**Follow-up Question 1**

**Ref 1: 2025 IRM Rate Generator Model, Continuity Schedule\_20250114**

**Ref 2:** [**EB-2023-0053, 2024 COS DVA Continuity Schedule\_Settlement\_20241018**](https://www.rds.oeb.ca/CMWebDrawer/Record/868723/File/document)

**Ref 3: Response to Staff Question-1**

**Ref 4:** [**Letter-Retro-Ratemaking-Guidance-20191031**](https://www.oeb.ca/sites/default/files/ltr-Retro-Ratemaking-Guidance-20191031.pdf)

Per the 2022 DVA continuity schedule in 2024 rebasing application (Ref 2), Account 1580-Sub account Class B 2022 approved balances included a debit principal adjustment of $32,381.

Per Ref 3, Tillsonburg states the principal adjustment included in 2022 DVA continuity schedule for Account1580-Sub account Class B was in error. This principal adjustment was the transaction amount for 2023 and the correct amount of ($62,530) corresponds with the amount reported in the RRR filing for the year.

OEB staff notes that Account 1580 Sub-account Class B rate riders were derived in 2024 cost of service proceeding, based on the inclusion of the 2022 principal adjustment for a debit amount of 32,381. OEB staff has compiled the following table for Account 1580 sub-account CBR class B for 2022 balances:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|   | **2022 Opening Balance** | **2022 Transaction** | **2022 Principal Adjustment** | **2022 Ending Balance** | **Total Interest** | **Total Claim**  | **Note** |
| per 2022 DVA continuity schedule in 2024 Rebasing Application (Incorrrect) | ($51,114) | ($11,415) | $32,381  | ($30,149) | 945 | ($29,204) | disposed through 2022 CBR rate riders  |
| per 2022 DVA continuity schedule in 2024 Rebasing Application (corrrect) | ($51,114) | ($11,415) |   | ($62,530) | 945 | ($61,584) | should have been disposed  |

Per Ref 4, in October 2019, the OEB issued a letter to all electricity distributors for “Adjustments to Correct for Errors in Electricity Distributor “Pass-Through” Variance Accounts After Disposition”. The OEB’s retroactivity letter states that “Where an accounting or other error is discovered after the balance in one of the above-listed variance accounts has been cleared by a final order of the OEB, the OEB will determine on a case-by-case basis whether to make a retroactive adjustment based on the particular circumstances of each case, including factors such as:

* whether the error was within the control of the distributor
* the frequency with which the distributor has made the same error
* failure to follow guidance provided by the OEB
* the degree to which other distributors are making similar errors

**Question(s):**

1. Please confirm the table compiled by OEB staff as above and confirm that the 2022 CBR class B sub-account principal balance under Account 1588 should be a credit of $62,530 rather than a credit of $30,149 in last year’s proceeding. If confirmed, please address the rates retroactivity issue and address the four factors per Ref 4 in the OEB’s letter issued on October 31, 2019.
	1. If confirmed, please explain how Tillsonburg proposes to correct the under-refunding of 2022 CBR rate riders.
	2. If not confirmed, please explain why Tillsongburg does not consider this issue as rates retroactivity issue.
2. Tllsonburg states that 2022 principal adjustment of $32,381 was the transaction amount for 2023 and results in no impact to the closing balance. OEB staff notes that $32,381 was very close to the 2023 transation amount of $30,149 in 2023 continuity schedule for this account. Please confirm that even if there is no impact to the 2023 closing balance for this account, the 2022 CBR rate riders were derived based on the understated credit balance in Account 1508 sub-account CBR class B in last year’s proceeding.

**Follow-up Question 2**

**Ref 1: 2025 GA Analysis Workform, Accounts 1588 Tab**

**Ref 2: Staff Question-3**

Per Ref 2, Tillsonburg states there is $97,342.31 which is related to IESO true-up submissions for prior years and posted in 2023.

The Principal adjustment tab of GA analysis workfrom filed in this proceeding does not list each of the principal adjustment made in the previous years which were done in the 2024 cost of service’s GA analysis workform.

**Question(s):**

1. Please refill the “Principal Adjustment” Tab of the GA analysis workform by breaking out each of the principal adjustments that were listed in last year’s GA analysis workform.
2. Please tie the $97,342.31 principal adjustment to the total principal adjustment in the current year (cell V63) on the “Principal Adjustments” Tab of the GA analysis workform.
3. Please also input the 2023 principal adjustment amount into the cell D20 on Tab “Account 1588” for a revised reasonability test calculation.