

**Ontario Energy  
Board**

**Commission de l'énergie  
de l'Ontario**



# **Ontario Energy Board**

## **Filing Instructions for the 2010 Incentive Regulation Mechanism Deferral and Variance Account Workform**

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## **Filing Instructions for the 2010 Incentive Regulation Mechanism Deferral and Variance Account Workform**

### **What is the purpose the Deferral and Variance Account (DVA) Workform?**

On July 31, 2009 the Board issued its Report on *Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)*. The Board Report sets out the Board's policy framework for the review and disposition of deferral and variance accounts for electricity distributors. As part of this framework the Board has decided to review certain deferral and variance accounts along with a distributors' IRM application. These accounts were classified as Group 1 accounts and include accounts – 1550, 1580, 1584, 1586, 1588, 1590 and 1595. The Board also decided to apply a preset disposition threshold of \$0.001/ KWh. When this threshold is exceeded, a distributor is required to file a proposal for the disposition of all Group 1 Account balances (including carrying charges). The onus will be on the distributor to justify why any account balance should not be cleared. Accounts that fall into Group 2 (for a classification, see *Board Report on Electricity Distributors' Deferral and Variance Account Review Initiative*, issued July 31, 2009) the Board's current process as outlined in *Instructions for Review of Electricity Deferral and Variance Accounts, September 28, 2005*, will be used.

### **What cells need to be populated?**

- **Input cells are shaded green;**
- **Cells that offer a drop-down menu are shaded yellow;**
- **Cells containing formulae calculations are shaded blue.**

### **What reference documents do I need to complete this module?**

Filing information for the Deferral and Variance Account Module can be found in the following documents and models:

- 2006 EDR Regulatory Asset Module
- *EDDVAR Report*, issued July 31, 2009

## Opening the Workform

Please be aware that this model makes extensive use of Excel macros to generate results. If your macro security is not set properly, the macros will not run and the model will not produce the desired results.

For Excel 2003 users select menu item “Tools” > “Macro” > “Security” and tab “Security Level”. Click on the “Medium” radio button.

Please note that when you open the Rate Generator a “Security Alert” pop up menu should open. Click on the button “Enable Macros”.

For Excel 2007 users select the “Office Button”>”Excel Options”>”Trust Center”>”Trust Center Settings”>”Macro Settings” and select the “Disable All Macros with Notification” radio button.

Please note that when you open the Rate Generator a ribbon appears above the spread sheet. It will say” Security Warning – Some Active Content Has Been Disabled” and you can select “Options” > “Macro” > and click the “Enable This Content” radio button.

## What if I can't find an input sheet or line item in the model?

This workform has been designed to be a very flexible tool for rate applications. The model that we make available has been generically formatted for most utilities for the common adjustments. Some utilities have additional requirements not shown in the generic model. For this reason applicants may contact the market operations hotline at [market.operations@oeb.gov.on.ca](mailto:market.operations@oeb.gov.on.ca) requesting assistance and board staff will respond back to you.

## What step do I need to follow to complete the DVA Module?

Complete inputs on the following sheet:

### ***B1.1 2006 Regulatory Assets***

- Enter Regulatory Assets as of December 31, 2004 in column G from the 2006 Regulatory Asset Filing Module (sheet 1, column G) in the green input cells. In column K enter the total claim values (sheet 1, column N). Input the total amount for total asset recovery as of April 20, 2006 found in cell N48 on sheet 2 (Rate Rider Calculation) of the Regulatory Asset Filing Module.

### ***B1.2 2006 Regulatory Asset Recovery Proportionate Share***

- Enter total claim values found in row 29, sheet 2 (Rate Rider Calculation)

### ***B1.3 Rate Class and Billing Determinants***

- Step 1:

Select the rate group in column C from the drop-down menu. Please use the following legend to ensure all applicable rate groups have been selected for your service area.

RES	→	Residential
GSLT50	→	General Service less than 50 kW
GSGT50	→	General Service greater than 50 kW
LU	→	Large User
USL	→	Unmetered Scattered Load
Sen	→	Sentinel Lighting
SB	→	Standby Power
SL	→	Street Lighting
EMB	→	Embedded Distributor

- Step 2:

Choose the applicable rate class as it appears on your current tariff sheet from the drop-down menu in column D.

Note: The fixed metrics for each selected rate class will appear automatically for all rate classes except for Unmetered Scattered Load (USL). For this class only, use the pull-down menu to select whether rates apply on a “per connection” or “per customer” basis. (The default is set to “per connection”. Please ensure that your selection matches your current tariff sheet.)

- Step 3:

Enter your billing determinants based on your most recently reported period.

For IRM2 applicants this will be your 2008 RRR reporting values.

For IRM3 applicants that rebased in 2008 this will be your 2008 RRR reporting values (or alternatively your 2008 forecast)

For IRM3 applicants that rebased in 2009 this will be your 2009 Forecast.

Please ensure you identify the source of your billing determinants in the managers summary.

### ***C1.1 through C1.5 Regulatory Asset – Continuity Schedule (2005 to 2008)***

- Complete the continuity schedules for each year by inputting the required data in the green input cells.

### ***D1.1 Threshold Test***

- The threshold test will calculate the total claim per kWh. As mentioned above the threshold for disposition is \$0.001 kWh.

### ***E1.1 through E 1.4***

No inputs required

### ***F1.1 Calculation of the Regulatory Rate Rider***

- Select the duration of the Regulatory Rate Rider from the yellow drop-down menu.
- The rate rider per kWh/kW will be calculated automatically.
- Transfer the values from column U onto sheet J. Enter the above value onto Sheet J2.1 “Reg Asset Recovery RR” of the 2010 OEB IRM2 Rate Generator or Sheet J2.5 “Reg Asset Recovery RR” of the 2010 OEB IRM3 Rate Generator.