

EPCOR Electricity Distribution Ontario Inc.
EB-2023-0018
December 15th, 2023

Please note, EPCOR Electricity Distribution Ontario Inc. (“EEDO”) 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

Ref: 2024 IRM Rate Generator Model, Tab 3

OEB staff notes that there is no balance in the LRAM Variance Account, but the RRR filing has pulled a recorded debit of \$190,264. As part of EEDO’s last Cost of Service rebasing application, the OEB approved the disposition of this amount over a two-year period.

- a. Please confirm that EEDO has transferred this amount into Account 1595 – *Disposition and Recovery/Refund of Regulatory Balances (2023)* for disposition over a two-year period.

Staff Question 2

Ref: 2024 IRM Rate Generator Model, Tab 3

Ref: 2024 IRM Application, Management Summary, Page 15

OEB staff notes that in the Rate Generator there is a variance between the RRR and 2022 Balance for Account 1580 – *RSVA – Wholesale Market Service Charge* that is not reflected in the RRR for Account 1580 – *Variance WMS – Sub-account CBR Class B*. OEB staff notes that an explanation of the variance has been provided in the Management Summary.

- a. Please confirm if EEDO has submitted a revision request to the RRR filing. If not, please explain why.

Staff Question 3

Ref: 2024 IRM Rate Generator Model, Tab 3

On September 12th, 2023, the OEB published the 2023 Quarter 4 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.

- a. Please update the Continuity Schedule as necessary to reflect the Q4 2023 OEB-prescribed interest rate of 5.49%.

Staff Question 4

Ref: 2024 IRM Rate Generator Model, Tab 4

OEB staff notes that no response was recorded regarding the accuracy of the data populated from EEDO’s most recent RRR filing.

Ontario Energy Board
Incentive Rate-setting Mechanism Rate Generator for 2024 Filers

Data on this worksheet has been populated using your most recent RRR filing. If you have identified any issues, please contact the OEB. Have you confirmed the accuracy of the data below?

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.
Please contact the OEB to make adjustments to the IRM rate generator for this situation.

Rate Class	Unit	Total Metered kWh	Total Metered kW	Metered kWh for Non-RPP Customers (excluding WMP)	Metered kWh for Non-RPP Customers (excluding WMP)	Metered kWh for Wholesale Market Participants (WMP)	Metered kWh 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)	1509 Recovery Proportion (2018) ¹	1509 LRAM Variance Account Class Allocation (\$ amounts)	Number of Customers for Residential and GS-50 classes ²
RESIDENTIAL SERVICE CLASSIFICATION	kWh	138,757,480	0	1,835,015	0			138,757,480	0		33%		16,736
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	kWh	46,782,786	0	7,246,352	0			46,782,786	0		13%		1,836
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kWh	126,863,098	312,298	105,678,123	258,067	2,302,949	4,656	124,560,119	307,641		53%		139
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	395,149	0	336	0			395,149	0		0%		30
STREET LIGHTING SERVICE CLASSIFICATION	kWh	1,223,181	3,435	1,223,181	3,435			1,223,181	3,435		1%		3,270
Total		314,021,665	315,733	120,003,010	261,503	2,302,949	4,656	311,718,716	311,077	0	100%	0	22,001

Threshold Test
Total Claim (including Account 1509 and 1509) \$1,517,000
Total Claim for Threshold Test (All Group 1 Accounts) \$1,517,000
Threshold Test (Total claim per kWh)³ \$0.0048

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.

¹ Residual Account balance to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented.
² The Threshold Test does not include the amount in 1509.
³ The proportion of customers for the Residential and GS-50 Classes will be used to allocate Account 1551.

a. Please confirm that the data is accurate and update the Rate Generator accordingly.

Staff Question 5

Ref: 2024 IRM Rate Generator Model, Tabs 11, 15, and 20

On September 28th, 2023, the OEB issued a letter regarding 2024 preliminary Uniform Transmission Rates (UTRs) and Hydro One Sub-Transmission Rates (RTSR).¹ The OEB determined the use of preliminary UTRs to calculate 2024 Retail Service Transmission Rates (RTSRs) to improve regulatory efficiency, allowing for this data to feed into the rate applications including annual updates for electricity distributors on a timelier basis. On December 14th, 2023, the OEB approved Hydro One Network Inc’s final host RTSRs.²

OEB staff has updated EEDO’s Rate Generator with the preliminary UTRs and updated host RTSRs by HONI as follows:

¹ EB-2023-0222, OEB Letter, 2024 Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates, issued September 28, 2023
² EB-2023-0030, Partial Decision and Rate Order, page 12

UTRs

Uniform Transmission Rates		Unit	2022		2023		2024
			Jan to Mar	Apr to Dec	Jan to Jun	Jul to Dec	
Rate Description			Rate		Rate		Rate
Network Service Rate	KW	\$	5.13	5.46	5.60	5.37	5.76
Line Connection Service Rate	KW	\$	0.88	0.88	0.92	0.88	0.95
Transformation Connection Service Rate	KW	\$	2.81	2.81	3.10	2.98	3.21

Hydro One Sub-Transmission Rates

Hydro One Sub-Transmission Rates		Unit	2022		2023		2024
			Rate		Rate		Rate
Network Service Rate	KW	\$	4.3473		4.6545		4.9103
Line Connection Service Rate	KW	\$	0.6788		0.6056		0.6537
Transformation Connection Service Rate	KW	\$	2.3267		2.8924		3.3041
Both Line and Transformation Connection Service Rate	KW	\$	3.0055		3.4980		3.9578

- a. Please confirm the accuracy of the Rate Generator updates, as well as the accuracy of the resulting Retail Transmission Service Rates.

Staff Question 6

Ref: 2024 IRM Rate Generator, Tabs 18 and 20

On December 7th, 2023, the OEB issued a decision and order regarding the 2024 Wholesale Market Services rate (WMS) and the Rural or Remote Electricity Rate Protection charge (RRRP).³

OEB staff has updated EEDO’s Rate Generator with the revised RRRP charge of \$0.0014 per kWh as follows:

Regulatory Charges

Effective Date of Regulatory Charges		January 1, 2023	January 1, 2024
Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007	0.0014
Standard Supply Service - Administrative Charge (if applicable)	\$/kWh	0.25	0.25

- a. Please confirm the accuracy of the Rate Generator update, as well as the accuracy of the resulting Regulatory Charges following these updates.

³ EB-2023-0268, Decision and Order, page 1