Columns BE and BJ.

Staff Question-2

Ref 1: Rate Generator Model, Tab 3 – Continuity Schedule (Cell F29)

Ref 2: IRM Appendix C to L – Appendix E – 2016 GA Analysis (Cell C79)

Transaction Debit/(Credit) of \$284,770 for Account 1589 in Reference 1 does not agree to the Net Change in Principal Balances in the GL of \$282,741.98 in Reference 2.

Question:

- a) Please reconcile the difference and revise the schedule as needed.

Ottawa River Power has revised the amount in IRM Appendix E – 2016 GA Analysis Cell F29 to match the amount in Reference 1 and has provided a revised Appendix E.

Staff Question-3

Ref 1: Filing Requirements For Electricity Distribution Rate Applications, Chapter 3, Page 14

Ref 2: GA Analysis Workform, Tab Account 1588, Cell G16

Reference 1 states “Any unexplained discrepancy that is greater than +/- 1% of the total annual IESO GA charges is considered material and warrants further analysis and supporting evidence”

Question:

- a) Please provide an explanation of the 3% variance of Account 1588 balance relative to the cost of power in 2017 in Reference 2.

As explained on page 20 of the Manager’s Summary, ORPC noted 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 and RPP usage using the numbers of days in each month. The estimations may result in amounts above the 1% threshold on both the GA Analysis Workforms and the 1588 Reasonability.

Staff Question-4**Ref 1: GA Analysis Workform – Tab GA 2017****Ref 2: IRM Appendix C to L – Tabs Appendix D – 2015 GA Analysis & Appendix E – 2016 GA Analysis**

OEB staff calculated the actual loss factor below based on information in the GA Analysis Workforms in References 1 & 2.

	2015	2016	2017
Non-RPP retail kWh, including loss (A)	71,035,589	71,467,197	67,810,734
Approved loss factor (B)	1.0457	1.0457	1.0457
Non-RPP retail kWh excluding loss (C = A/B)	67,931,136	68,343,882	64,847,216
Non-RPP wholesale kWh (D)	72,172,163	72,827,375	69,266,643
Calculated actual loss factor (=D/C)	1.06243	1.0656	1.06815

- i) Please confirm the table and explain why the calculated actual loss factor is much higher than the approved loss factor.

Ottawa River Power would note 2 reasons why the calculated loss factor is higher than the approved loss factor. Firstly, the loss factor utilized by the OEB in the table above is for Secondary Metered Customers. In the non-RPP category, a number of Ottawa River Power Corporation customers are Primary Metered Customers which utilizes a loss factor of 1.0396. The company does not have sufficient data to be able to segregate the non-RPP retail kWh between Primary and Secondary Metered Customers. Secondly, please refer to the answer provided in Staff Question – 3.

- ii) Please provide explanations of the “Unresolved Difference as % of Expected GA Payments to IESO” (-3.9% in Cell 97 of 2015 GA Analysis, -3.5% in Cell 97 of 2016 GA Analysis in Reference 2 and -6% in Cell C93 of GA 2017 in Reference 1).

Please refer to the answer provided in Staff Question – 3.

Staff Question-5

Ref 1: Manager Summary, Page 8

Ref 2: Rate Generator Model, Tab 6 Class A Consumption Data (Cell C487)

Reference 1 states “Ottawa River Power has no customers designated as wholesale market participants and has 1 Class A customer”. Reference 2 states that there is no customer who was Class A for the full year.

- i) Please reconcile the discrepancies and revise the schedule as needed.

Ottawa River Power Corporation is referring to the GA disposition period requested in Reference 2. The Class A customer was introduced in July 2019 but was a Class B customer during the 2015 to 2017 final disposition period requested. Therefore, ORPC stated that there were no Class A customers.

- ii) Please provide the following information of the Class A customer in the following format by year from 2015 to 2021 if Ottawa River Power has one Class A customer as it claims.

2015

Customer	Rate Class		July to December	January to June
Customer 1	GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	KWh	1,771,810.57	1,342,156.98
		kW	6,550.65	5,629.10
		Class A/B	B	B

2016

Customer	Rate Class		July to December	January to June
Customer 1	GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	KWh	1,614,199.07	1,626,548.37
		kW	5,232.48	5,638.19
		Class A/B	B	B

2017

Customer	Rate Class		July to December	January to June
Customer 1	GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	KWh	1,852,664.18	1,723,592.23
		kW	6,615.74	4,945.92
		Class A/B	B	B

2018

Customer	Rate Class		July to December	January to June
Customer 1	GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	KWh	1,676,976.67	1,527,247.49
		kW	6,278.83	6,505.24
		Class A/B	B	B

2019

Customer	Rate Class		July to December	January to June
Customer 1	GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	KWh	1,686,020.04	1,529,089.49
		kW	4,876.32	4,914.72
		Class A/B	A	B

2020

Customer	Rate Class		July to December	January to June
Customer 1	GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	KWh	1,639,205.10	1,535,320.43
		kW	5,192.16	4,778.88
		Class A/B	A	A

2021

Customer	Rate Class		July to December	January to June
Customer 1	GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	KWh	1,742,679.74	1,615,690.75
		kW	4,840.80	5,129.76
		Class A/B	A	A

Staff Question-6

Ref 1: IRM Appendix C to L

Ref 2: 2023 GA Analysis Workform

- i) In Reference 1, reconciling item 3b. of \$(3,853.72) in Tab 2015 GA Analysis and reconciling item 3a of \$(727) and 3b of \$(176,621.61) in Tab 2016 GA Analysis are not shown as principal adjustments in Reference 2 Tab Principal Adjustments.

Please confirm whether these amounts were recorded in the GL. If not confirmed, please reconcile the differences and revise the schedule as needed.

Ottawa River Power Corporation confirms that these amounts were recorded in the GL in the year to which they pertained and were presented as Transaction Debits/(Credits) in the continuity schedule rather than Principal Adjustments. They were presented as such as no reversals or true-ups of these transactions is expected since the amounts arose outside of 1st Estimate vs GA Actual differences. These amounts were not presented in the Principal Adjustments tab of the 2023 GA Analysis form but were presented in the 2023 GA Workform for the specific years as items that contribute to the variance. Ottawa River Power could identify them as principal adjustments if the OEB would prefer, but it would have no impact on the DVA Continuity schedule and the proposed rates.

- ii) In the Principal Adjustment tab of Reference 2, there are principal adjustments for Account 1589 of \$(213,663) in 2015 and \$(247,512) in 2016, and Account 1588 of \$213,663 and \$247,512 in 2016 that were recorded in the 2022 GL.
 - a. Please explain why the reversals for these principal adjustments are not needed in the subsequent years.

The reversals would only be required if the transactions were recorded in the GL in the year(s) subsequent to the transactions. Since these transactions would be recorded in the 2022 GL, the reversals should be expected in the 2022 DVA Continuity which is not presented as part of this IRM application. The reversals should be anticipated in Ottawa River Power Corporation's 2024 IRM application.

- b. Please also reconcile the differences and revise the schedule as needed.

Ottawa River Power Corporation does not believe that any revisions are required pertaining to this interrogatory.

- iii) In Reference 2 Tab Principal Adjustments, principal adjustments reversal of \$18,156 for Account 1589 and \$144,925 for Account 1588 were recorded in the 2022 GL. These amounts are not shown as principal adjustments in the Continuity Schedule Tab 3 and the Reference 1 Tab 2015 GA Analysis.

Please reconcile the difference and revise the schedule as needed.

In its previous application where interim disposition was approved up to 2017 (EB-2018-0063), Ottawa River Power Corporation presented the Principal Adjustments in rows 19 and 20 of the Principal Adjustments tab of the 2023 GA Workform in the DVA Continuity Schedule and recorded these transactions in its GL in a year subsequent to the reporting period of the DVA Continuity Schedule. Through its compliance review, Ottawa River Power determined that these adjustments were not required and needed to be reversed. Therefore, the amounts presented in the 2017 Continuity would be \$0 whereas the transactions would have gone through the GL in 2019 and 2022.

Staff Question-7

Ref: Manager Summary, Pages 12, 15, 16

Ottawa River Power states that:

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 there are a few estimates that can significantly impact the allocation between accounts 1588 and 1589.

Ottawa River Power also states that:

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.

- i) Please provide the OEB review report on Accounts 1588 and 1589.

Ottawa River Power Corporation has provided the compliance report as an attachment.

- ii) Ottawa River Power is requesting final disposition of 2015 to 2017 balances. Please confirm that Ottawa River Power does not plan to go back to 2015 to 2017 balances to make further adjustments, and expects no further adjustments resulting from its review of post-2017 balances.

Ottawa River Power Corporation confirms that it is requesting final disposition of accounts 1588 and 1589 for 2015 to 2017 balances and does not anticipate making further adjustments to 2015 to 2017 balances even after review of post-2017 balances.

- iii) Regarding principal adjustments, please confirm that the OEB's Inspection and Enforcement team agreed with the principal adjustments and resulting Accounts 1588 and 1589 balances for 2015, 2016 and 2017. If not confirmed, please explain.

Ottawa River Power Corporation confirms that the OEB's Inspection and Enforcement team agreed with the principal adjustments for 2015, 2016 and 2017. However, confirmation by the OEB applications team can be made with Hamida Shahawaz, Project Advisor, Inspection and Enforcement.

Staff Question-8

Ref: Rate Generator Model, Tab 1, Information Sheet



Version 1.0

Utility Name: Ottawa River Power Corporation

Assigned EB Number: EB-2022-0058

Name of Contact and Title: Jeffrey Roy, Chief Financial officer

Phone Number: (613)732-3687x227

Email Address: jroy@orpowercorp.com

We are applying for rates effective: Monday, May 1, 2023

Rate-Setting Method: Price Cap IR

2021

1. Select the last Cost of Service rebasing year.

a) Please explain why Ottawa River Power selected “2021” as the last Cost of Service rebasing year when the rates were effective May 1, 2022.

If “2021” was provided in error, please confirm whether the selection should be “2022”. If not, please explain.

Ottawa River Power Corporation chose 2021 as it was the most recent year available in the drop-down menu. However, it did not realize that the number could be typed over. A revised IRM model is attached with the year updated.

Staff Question-9

Ref: Rate Generator Model, Tab 3 – Continuity Schedule, Columns BE and BF

The table from Ottawa River Power’s 2021 IRM Decision¹ which identified the principal and interest amounts approved for disposition, is reproduced below.

¹ EB-2020-0049

Table 7.1: Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
LV Variance Account	1550	744,012	31,249	775,261
Smart Meter Entity Variance Charge	1551	(11,536)	(538)	(12,074)
RSVA - Wholesale Market Service Charge	1580	(198,538)	(8,822)	(207,360)
RSVA - Retail Transmission Network Charge	1584	(189,088)	(1,929)	(191,017)
RSVA - Retail Transmission Connection Charge	1586	(69,091)	1,511	(67,580)
Totals for Group 1 accounts (excluding Accounts 1588 and 1589)		275,759	21,471	297,230

a) OEB staff notes that no amounts were inputted in the “OEB-Approved Disposition during 2021 in Tab 3, columns BE and BF.

Please review and make necessary updates to the current continuity schedule. Otherwise, please provide explanation for the discrepancies.

Account Descriptions	Account Number	2021			
		OEB-Approved Disposition during 2021	Principal Adjustments ¹ during 2021	Closing Principal Balance as of Dec 31, 2021	Opening Interest Amounts as of Jan 1, 2021
Group 1 Accounts					
LV Variance Account	1550			789,079	9,323
Smart Metering Entity Charge Variance Account	1551			(862)	7
RSVA - Wholesale Market Service Charge ³	1580			(201,371)	(2,687)
Variance WMS – Sub-account CBR Class A ⁴	1580			0	0
Variance WMS – Sub-account CBR Class B ⁴	1580			0	0
RSVA - Retail Transmission Network Charge	1584			71,064	(1,223)
RSVA - Retail Transmission Connection Charge	1586			56,212	(158)
RSVA - Power ⁵	1588			581,170	31,985
RSVA - Global Adjustment ⁶	1589			(418,087)	(118)
Disposition and Recovery/Refund of Regulatory Balances (2019) ³	1595			71,042	7,293
Disposition and Recovery/Refund of Regulatory Balances (2020) ³	1595			0	0
Disposition and Recovery/Refund of Regulatory Balances (2021) ³	1595			0	0
Disposition and Recovery/Refund of Regulatory Balances (2022) ³	1595			109,652	0
<i>Not to be disposed of until two years after rate rider has expired and that balance has been audited. Refer to the Filing Requirements for disposition eligibility.</i>	1595			0	0
RSVA - Global Adjustment requested for disposition	1589	0	0	(418,087)	(118)
Total Group 1 Balance excluding Account 1589 - Global Adjustment requested for disposition		0	0	1,475,904	44,540
Total Group 1 Balance requested for disposition		0	0	1,057,898	44,422
LRAM Variance Account (only input amounts if applying for disposition of this account)	1568	0	0	0	0

Ottawa River Power Corporation has updated and provided a revised IRM Model.

Staff Question-10

Ref: Rate Generator Model, Tab 3 – Continuity Schedule

The table from Ottawa River Power’s 2022 Cost of Service Decision and Order² which identified the principal and interest amounts approved for disposition, is reproduced below.

		Amounts from Sheet 2
LV Variance Account	1550	357,213
Smart Metering Entity Charge Variance Account	1551	5,663
RSVA - Wholesale Market Service Charge	1580	(110,173)
RSVA - Retail Transmission Network Charge	1584	(5,635)
RSVA - Retail Transmission Connection Charge	1586	19,440
RSVA - Power (excluding Global Adjustment)	1588	0
RSVA - Global Adjustment	1589	0
Disposition and Recovery/Refund of Regulatory Balances (2015 and pre-2015)	1595	0
Disposition and Recovery/Refund of Regulatory Balances (2016)	1595	(178,263)
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	0
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	0
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	0
Disposition and Recovery/Refund of Regulatory Balances (2020)	1595	0
Disposition and Recovery/Refund of Regulatory Balances (2021)	1595	0

OEB staff notes that the amounts in account 1580 do not reconcile with the “OEB-Approved Disposition during 2022.”

Account Descriptions	Account Number	2022		
		Principal Disposition during 2022 - instructed by OEB	Interest Disposition during 2022 - instructed by OEB	Closing Principal Balances as of Dec 31, 2020 Adjusted for Disposition
Group 1 Accounts				
LV Variance Account	1550	345,266	11,947	443,813
Smart Metering Entity Charge Variance Account	1551	5,614	49	(6,476)
RSVA - Wholesale Market Service Charge ⁵	1580	(106,581)	(3,496)	(94,790)
Variance WMS – Sub-account CBR Class A ⁵	1580			0
Variance WMS – Sub-account CBR Class B ⁵	1580			0
RSVA - Retail Transmission Network Charge	1584	(4,379)	(1,256)	75,443
RSVA - Retail Transmission Connection Charge	1586	19,450	(10)	36,762
RSVA - Power ⁴	1588			581,170
RSVA - Global Adjustment ⁴	1589			(418,087)
Disposition and Recovery/Refund of Regulatory Balances (2019) ³	1595			71,042
Disposition and Recovery/Refund of Regulatory Balances (2020) ³	1595			0
Disposition and Recovery/Refund of Regulatory Balances (2021) ³	1595			109,652
Disposition and Recovery/Refund of Regulatory Balances (2022) ³	1595			
<i>Not to be disposed of until two years after rate rider has expired and that balance has been audited. Refer to the Filing Requirements for disposition eligibility.</i>	1595			0

² EB-2021-0052

- a) Please review and make necessary updates to the current continuity schedule. Otherwise, please provide an explanation for the discrepancies.

Ottawa River Power Corporation has updated and provided a revised IRM Model.

Staff Question-11

Ref: Rate Generator Model, Tab 20 - Bill Impacts

As indicated in the instruction paragraph at the top of Tab 20 of the Rate Generator Model, a typical customer’s consumption and demand data must be used for the bill impact calculations. These values are missing in Ottawa River Power’s model for the Street Lighting, Sentinel Lighting and Unmetered Scattered Load classes (Cells N33 to N35).

- a) Please enter the applicable billing determinants (e.g. number of connections or devices) to be applied to the monthly service charge for the Street Lighting, Sentinel Lighting, and USL rate classes of Table 1 and update this tab by clicking the “UPDATE” button.

Table 1

RATE CLASSES / CATEGORIES <i>(eg: Residential TOU, Residential Retailer)</i>	Units	RPP? Non-RPP Retailer? Non-RPP Other?	Current Loss Factor <i>(eg: 1.035)</i>	Proposed Loss Factor	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).
RESIDENTIAL SERVICE CLASSIFICATION	kWh	RPP	1.041	1.041	750			
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	RPP	1.041	1.041	2,000			
GENERAL SERVICE 50 to 4 999 KW SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.041	1.041	21,588	100	DEMAND	
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.041	1.041	100	1	DEMAND	
STREET LIGHTING SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.041	1.041	15,243	175	DEMAND	
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	RPP	1.041	1.041	2,690			

Ottawa River Power Corporation has entered the billing determinants and has provided an updated IRM model.

Staff Question-12

Ref: Sentinel Lighting and Street Lighting Class Bill Impacts, Rate Generator Model Bill Impacts Over 10%

- a) Has Ottawa River Power communicated with the Sentinel Lighting and Street customers regarding the proposed rate increases to be effective as of May 1, 2023, and the associated bill impacts on these customers? If not, why not and what is plan for the communication.

Ottawa River Power Corporation communicated the application and bill impacts through its website and social media and put notes directly on the customer electricity bills noting the application and bill impacts.

Staff Question-13

Ref: Manager Summary, page 18

The 2021 CDM Guidelines (section 8) require distributors filing an application for 2023 rates to seek disposition of all outstanding LRAMVA balances related to previously established thresholds, including approval of LRAM-eligible amounts in future years (arising from persisting savings) until a distributor's next rebasing application, unless a distributor does not have complete information on eligible savings.

- a) Please confirm that Ottawa River Power will not be seeking to dispose of any balance in the LRAMVA due to LRAM-eligible CDM activities funded by the IESO through the Conservation First Framework or Interim Framework in a future year's application.

Ottawa River Power Corporation confirms that it will not be seeking to dispose of any balance in the LRAMVA due to LRAM-eligible CDM activities in a future year's application.

- i) If not confirmed, please explain why a request for disposition was not submitted as part of this application.

N/A

- ii) If confirmed, please also confirm that Ottawa River Power has verified that, relative to the LRAMVA threshold (if any) established in Ottawa River Power's most recent rebasing application, the balance in the LRAMVA, and any prospective LRAM-eligible amounts until the next rebasing, are either zero or a debit (i.e., not a credit that would need to be refunded to customers).

Ottawa River Power Corporation confirms that it has verified that, relative to the LRAMVA threshold established in Ottawa River Power's most recent rebasing application, the balance in the LRAMVA, and any prospective LRAM-eligible amounts until the next rebasing, are zero.

Staff Question-14

Ref: Rate Generator Model

1) Rate Generator Model

OEB staff has made the following generic updates in the Rate Generator Models attached:

1. Updated regulatory charges effective January 1, 2023, for the Wholesale Market Services rate and the Rural or Remote Electricity Rate Protection charge ([EB-2022-0269](#)) in Tab 17
2. Updated 2023 [Uniform Transmission Rates](#), [Host-RTSRs](#) and extra host in Tab 11

Please confirm the updates in the attached model.

Ottawa River Power confirms the updates in Tabs 11 and 17 in the attached updated IRM model.