

Welcome to the Orientation Session for Electricity Distributors Rebasing in 2021/2022

- Please mute yourself when entering the meeting
- Participants will then be able to unmute themselves if they wish to speak
- To ask questions or provide comments please use the chat feature. Address questions to All Participants
- When the moderator calls your name, ask your question via audio by unmuting yourself
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Welcome

Orientation Session for Electricity Distributors Rebasing in 2021/2022

Opening Remarks:
Theodore Antonopoulos

June 23, 2020

Agenda

Orientation Session for Electricity Distributors Rebasing in 2021/2022

9:30	Welcome	Ted Antonopoulos
9:40	Assignment of Utility contacts	Jane Scott
	Filing Requirements – Summary of Key Changes in Chapter 2	Jane Scott
	Accounting Changes	Donna Kwan
	CDM and LRAM Changes	Josh Wasyluk
10:15	Refreshment Break	
10:30	Review of Models	Various OEB staff
11:15	Role of the Registrar/Virtual Hearings	Registrar
12:00	Lunch Break	
1:00	Intervenors' Perspective -How intervenors assess applications	Mark Rubenstein
1:45	Highlights of the OEB's COVID-19 Emergency Response	Dan Gopic
2:15	Refreshment Break	
2:30	Addressing COVID-19 Issues in CoS Applications- discussion	Led by OEB staff
3:15	Questions on other topics and closing comments	
3:30	End	

Assignment of Utility Contacts

Presented by:
Jane Scott

June 23, 2020

Meet Your Case Contacts – January 1, 2021 Filers

Distributor	Status	Case Contact
Bluewater Power Distribution Corporation	Deferral Requested (to January 1, 2022) – OEB Approved	Donald Lau
Festival Hydro	Deferral Requested (to January 1, 2022) – OEB Approved	Donald Lau
Grimsby Power Inc.	Deferral Requested (to January 1, 2022) – OEB Approved	Donald Lau
Hydro Ottawa Ltd.	Custom IR 2021- 2025 Application Filed	Shuo Zhang
Kingston Hydro Corp.	Deferral Requested (to January 1, 2022) – OEB Approved	Shuo Zhang
Niagara Peninsula Energy Inc.	Extension Requested (to August 31, 2020) – OEB Approved	Shuo Zhang
Oakville Hydro Electricity Distribution Inc.	Deferral Requested (to January 1, 2022) – OEB Approved	Georgette Vlahos
Oshawa PUC Networks Inc.	Extension Requested (to June 30, 2020) – OEB Approved	Georgette Vlahos
Waterloo North Hydro Inc.	Extension Requested (to June 30, 2020) – OEB Approved	Donald Lau

Meet your Case Contacts – May 1, 2021 Filers

Distributor	Status	Case Contact
Burlington Hydro Inc.	Extension Requested (to Nov. 27, 2020) – OEB Approved	Jerry Wang
Espanola Regional Hydro Distribution Corp.		Jerry Wang
Fort Frances Power Corp.	Two-year Deferral Requested – OEB Approved to 2022. The OEB will assess Fort Francis Power’s 2019 performance and a forecast of 2020 information before making a final determination on deferring rebasing to 2023.	Jerry Wang
Halton Hills Hydro Inc.		Georgette Vlahos
Hearst Power Distribution Co. Ltd.		Georgette Vlahos
Milton Hydro Distribution Inc.	Deferral Requested – OEB Approved	Georgette Vlahos
North Bay Hydro Distribution Limited		Jerry Wang
Orangeville Hydro Ltd.	Deferral Requested (to May 1, 2022) – OEB Approved	Shuo Zhang
Ottawa River Power Corporation		Shuo Zhang
Rideau St. Lawrence Distribution Inc.		Jerry Wang
Wasaga Distribution Inc.	Deferral Requested (to May 1, 2022) – OEB Approved	Donald Lau
Wellington North Power Inc.		Donald Lau

Meet your Case Contacts – 2022 Filers

- For all expected 2022 filers, please contact IndustryRelations@oeb.ca with any questions

Distributor

Atikokan Hydro Inc.

Brantford Power Inc.

Canadian Niagara Power Inc.

E.L.K Energy Inc.

Innpower Distribution Systems Limited

Lakefront Utilities Inc.

London Hydro Inc.

Northern Ontario Wires Inc.

Renfrew Hydro Inc.

Welland Hydro-Electric System Corp.

Filing Requirements for 2021 Cost of Service Applications

Summary of Key Changes in Chapter 2

Presented by:

Jane Scott

Donna Kwan

Josh Wasylyk

June 23, 2020

To Be Discussed

- Key Changes Since Last Rebasing (2017-2019) – General
 - Accounting and LRAMVA/CDM changes since last rebasing discussed in respective sections
- Introduction to 2021 Chapter 2 Filing Requirements
- Changes to 2021 Filing Requirements:
 - Key Changes – General
 - Key Changes – Accounting Related
 - Key Changes – CDM Forecast and LRAMVA

Key Changes Since Last Rebasing

- Last rebasing year was 2016 for most distributors filing cost of service applications for 2021 rates
- Some key changes for 2017-2019 filers:
- Handbook for Utility Rate Applications issued October 13, 2016
 - In previous years versions of the Filing Requirements, there was a significant amount of content that was duplicative of October 13, 2016 Rate Handbook
 - Duplications have since been removed or condensed

2017 Filing Requirements Updates

- Previous version of FRs had significant amount of RRF context
 - Useful for initial years following commencement of RRF
 - Not required to the same level of detail going forward

Key Changes Since Last Rebasing...cont'd

2017 Filing Requirements Updates (cont'd)

- Report of April 14, 2016 “*Defining Ontario’s Typical Electricity Customer*” determined that the typical residential consumption to be used should be 750 kWh, rather than 800 kWh
- Updated RRWF
- Late applications filed after the commencement of the rate year for which the application is intended to set rates (for example, application filed after April 30, 2021 for May 1, 2021 rates) should be converted to the following rate year, making the bridge year and new test year. In such a case, the OEB expects that the applicant will not apply for a rate update in that year
- Distributor Consolidation (2.1.9)
 - Distributor that has acquired or amalgamated with another distributor or distributors must identify any incentives that formed part of the acquisition or amalgamation transaction if the incentives represent costs that are being proposed to remain or enter revenue requirement

Key Changes Since Last Rebasing...cont'd

2018 Filing Requirements Updates (cont'd)

- Distributor Consolidation - Addition reminding distributors that if they have acquired or amalgamated with any other distributors since the last rebasing application, the Handbook to Electricity Distributor and Transmitter Consolidations, issued January 19, 2016 should be consulted for further details on rebasing after consolidation
- Pensions and Other Post-Employment Benefits (OPEBs) Consultation

Key Changes Since Last Rebasing...cont'd

2018 Filing Requirement Updates

- Materiality Threshold clarification provided to explain that these thresholds are used to examine material variances in rate base, capital expenditures and OM&A. A written explanation is required for rate base, capital expenditures, and OM&A costs if the **revenue requirement** impact of variances exceeds the applicable utility-specific threshold as follows:
 - \$50,000 for a utility with a revenue requirement less than or equal to \$10M
 - 0.5% of revenue requirement for a utility with a revenue requirement greater than \$10M or less than or equal to \$200 million
 - \$1M for a utility with a revenue requirement of more than \$200M

Key Changes Since Last Rebasing...cont'd

2019 Filing Requirement Updates

- Plain-language Summary
- Completeness Letter
- Removal of accounting guidance for Modified Financial Reporting Standards (MIFRS)
- Report of the Board, March 22, 2018: Wireline Pole Attachment Charges

Introduction to 2021 Chapter 2 Filing Requirements

- The 2021 Chapter 2 Filing Requirements incorporate the Addendum used for 2020 cost of service applications
 - Based on 2019 version of Filing Requirements
- Focused updates that were required due to changes in OEB or government policy
 - Significant changes can be distinguished in “track” version of Filing Requirements posted on the OEB’s website
- Some minor changes as well:
 - Dates
 - Hyperlinks
 - Footnotes
- Chapters 1 and 5 – no changes besides updates to dates and for formatting consistency

Key Changes - General

- Sections:
 - 2.1.4 Administration
 - 2.1.7 Customer Engagement
 - 2.2.1.3 Allowance for Working Capital
 - 2.7.1.1 Specific Customer Classes
 - 2.8.2 Rate Design Policy
 - 2.8.13.1 Residential Rate Design
 - 2.8.6 Specific Service Charges

Key Changes – General: Administrative Documents

2.1.4 Administration – **as per 2020 Addendum**

- Removal of requirement to provide a list of possible venues and dates for community meetings

2.1.7 Customer Engagement – **as per 2020 Addendum**

- Language pertaining to community meetings has been deleted
- Removal of requirement that a distributor advise the OEB in writing no later than 30 days prior to filing its application of its intention to file with the OEB
 - Previously required to give the OEB lead time in order to plan community meetings

Key Changes – General: Rate Base

2.2.1.3 Allowance for Working Capital

- Update to calculation of Working Capital Cost of Power to incorporate updated Regulated Price Plan prices and the Ontario Electricity Rebate
- Due to the COVID-19 emergency, on March 24, 2020 the Government of Ontario issued an Emergency Order which fixed TOU prices at the off-peak price of 10.1 ¢/kWh.
- On April 14, 2020, the OEB deferred the May 1, 2020 electricity price setting, keeping the RPP prices at the levels that were set on Nov, 1, 2019
- Update since the issuance of the 2021 Filing Requirements: On May 30, 2020, the Government of Ontario announced changes to the electricity price that consumers on time-of-use (TOU) pricing under the Regulated Price Plan (RPP) will pay. Starting June 1, 2020, RPP consumers on TOU pricing will pay a fixed price of 12.8 ¢/kWh, which the government refers to as the COVID-19 Recovery Rate, for electricity consumed in any hour of the day, on any day of the week. The government has stated that this price will be in effect until October 31, 2020.

Key Changes – General: Cost Allocation

2.7.1.1 Specific Customer Class(es)

- MicroFIT class: updated wording to reflect the new generic rate of \$4.55 (previously \$5.40) as per the OEB's letter issued February 24, 2020
- Standby Rates: starting with 2021 applications, distributors should request approval of standby rates to be made final and provide evidence confirming they have advised all affected customers of the proposal

Key Changes – General: Rate Design

2.8.2 Rate Design Policy and 2.8.13.1 Residential Rate Design

- Majority of Residential Rate Design wording removed – most distributors will have completed transition
- Applicants that are still in the process of moving to fully fixed residential rates should refer to OEB's letter of July 16, 2015 and previous versions of the Filing Requirements

2.8.6 Specific Service Charges – **as per 2020 Addendum**

- Wireline Pole Attachment Charge: Distributors applying for an LDC-specific pole attachment charge can no longer adopt the previously pre-populated default values for the Power Deduction Factor and the Maintenance Allocation Factor as part of their application

Thank You

Questions?

Key Changes – Accounting Related

- Sections:
 - 2.4.3.1 Workforce Planning & Employee Compensation
 - 2.4.5.1 Income Taxes or PILs
 - 2.2.2.4 Addition of Previously Approved ACM and ICM Project Assets to Rate Base
 - 2.8.4 , 2.9.2 Retail Service Charges and 2.8.6 Specific Service Charges – Wireline Pole Attachment Charge
 - 2.9 Exhibit 9: Deferral and Variance Accounts
 - 2.9.3.2 Commodity Accounts 1588 and 1589

Key Changes – Accounting Related: Pensions and OPEBs

2.4.3.1 Workforce Planning & Employee Compensation

OEB Report on Regulatory Treatment of Pension and Other Post-employment Benefits (OPEBs) Costs – September 18, 2017:

- Establishes accrual accounting as the default method on which to set rates for pension and OPEB amounts in cost-based applications.
 - An OEB panel can use another method if accrual accounting does not result in just and reasonable rates.
- Establishment of a variance account to track the carrying charges on differences between the forecasted accrual amount in rates and actual cash payments made.
 - Asymmetric carrying charge in favour of ratepayers applied to the differential
 - Variance account is effective January 1, 2018, unless otherwise ordered by the OEB.

Key Changes – Accounting Related: Pensions and OPEBs...cont'd

Utilities with previously approved utility-specific OPEBs variance account:

- Some utilities have an approved variance account with utility-specific accounting order. In such cases, the OEB had set rates using the cash method and used a variance account for the difference between cash and accrual methods; keeping these prior periods open to further adjustments pending the outcome of this consultation
- Utilities are expected to dispose of the account at their next cost-based application if the OEB approves the accrual method to recover pension and OPEB costs in rates
- The generic asymmetric carrying charge variance account will be effective upon a transition to the accrual method (if approved) as of the date of a utility's next cost-based rate order
- For detailed accounting guidance, refer to Appendices C and D to the OEB Report

Key Changes – Accounting Related: PILS

2.4.5.1 Income Taxes or PILS

- Ontario small business tax rate changed from 3.5% to 3.2% effective January 1, 2020 in PILS Model.
- Accelerated CCA deductions for assets acquired and placed in service after November 20, 2018
 - Removes the half year rule and enhances the relevant CCA rate by 50% (effectively 3x greater first-year tax deduction)
 - Certain asset types (electric vehicles, various clean energy equipment, M&P equipment) have 100% first-year deductions available

Key Changes – Accounting Related: PILs...cont'd

- Account 1592, Sub-account CCA Changes to be brought forth for review and disposition
 - Amounts recorded in the sub-account should be in accordance with OEB's July 25, 2019 letter *Accounting Direction Regarding Bill C-97 and Other Changes in Regulatory or Legislated Tax Rules for Capital Cost Allowance*
- Applicants may propose a mechanism to smooth the tax impacts over the five year IRM term.
 - If the OEB is satisfied with the smoothing proposals applicants may not be required to use Account 1592 going forward

Key Changes – Accounting Related: PILs in ACM

2.2.2.4 Addition of Previously Approved ACM and ICM Project Assets to Rate Base

- Accelerated CCA should not be reflected in an ACM revenue requirement
- The impact of the CCA rule change associated with any ACM projects that are approved for ACM treatment should be recorded in Account 1592, Sub-account CCA Changes
- The materiality criteria for an ACM includes a requirement that any incremental capital amounts must clearly have a significant influence on the operation of the distributor. The OEB may take the accelerated CCA into consideration in assessing the impact of the proposed capital project(s) on the operations of the utility in determining if ACM/ICM funding is warranted

Key Changes – Account Related: Retail Cost Variance Accounts and Pole Attachment Account

2.8.4 and 2.9.2 Retail Services Charges, and 2.8.6 Specific Service Charges

OEB Report on Energy Retail Service Charges - November 29, 2018

- New Account 1508, Sub-account Retail Service Charge Incremental Revenue for distributors that no longer use RCVA to record the incremental revenues resulting from of the increase in the retail service charges as of May 1, 2019 until the effective date of its rebased rates

OEB Report on Wireline Pole Attachment Charges -March 22, 2018

- New Account 1508, Sub-account Pole Attachment Revenue Variance to record the excess incremental revenue as of September 1, 2018 until the effective date of its rebased rates related to pole attachment charges

Key Changes – Account Related: Retail Cost Variance Accounts and Pole Attachment Account...cont'd

- Once utilities have incorporated the updated retail service charges and pole attachment rates in their base distribution rates, the associated 1508 sub-accounts, RCVAs 1518 and 1548 shall be discontinued.
- Distributors can forecast a balance up to December 31, 2020 or April 30, 2021 and the OEB may consider disposing of the forecasted amounts.

Key Changes – Accounting Related: Correction of Errors in Group 1 DVAs

2.9 Exhibit 9: Deferral and Variance Accounts

Adjustments to Correct for Errors in Electricity Distributor “Pass-Through” Variance Accounts After Disposition - October 31, 2019

- Where applicable, OEB will determine on a case-by-case basis whether to make a retroactive adjustment based on the particular circumstances of each case.
- Depending on the circumstances, the OEB may decide on asymmetrical treatment of corrections for retroactive adjustments.
- Applicants must provide explanations for the nature and the amounts of adjustments, and include appropriate supporting documentation, under a section titled “Adjustments to Deferral and Variance Accounts”.

Key Changes – Accounting Related: Accounting Guidance for Accounts 1588 and 1589

2.9.3.2 Commodity Accounts 1588 and 1589

- *Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589* - February 21, 2019.
 - The accounting guidance is effective January 1, 2019 and was to be implemented by August 31, 2019.
- Application is for disposition of 2019 DVA balances. The OEB expects that all transactions recorded to these accounts during 2019 will have been accounted for in accordance with this guidance.
 - If not previously confirmed in the 2020 rate applications, must now confirm fully implemented the guidance effective January 1, 2019.
- Removal of RPP settlement process description and GA Analysis Workform – Appendix A for those that implemented accounting guidance.

Key Changes – Accounting Related: Accounting Guidance for Accounts 1588 and 1589...cont'd

Distributors are expected to consider the accounting guidance in the context of pre-2019 historical balances that have yet to be disposed of on a final basis.

1. Interim disposition of historical balances or no disposition requested
 - If balances have been reviewed in the context of the new accounting guidance and utilities are confident that there are no systemic issues with their RPP settlement and related accounting processes, utilities may request final disposition of account balances.
 - If errors are identified that materially affect the ending account balances, utilities should adjust their account balances prior to requesting final disposition.
2. Prior disposition proposal not approved and concerns noted
 - Apply the accounting guidance to historical balances. Adjust the balances as necessary, prior to requesting final disposition

Thank You

Questions?

Key Changes – CDM Forecast & LRAMVA

- Sections:
 - 2.3.1 Load and Revenue Forecast
 - 2.3.1.3 CDM Adjustment for the Load Forecast for Distributors
 - 2.4.6.2 Disposition of the LRAMVA

Key Changes – CFF Cancellation Impacts

2.3.1 Load and Revenue Forecast

- Conservation First Framework (CFF) cancelled as of March 2019
 - LDCs continuing to complete projects in order to honour contracts entered into prior to cancellation of CFF
- IESO operating under an Interim Framework until the end of 2020
 - Some LDCs delivering programs through the LDC Local Fund

UPDATE

- ❖ LDCs are no longer required to include a CDM manual adjustment to its load forecast
 - LDCs may propose a CDM manual adjustment, however, sufficient supporting evidence must be provided

Key Changes – Load Forecast: Historic CDM Results

2.3.1.3 CDM Adjustment for the Load Forecast for Distributors

- Distributors should fully consider historic actual CDM impacts that persist from prior years in the **base load forecast**
- CDM savings from January 2015 to April 2019 should be consistent with the Final Results provided by the IESO:
 - **2015 to 2017 program years** - distributors should rely on the Final Verified Results Reports
 - **2018 to April 2019 program results** - distributors should rely on the monthly Participation and Cost Reports made available by the IESO

Key Changes – CDM Manual Adjustment

CDM Manual Adjustment to load forecast

- If a distributor expects impacts from the following CFF-related projects, it may include the expected savings as part of a CDM manual adjustment:
 - i) Projects not deployed by April 2019 (but for which a distributor is contractually obligated to complete) or,
 - ii) Other CDM programs delivered by the distributor after April 2019 (also applicable to distributor-led CDM, if any)
- For any CDM manual adjustment, distributors must ensure that sufficient supporting evidence is provided for all estimated CDM savings
- The distributor must document the CDM savings to be used as the basis for 2021 LRAMVA threshold
- Appendix 2-I is provided to calculate the aggregate amounts for the LRAMVA and corresponding CDM adjustment to the load forecast

Key Changes – LRAMVA Filing Requirements

Section 2.4.6.1 was updated to reinforce the policy that LRAMVA balances are approved on a final basis

- Distributors should not seek recovery LRAMVA amounts from subsequent savings adjustments

Section 2.4.6.2 was updated to enhance the reporting of LRAMVA application details

- Identification of key elements in LRAMVA amount sought for disposition to be provided in the application
- Filing of detailed, actual monthly billing demand data to support any demand savings included for lost revenue recovery associated with street lighting and CHP projects

Key Changes – LRAMVA Filing Requirements

2.4.6.2 Disposition of the LRAMVA

- Distributors will continue to have access to the LRAMVA for CFF-related savings
- As part of 2021 rate applications, distributors should strive to dispose of all CFF-related LRAMVA balances
 - Distributors must use version 5 of LRAMVA Workform
 - Energy and/or demand related savings in the LRAMVA must be supported by:
 - Final Verified Results Reports (2015-2017) as applicable
 - Participation and Cost (P&C) Reports (2018-2019 savings)
 - If needed, detailed project savings files (CDM-IS reports)

Key Changes – LRAMVA Filing Requirements

- If a distributor seeks to claim lost revenues related to program savings to December 31, 2019:
 - **CFF-related program savings**
 - Explanation must be provided as to how savings have been estimated based on available data (i.e., IESO's P&C Reports), and/or rationale to justify eligibility of program savings
 - **Other programs delivered by distributor**
 - Explanation and rationale should be provided to justify the eligibility of additional program savings
 - For example, these may include interim framework programs or CFF wind-down program savings, if any, but must be adequately supported in the application

Thank You

Questions?

2021/2022 Cost of Service Applications Orientation Session

Appendices and Models

Birgit Armstrong/Marc Abramovitz/Andrew Frank/Judy But

June 23, 2020

Evolution of Appendices and Models

- Every year, changes to the Excel-based spreadsheets – Chapter 2 appendices, models, workforms – to align with:
 - Changes in Legislation
 - Changed in new OEB policies, handbooks, reports, guidelines or Codes
 - Changes to the Filing Requirements
 - Primarily Chapter 2 for CoS filers
 - Changes in accounting or tax rules
 - Learnings from processing applications
 - Changes in informational needs
- Consistency in data presentation facilitates easier and quicker review of many applications by OEB panels, staff, stakeholders
- At the same time, we try to balance the need for information versus the amount of data and the effort to collect and input it
- All models have been updated to reflect revised rate year and current list of LDCs

Changes to Chapter 2 Appendices

- Some modifications/updates made in 2020:
 - Modified: Worksheets 2-ZA/B and 2-FA to FC
 - Reminder: There are hidden worksheets related to IFRS and Stranded meters
- Most other sheets have had minor formatting and other changes
- Improve use, inputs and presentation, but do not materially affect calculations

Changes to Chapter 2 Appendices

Reminder: certain worksheets in the Chapter 2 Appendices file must be updated and refiled during the draft rate order stage to reflect cost of service decision.

- The following tabs in the file are to be updated and then refiled along with the final version of the RRWF
 - Appendix 2-AB – Capital Expenditures
 - Appendix 2-FA, 2-FB, 2-FC – Renewable Generation Connection
 - Appendix 2-H – Other Operating Revenues
 - Appendix 2-JA - OM&A Summary Analysis
 - Appendix 2-K – Employee Costs
 - Appendix 2-M – Regulatory Costs Schedule

Cost of Power – Appendix 2-ZA/B

- Legislative Changes:
 - Effective November 1, 2019, the expanded Ontario Electricity Rebate (OER) replaced the former government's Fair Hydro Plan (in effect from July 1, 2017), which included:
 - a reduction for residential, farm and most small business electricity consumers that was built into the RPP revenue
 - GA modifier that was applied to certain non-RPP revenue as applicable
 - The built-in reductions and the previous 8% rebate are being replaced by the OER

Cost of Power – Appendix 2-ZA/B con't

- To assist distributors in forecasting a reasonable amount for cost of power, the OEB has updated Appendix 2-Z to:
 - remove the impact of the Fair Hydro Plan on the RPP revenue calculation
 - apply the rebate of 31.8% in to the CoP calculation
- The new appendix has two linked tabs (2-ZA and 2-ZB) and includes all components to calculate the cost of power

RPP Pricing – COVID-19 Recovery Rate

- A 12.8 ¢/kWh COVID-19 Recovery Rate replaces the emergency pricing of 10.1 ¢/kWh
 - Emergency pricing was introduced by way of an Emergency Order under the *Emergency Management and Civil Protection Act* on March 24, 2020, which expired May 31, 2020
- The 12.8 ¢/kWh price is equivalent to the forecast average cost of supply for RPP consumers for the November 1, 2019 to October 31, 2020 period as set out in [RPP Price Report](#) issued on October 22, 2019
- This price will be in effect until October 31, 2020

Commodity Expense - Appendix 2-ZA

Step 1: 2021 Forecasted Commodity Prices

Forecasted Commodity Prices

Table 1: Average RPP Supply Cost Summary*

			non-RPP	RPP
HOEP (\$/MWh)	Load-Weighted Price for RPP Consumers		\$20.09	\$20.09
Global Adjustment (\$/MWh)	Impact of the Global Adjustment		\$106.94	\$106.94
Adjustments (\$/MWh)				\$1.00
TOTAL (\$/MWh)	Average Supply Cost for RPP Consumers			\$128.03

Step 2: Commodity Expense

(volumes for the bridge and test year are loss adjusted)

Commodity				2021 Test Year						
Customer		Revenue	Expense							
Class Name	UoM	USA #	USA #	Class A Non-RPP Volume**		Class B Non-RPP Volume**	Class B RPP Volume**	Average HOEP	Average RPP Rate	Amount
	kWh	4006	4705					\$ 0.02009	\$ 0.12803	\$0
	kWh	4010	4705					\$ 0.02009	\$ 0.12803	\$0
	kWh	4035	4705					\$ 0.02009	\$ 0.12803	\$0
	kWh	4010	4705					\$ 0.02009	\$ 0.12803	\$0
	kWh	4025	4705					\$ 0.02009	\$ 0.12803	\$0
	kWh	4025	4705					\$ 0.02009	\$ 0.12803	\$0
	kWh	4025	4705					\$ 0.02009	\$ 0.12803	\$0
	kWh	4025	4705					\$ 0.02009	\$ 0.12803	\$0
	kWh	4025	4705					\$ 0.02009	\$ 0.12803	\$0
TOTAL				0			0	0		

Commodity Expense - Appendix 2-ZA con't

Class A - non-RPP Global Adjustment				2021			
Customer	Revenue	Expense	Amount	kWh Volume		Hist. Avg GA/kWh ***	Amount
	4035	4707					\$0
	4010	4707					\$0
	4010	4707					\$0
			-	-			\$0

Class B - non-RPP Global Adjustment				2021				
Customer	Revenue	Expense					Amount	
Class Name	UoM	USA #	USA #		Class B Non-RPP Volume		GA Rate/kWh	
	kWh	4006	4707		0		\$ 0.10694	\$0
	kWh	4010	4707		0		\$ 0.10694	\$0
	kWh	4035	4707		0		\$ 0.10694	\$0
	kWh	4010	4707		0		\$ 0.10694	\$0
	kWh	4025	4707		0		\$ 0.10694	\$0
	kWh	4025	4707		0		\$ 0.10694	\$0
	kWh	4025	4707					\$0
	kWh	4025	4707					\$0
Total Volume					0			
TOTAL								\$0

Cost of Power - Appendix 2-ZB

- Appendix 2-ZB includes all components of the cost of power calculation
- Commodity Expenses and Global Adjustment amounts are linked from Appendix 2-ZA
- Inputs are required for the following components:
 - Transmission Network
 - Transmission Connection
 - Wholesale Market Service
 - Class A CBR
 - RRRP
 - Low Voltage
 - Smart Meter Entity Charge
- A summary table showing all components will be populated and can be used for presentation purposes
- The OER will only be applied to the RPP proportion of all applicable components

Cost of Power – Appendix 2-ZB con't

<i>Electricity Commodity</i>		2021 Test Year			2021 Test Year			Total
Class per Load Forecast	Units	Volume	RPP		Volume	non-RPP		\$
			Rate	\$		Rate	\$	
0 kWh		0		-	0		-	
0 kWh		0		-	0		-	
0 kWh*		0		-	0		-	
0 kWh*		0		-	0		-	
0 kWh		0		-	0		-	
0 kWh		0		-	0		-	
0 kWh		0		-	0		-	
SUB-TOTAL		0		-	0		-	\$ -

<i>Global Adjustment non-RPP</i>		2021 Test Year			2021 Test Year			Total
Class per Load Forecast	Units	Volume	Rate	\$	Volume	Rate	\$	Total
				0			-	
				0			-	
				0			-	
				0			-	
				0			-	
				0			-	
				0			-	
SUB-TOTAL		0		0			-	\$ -

<i>Transmission - Network</i>		2021 Test Year			2021 Test Year			Total
Class per Load Forecast	Units	Volume	Rate	\$	Volume	Rate	\$	Total
	kWh			-			-	
	kW			-			-	
	kWh			-			-	
	kW			-			-	
				-			-	
				-			-	
SUB-TOTAL				-			-	-

Cost of Power – Appendix 2-ZB con't

<i>RRRP</i>								
Class per Load Forecast		Volume	Rate	\$	Volume	Rate	\$	Total
	kWh			-			-	
	kWh			-			-	
	kWh			-			-	
	kWh			-			-	
				-			-	
				-			-	
SUB-TOTAL				-			-	-
<i>Low Voltage - No TLF adjustment</i>								
Class per Load Forecast		Volume	Rate	\$	Volume	Rate	\$	Total
	kWh**			0			0	
	kWh**			0			0	
	kW			0			0	
	kW			0			0	
	kW			0			0	
	kWh**			0			0	
	kWh**			0			0	
SUB-TOTAL		0		0			0	0
<i>Smart Meter Entity Charge</i>								
Class per Load Forecast		Customers	Rate	\$	Customers	Rate	\$	Total
Residential R1				-			0	
Residential R2				-			0	
Seasonal				-				
SUB-TOTAL				-			0	-
SUB- TOTAL				-			-	-
ORECA CREDIT	31.80%			-			0	-
TOTAL				-			-	-

Proposed REG Investments - Appendix 2-FA to FC

- To ensure a more precise monthly IESO amount is calculated, updates made to incorporate cost of capital parameters for more than one rebasing period.
- Important to use the most recently posted appendices as staff has made some non-material changes to some of the formulas.

	2016			2017		
	Total	Direct Benefit 6%	Provincial 94%	Total	Direct Benefit 6%	Provincial 94%
Net Fixed Assets (average)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Incremental OM&A (on-going, N/A for Provincial Recovery)	\$0	\$ -	\$ -	\$0	\$ -	\$ -
Incremental OM&A (start-up, applicable for Provincial Recovery)	\$0	\$ -	\$ -	\$0	\$ -	\$ -
Rebasing Year vs. Test Year	2016	2021				
Allowance for Working Capital (enter rate)			\$ -	\$ -	\$ -	\$ -
Rate Base			\$ -	\$ -	\$ -	\$ -
Rebasing Year vs. Test Year	2016	2021				
Deemed ST Debt	4.00%	4.00%	\$ -	\$ -	\$ -	\$ -
Deemed LT Debt	56.00%	56.00%	\$ -	\$ -	\$ -	\$ -
Deemed Equity	40.00%	40.00%	\$ -	\$ -	\$ -	\$ -
ST Interest (enter rate)			\$ -	\$ -	\$ -	\$ -
LT Interest (enter rate)			\$ -	\$ -	\$ -	\$ -
Return on Equity (enter rate)			\$ -	\$ -	\$ -	\$ -
Cost of Capital Total			\$ -	\$ -	\$ -	\$ -

Changes to Other Models

- Cost Allocation Model
- Pole Attachment Workform
- Tariff/Bill Impact Model
- Revenue Requirement Workform
- DVA Continuity Schedule
- GA Workform
- RTSR
 - No material change from last year; will be updated for most up-to-date UTRs issued
- ACM/ICM Model
 - Model has been updated to be more formulaic based so that it runs faster (vs VBA coding).
 - Logic has been added to accommodate the half-year rule

Tariff Schedule and Bill Impacts Model

- Separate model that generates the current and proposed Tariff Schedule and subsequently the Bill Impacts
- Follows the format in the IRM model
 - Current Tariff (even if not implemented) is populated by rates database
 - Regulatory rates (prepopulated but unlocked)
 - Additional rate riders (entered by Applicant)
 - Proposed tariff schedule will be generated based on inputs on previous sheets
 - Includes inflationary adjustments to pole attachment charge and Retail Service Charges.

Bill Impacts Model – Covid-19

- Current Bill Impacts Model will have May 1, 2020 effective rates, even if rate implementation was deferred
- Foregone Revenue Rate Rider:
 - For distributors that will implement the May 1, 2020 rates on November 1, 2020, the bill impacts model will need to be updated to include the forgone revenue rate rider. This may apply to the following distributors:
 1. Niagara Peninsula
 2. North Bay
 3. Wellington North
 4. Rideau St. Lawrence
- Bill impacts – Notice of Application
 - Inform staff of what implementation choice will be used for November to calculate the correct bill impacts for the Notice of Application
 - Manual updates to the Bill Impacts Model as needed

Revenue Requirement Workform (RRWF)

- RRWF goes beyond just calculating and verifying the revenue requirement
- Links the revenue requirement to load forecast, cost allocation and rate design information for the test year to:
 - Generate distribution rates
 - Perform revenue reconciliation with the revenue requirement

RRWF Changes

2018/19 EDR Process the following changes were made:

- Sheets 1-9 largely unchanged
- New table on Sheet 9 summarizes Service and Base revenue requirements and the associated sufficiency/deficiency calculations
- Added Sheets 10-13
 - Sheet 10 – Summary of customer and load forecast
 - Sheet 11 – Cost Allocation
 - Sheet 12 – Residential Rate Design
 - Sheet 13 – Rate Design and Revenue Reconciliation
- “Summary of Proposed Changes” now becomes sheet 14
- For the 2019/20 and the 2020/21 EDR process, minor updates were made

Caveats

- The RRWF, even as a rate generator, does not replace the rate generator and other models that utilities use for their applications.
- It is dependent on the outputs of load forecast, cost allocation, PILs and other models that an applicant uses.
- The RRWF, just like the other models you may use, is very dependent on the input data:
 - Be consistent in the data used, with respect to whether numbers are rounded or not
 - Keep the data updated.

Update to DVA Continuity Schedule

- Due to the early spreadsheet release date, DVA balances from the RRR were not pre-populated in the continuity schedules (tabs 2a and 2b) this year but will need to be manually inputted.
- Generic questions have been revised in the information sheet (tab 1). These questions determine the year that the continuity schedule commences from.
 - Continuity schedule commences from the year where balances were last disposed, unless there are changes to historical balances disposed on an interim basis. If that is the case, then the continuity schedule will commence from the year that balances were last disposed on a final basis.
- Added Account 1592 PILS Tax Variance, Sub-account CCA Changes in continuity schedule

GA Analysis Workform and Account 1595 Workform

- All applicants are required to complete and submit the GA Analysis Workform for each year that has not previously been approved for disposition (on an interim or final basis) irrespective of whether they are seeking disposition of the Account 1589 or not.
- Account 1595 Workform must be completed when a sub-account is eligible for disposition.
 - Sub-account is eligible for disposition two years after the expiry of the rate rider (i.e. in fourth rate year after the year the rate rider expires).
- Separate webinar on GA Analysis Workform and Account 1595 Workform scheduled for June 25, 2020.

Loss Factor – Appendix 2-R

- Supply Facility Loss Factor is now Calculated
 - LDCs are to complete both wholesale lines
 - A(1) reflects the generation requirement
 - A(2) reflects the energy coming onto the distribution system

- This provides a better estimate of upstream losses

Loss Factor - Appendix 2-R

Loss Factors

		Historical Years					5-Year Average
		2015	2016	2017	2018	2019	
Losses Within Distributor's System							
A(1)	"Wholesale" kWh delivered to distributor (higher value)						-
A(2)	"Wholesale" kWh delivered to distributor (lower value)						-
B	Portion of "Wholesale" kWh delivered to distributor for its Large Use Customer(s)						-
C	Net "Wholesale" kWh delivered to distributor = A(2) - B	-	-	-	-	-	-
D	"Retail" kWh delivered by distributor						-
E	Portion of "Retail" kWh delivered by distributor to its Large Use Customer(s)						-
F	Net "Retail" kWh delivered by distributor = D - E	-	-	-	-	-	-
G	Loss Factor in Distributor's system = C / F						
Losses Upstream of Distributor's System							
H	Supply Facilities Loss Factor						0.0000
Total Losses							
I	Total Loss Factor = G x H						

Up next – Cost Allocation



Cost Allocation Framework

- Conceptual Framework unchanged
- Customer Classes: worksheet I2
- **Functionalization**
 - Preparing USoA account forecast data
 - Worksheets: I-3 (trial balance forecasts); I-4 (asset sub-accounts where required)
- **Categorization:**
 - Accounts by demand-related, customer-related, partial (min. system)
 - Worksheets: E1; I-5.1 cell D21
- **Allocation:**
 - Allocator for each account: policy effected in worksheet E-4
 - Allocator values (allocation to all classes adds to 100%): worksheet E-2
 - Data Input: worksheets I-5, I-6, I-7, I-8, I-9
 - Detailed calculations: worksheets O-4, O-5, O-6, O-7
 - Main results: worksheets O-1, O-2
 - Other results: O-2.1 – 2.5; O-3.1 – 3.6

Functionalization



Categorization



Allocation

Cost Allocation Filings: 2017-2021

- **Exhibit 7, then and now:**
 - Summary description, highlighting rebalancing (if any)
 - Similar to 2016
 - Distributors are to make best efforts to updated load profiles for all rate classes.
 - If using load profiles from Hydro One informational filing, must explain why they have not updated their load profiles and confirm, with discussion, how they intend to update load profiles for their next COS application.
 - This requirement was introduced with the 2017 rate year and stated: If a distributor is not able to update its load profiles at this time, an explanation should be provided and the distributor should confirm that it intends to put plans in place to update its load profiles the next time a cost allocation model is filed.
 - LDCs that filed a CoS application in 2017 are then due to file their next rebasing application in 2022 and would be required to update their load profile information.

Cost Allocation Filings: 2017-2021

- **RRWF – Sheet 11**
 - Provides summary tables for results of cost allocation study and proposed changes/rebalancing
 - Used to be Appendix 2-P, no change in required information
- **Appendix 2-Q**
 - Information required of host distributor, if no separate class for embedded distributor(s)
- **CA Model, then and now**
 - Similar to 2016
 - Includes more instructions reflecting experience in other applications
 - For 2018, “sanity checks” added to highlight invalid data entries
 - For 2021, categorization on sheet E1 has been revised for high density LDCs to make it consistent with the Board Direction on Cost Allocation Methodology For Electricity Distributors

Intangible Asset Accounts

USoA Account		Equivalent Account in Cost Allocation Model	
1609	Capital Contributions Paid	1810*	Leasehold Improvements
1611	Computer Software	1925	Computer Software
1612	Land Rights	1806	Land Rights

* or other unused 1800 series account with DCP/TCP allocator (e.g. 1825)

Cost Allocation Models: Version summaries

Yr.	Key Changes
2017	<ul style="list-style-type: none"> Instructions updated, including removal of outdated instructions
2018	<ul style="list-style-type: none"> “Sanity checks” – to ensure that anomalous situations are identified (e.g. $NCP4 \leq 4 \times NCP$)
2020	<ul style="list-style-type: none"> Direct Allocation was updated with respect to the allocation of cost of capital.
2021	<ul style="list-style-type: none"> Categorization on sheet E1 has been revised for high density distributors to make it consistent with the Board Direction on Cost Allocation Methodology

Up next – Wireline Pole Attachment Charge



Pole Attachments

Provincial Pole Attachment Charge

- The *Report of the OEB on Wireline Pole Attachment Charges* established an updated, provincial wireline pole attachment charge of \$43.63 per attacher, per year, per pole
 - Generic charge is applicable to distributors that do not have an OEB-approved distributor-specific wireline pole attachment charge
 - Pole attachment charge will be adjusted annually based on the OEB's inflation factor commencing on Jan 1, 2020
 - As of Jan 1, 2020, the current inflation-adjusted charge is \$44.50

Application for LDC-Specific Pole Attachment Charge (optional)

- Distributors may choose to apply for a LDC-specific pole attachment charge that better reflects your cost structures, at time of rebasing, using the OEB's updated methodology
- If distributors are seeking to apply for a custom charge, distributors must complete version 2 of the Pole Attachment Workform

Filing Requirements for LDC-specific Pole Attachment Charge

- For distributors seeking to apply for a LDC-specific pole attachment charge,
 - LDC-specific charge must be supported by utility-specific data and costs from sub-accounts, including utility-specific costs to determine:
 - i) LDC-specific power deduction factor; and
 - ii) LDC-specific pole maintenance allocation factor
- If a distributor chooses to adopt the default factors in its application for a custom charge, the distributor is:
 - still required to demonstrate applicability of the default factors (15% for power deduction and 48.5% pole maintenance allocation to third parties) that was used in setting the generic province-wide pole attachment charge

Pole Attachment Workform

Tab 1: Summary tab that calculates the utility-specific charge

Tab 2: Third party attachments and pole population

Tab 3: Direct costs

Tab 4: Indirect costs (and data on LDC-specific pole maintenance allocation)

Tab 4-a: Data on LDC-specific power deduction factor

Tab 1: Summary Tab

Key Parameters

Provincial Average	Default	Distributor Specific Inputs	Distributor Allocations
Period of Data in Provincial Rate	2010-2015		
Number of Attachers (default)	1.3	Number of Attachers (actual)	<input type="text"/> ★
Default Allocation Factors to Third Party Attachers		LDC Allocations to Third Party Attachers	
USoA 1830: Power Deduction Factor	15.00%	USoA 1830: Power Deduction Factor	<input type="text"/> ★
USoA 5120: Maintenance Allocation Factor applicable to Third Parties	48.50%	USoA 5120: Maintenance Allocation Factor applicable to Third Parties	<input type="text"/> ★

Rate Methodology

Direct Cost	Provincial Rate (2018)	Application	Settlement Agreement	Per Board Approval
Net Embedded Cost (USoA 1830 less accumulated depreciation) per pole	\$ 1,077.93	#DIV/0!	#DIV/0!	#DIV/0!
Power Deduction Factor	15.00%	<input type="text"/> ★	<input type="text"/>	<input type="text"/>
Net Embedded Cost, per pole (net of power fixture costs)	\$ 916.24	#DIV/0!	#DIV/0!	#DIV/0!
Depreciation Expense				
Gross Book Value (USoA 1830) per pole	\$ 1,625.71	#DIV/0!	#DIV/0!	#DIV/0!
Depreciation rate (%)	1.91%	#DIV/0!	#DIV/0!	#DIV/0!
Depreciation expense (net of power fixture costs)	\$ 26.40	#DIV/0!	#DIV/0!	#DIV/0!
Pole Maintenance Expense				
Maintenance of Poles, Towers and Fixtures (USoA 5120) per pole	\$ 13.97	#DIV/0!	#DIV/0!	#DIV/0!
Maintenance Allocation Factor applicable to Third Parties	48.50%	<input type="text"/> ★	<input type="text"/>	<input type="text"/>
Third Party Maintenance Cost, per pole	\$ 6.77	#DIV/0!	#DIV/0!	#DIV/0!
Total Pole Maintenance Expense	\$ 6.77	#DIV/0!	#DIV/0!	#DIV/0!
Carrying Cost				
Pre-tax WACC (%)	8.25%	<input type="text"/> ★	<input type="text"/>	<input type="text"/>
Carrying Cost, per pole	\$ 75.57	#DIV/0!	#DIV/0!	#DIV/0!

Tab 2: Third party attachments and pole population

Attacher Data and Pole Population

Bridge Year (Actual) 2020 Data as of Month/Year	Application (Forecast) 2021 Data as of Month/Year	Settlement Agreement 2021 Data as of Month/Year	Per Board Approval 2021 Data as of Month/Year
----------------------------------------------------------	------------------------------------------------------------	----------------------------------------------------------	-----------------------------------------------------

Table 1: Attachment Type and Volumes ★

Type of Attachments	Applicable	Rate Charged (\$/attacher)	Actual Volumes	Forecast Volumes	Forecast Volumes	Forecast Volumes
Telecom Attachers						
Overlappers						
Streetlights						
Traffic lights						

Table 2: Pole Population

Pole Height (feet)	Applicable	Total Poles	Total Poles	Total Poles	Total Poles
30					
35					
40					
45					
50 and higher					
Unknown					
Total Poles ★		-	-	-	-

Pole Height (feet)	Applicable	Joint Use Poles	Joint Use Poles	Joint Use Poles	Joint Use Poles
30					
35					
40					
45					
50 and higher					
Unknown					
Total Joint Use Poles ★		-	-	-	-

Tab 3: Direct costs

		Bridge Year (Actual) 2020 Data as of Month/Year	Application (Forecast) 2021 Data as of Month/Year	Settlement Agreement 2021 Data as of Month/Year	Per Board Approval 2021 Data as of Month/Year
Table 4: Administration Costs (sub-account) ★					
Direct Labour	Note				
Billing costs	1				
Permit processing costs	2				
Direct Labour Cost		\$ -	\$ -	\$ -	\$ -
Direct Materials					
Inventory / direct purchases	3				
Direct Material Cost		\$ -	\$ -	\$ -	\$ -
Other					
GIS tracking costs	4				
Other support services	5				
Other		\$ -	\$ -	\$ -	\$ -
Total Administration Costs (\$)		\$ -	\$ -	\$ -	\$ -
Number of Joint Use Poles		-	-	-	-
Total Administration Costs, per pole		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Number of Attachers, per pole		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Administration cost, per pole, per attacher		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Tab 3: Direct costs con't

Bridge Year (Actual) 2020 Data as of Month/Year	Application (Forecast) 2021 Data as of Month/Year	Settlement Agreement 2021 Data as of Month/Year	Per Board Approval 2021 Data as of Month/Year
----------------------------------------------------------	------------------------------------------------------------	----------------------------------------------------------	-----------------------------------------------------

Table 5: Loss of Productivity

Pole Inspection Costs (sub-account)

Wires Down

Note

Number of Reported Wires Down					
Total labour cost	1				
Total vehicle time costs	2				
Total Cost of Wires Down		\$ -	\$ -	\$ -	\$ -
Number of Joint Use Poles		-	-	-	-
Total Cost of Wires Down, per pole		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Trees on Wires

Number of Reported Trees on Wires					
Total labour cost	3				
Total vehicle time costs	4				
Total Cost of Trees on Wires		\$ -	\$ -	\$ -	\$ -
Number of Joint Use Poles		-	-	-	-
Total Cost of Trees on Wires, per pole		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!


Pole Replacement Costs (sub-account)

Field Verification, per pole

Number of poles replaced					
Total labour cost	5				
Total vehicle time costs	6				
Total Cost of Field Verification		\$ -	\$ -	\$ -	\$ -
Number of Joint Use Poles		-	-	-	-
Total Cost of Field Verification, per pole		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total Loss of Productivity, per pole		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Tab 4: Indirect costs

Bridge Year (Actual) 2020 Data as of Month/Year	Application (Forecast) 2021 Data as of Month/Year	Settlement Agreement 2021 Data as of Month/Year	Per Board Approval 2021 Data as of Month/Year
----------------------------------------------------------	------------------------------------------------------------	----------------------------------------------------------	-----------------------------------------------------

Table 8: Pole Maintenance expense 

Pole Maintenance Costs - Account 5120

Number of poles

Pole Maintenance, per pole

0	0	0	0
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Please provide a percent breakdown of the following cost components and show calculations in a separate tab:

Maintenance Allocation Factor applicable to Third Parties

Power fixture costs

100.00%

Notes

Third Party Allocation of Maintenance Costs, per pole


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Tab 4-a: LDC-specific power deduction factor

Power Deduction Factor

Instructions: Please complete Table 10-a separating out common and power-only fixture costs, and provide detailed tables on construction costs from sample work orders for the distributor's typical pole designs.

A proposed methodology can be used to determine the LDC specific power deduction factor: 1) For each pole design, the labour hours of installation for each work order activity can be used to determine a ratio to allocate costs for the 'pole' vs. 'power fixtures'. These ratios can be used to separate the cost of labour, vehicle (truck) and work equipment into 'power' vs. 'pole' cost categories. 2) Material costs can similarly be divided out for pole related costs. 3) Common and power only costs can be weighted by the proportion of poles with different circuit types. Please provide analysis and assumptions in a separate tab as required.

Table 10-a: Breakdown of Pole vs. Power Related Costs 

Type of Circuit	Estimated Total Cost, per pole	# poles	Estimated Common Cost per pole	Estimated Power Only Costs per pole	Total Common Cost	Total Power Only Fixture Cost
	a = c + d	b	c	d	c * b	d * b
Single phase primary	\$ -				\$ -	\$ -
Two phase primary	\$ -				\$ -	\$ -
Three phase primary	\$ -				\$ -	\$ -
Total cost					\$ -	\$ -
Ratios					#DIV/0!	#DIV/0!

Parting remarks on models

- Models are designed to be flexible and accommodate most situations, but it is not possible to contemplate every utility's circumstances
- Many models and sheets are unlocked, but where they are locked, it is for a reason:
 - Preserve integrity of model calculations
 - Proper operation of a model, particularly if macro-driven, may depend on structure
- Staff will assist if asked
- ratemodels@oeb.ca

Thank you

Process for Reviewing Rate Applications

June 23, 2020

Christine E. Long, Registrar

Rudra Mukherji, Manager – Adjudicative Process

John Pickernell, Manager – Applications Administration

Introduction

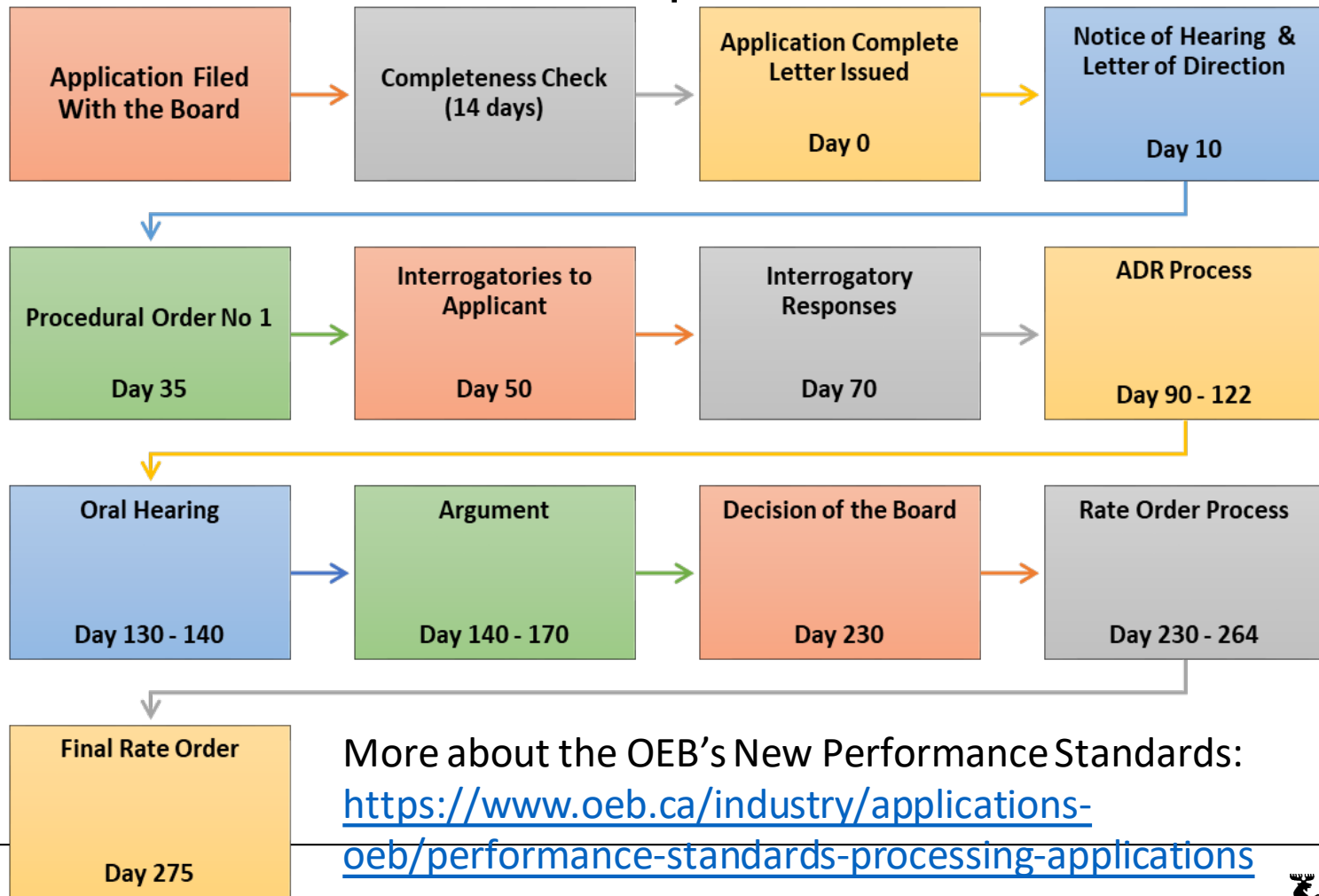
- Performance Standards for Processing Applications
- Role of the Registrar's Office in Processing Applications
- Recent Process Changes
 - Roll-out of OEB's Digitization Program
 - Virtual Conferences
 - Virtual Hearings

New Processing Standards

- OEB adopted new applications processing standards on April 1, 2019.
- These standards better reflect time taken to process applications
- New Performance Standards are:

	<u>PO 1</u>	<u>Decision</u>	<u>Total Cycle Time</u>
Cost Based Greater than \$500 mil Revenue Requirement	60	90	355
Cost Based Less than \$500 mil Revenue Requirement	35	60	230
Complex IRM (and others)	35	60	165
Accounting Order	35	60	125

New Processing Standards LT \$500 Million Revenue Requirement

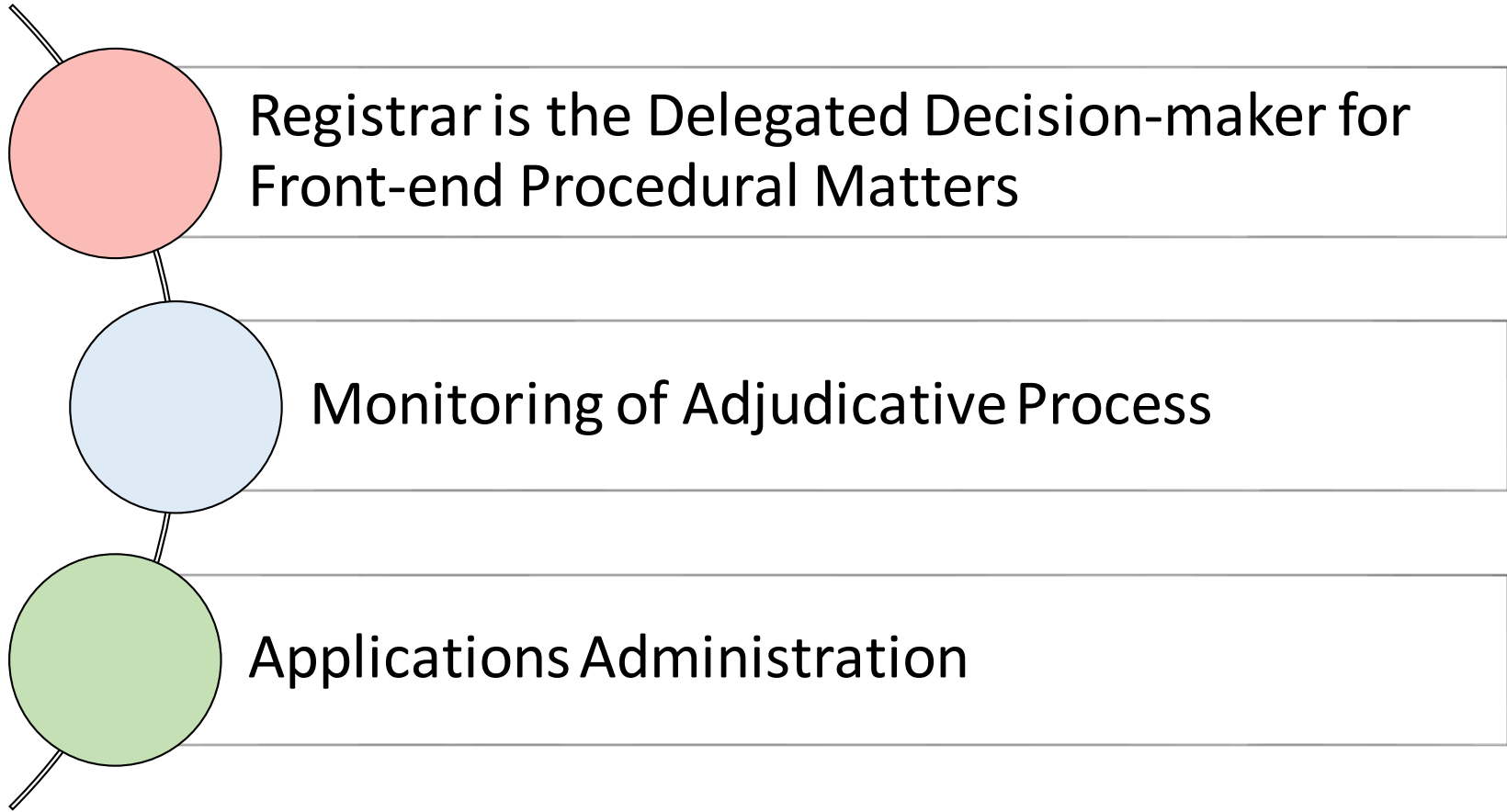


More about the OEB's New Performance Standards:
<https://www.oeb.ca/industry/applications-oeb/performance-standards-processing-applications>

New Performance Standards

- All 2021 rate applications will be processed under the “less than \$500 million” standard.
- “May 1, 2021 Rate Filers” who file their applications by August 2020, can expect:
 - PO 1 by mid-October 2020
 - To file Interrogatory responses by mid-November 2020
 - Issues List and ADR completed by mid-January 2021
 - (If all issues proceed to hearing,) a decision by April 2021
- Use the OEB’s Application Planning Tool to plan your case:
https://www.oeb.ca/html/planning_tool/application_planning_tool.php#tool

Registrar's Role in Rate Applications

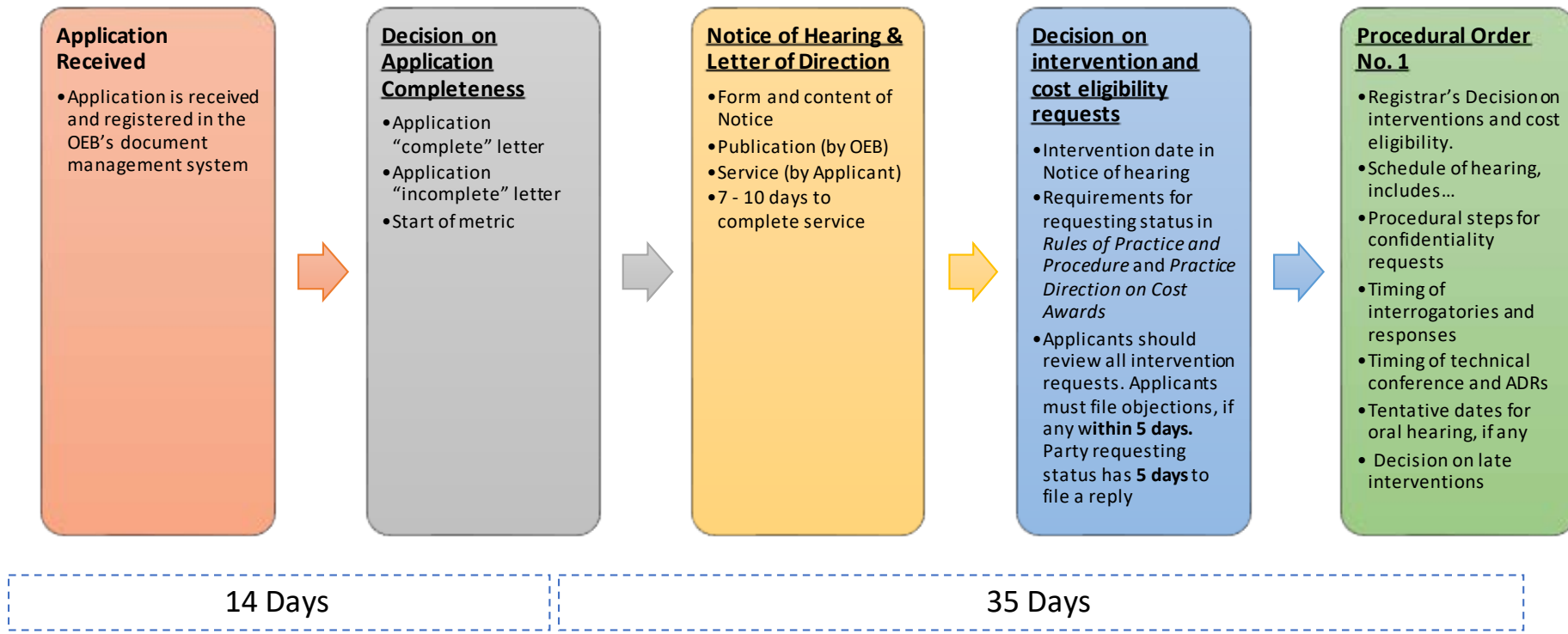


Registrar's Role in Rate Applications

- The Registrar is the delegated decision-maker for front-end procedural matters
- The Adjudicative Process group supports the Registrar on the front-end procedural matters, monitors the adjudicative process and assigns Hearings Advisors to major applications
 - Hearings Advisors are responsible for supporting the Panel and the case manager with case planning and procedural matters.
 - As applicants, you will be working with them throughout the process on most scheduling matters
- The Applications Administration group manages and maintains all adjudicative documents and assigns Case Administrators to each application.

Registrar's Role in Rate Applications

The Registrar is the delegated decision-maker for front-end procedural matters



Recent Process Changes

- Temporary suspension of the requirement to file paper copies of documents & Roll-out of OEB's Digitization Program
- Virtual Technical and Settlement Conferences
- Virtual Oral Hearings

OEB's Digitization Program

- We have moved to an all-digital public record for OEB regulatory proceedings
 - Hard copy filing requirement has been eliminated
 - Electronic documents are now the official, authoritative record in a regulatory proceeding
 - Digital signatures are required to make them official documents
 - Transition to an all-digital record has been in works for past three years
 - OEB request approved by the Archives Ontario in April
 - Moving in this direction since the launch of the Pivotal case management system in 2007
- In March 2020, the OEB temporarily waived the hard copy filing requirement due to the COVID-19 emergency
 - This initiated a soft launch of the program
 - Now it is a permanent change

Virtual Conferences

- Since March 2020, the OEB has held:
 - 1 Virtual Technical Conference – 30 participants (including 14 intervenors, 7 witnesses, EGI staff, court reporter and OEB staff) participants; 2 days; transcribed
 - 2 Virtual Settlement Conferences
 - Greater Sudbury Hydro – 6 participants; 3 days
 - Hydro 2000 – 3 participants; 3 days scheduled *[June 24/25/26]*

Virtual Technical & Settlement Conferences

- Overall feedback from participants has been positive
- Conferences are organized by OEB Staff
- Conferences are held over ZOOM
- Familiarize yourself with ZOOM
 - Parties can participate using computer, tablet or smartphone. Option to participate through phone only
 - Breakout rooms for parties to caucus privately
 - Ability to present documents
 - Witness panels on-camera throughout tech conf.
- Test Sessions for participants and training for OEB staff

Virtual Hearings

- On June 17, 2020, OEB issued a [*letter*](#) seeking feedback on 3 questions related to virtual oral hearings:
 - What issues should the OEB consider as it plans for the ability to conduct a virtual hearing?
 - Are there any technical obstacles which would prevent you from participating in a virtual hearing?
 - Are there matters you think should be specifically discussed at a pre-hearing conference in advance of a virtual hearing?
- Comments due June 30, 2020

Questions...

Ratepayer Groups' Perspective

2020 OEB's Orientation Session for
Electricity Distributors Rebasing

Mark Rubenstein – *Co-counsel to the School Energy Coalition*

School Energy Coalition

- Who are we?
 - Coalition of seven school board organizations
 - All school boards are active members
 - 5000 schools with 2 million students
 - Spend \$500 million per year on energy
 - Details posted on the Board's website
- Intervention Principles
 - Always look for the win-win solution
 - Think long term
 - "Walk softly but carry a big stick"

Electricity Ratepayer Groups

- Active ratepayer groups in LDC applications:
 - Almost Always – VECC, SEC
 - Sometimes – AMPCO, CCC, Energy Probe, and BOMA
- Occasional Participation by non-ratepayer groups – Pollution Probe, Environmental Defence
- Intervenor Representatives: Experienced lawyers and consultants
- Work collaboratively

Why are we all here

- Regulation as a substitute for competition – Board as market proxy
- Each ratepayer group represents a segment of your customer base
- To review, probe, and test the reasonableness of your application
- To act as the counterweight - the Board needs to hear other perspectives on your application which (generally) seeks to raise captive customers rates

Preliminary Work

- Local newspaper, presentations to shareholders (city councils), google searches, your website, etc.
- Yearbook data
- Previous applications, results, rates, decisions
- People: Who do we know?
- Industry trends

What we hope to see in your application

- A detailed explanation of your planning process
 - Regulatory application and process, should be intertwined with your business planning process, not separate processes
 - Show us where benchmarking and comparative data enter into your planning process
 - How do you consider customer preferences and rate impacts. Show us trade-offs.
- Explain to us the challenges your LDC is facing
 - Show investigation and analysis
 - Thoughtful plan to deal with them
- Metrics and targets
- Show us the value for money of your proposed investments
 - Demonstrate why the investment is worth the added cost
 - Not enough to show each individual investments are appropriate. Explain why in the aggregate they are reasonable.

How do we review an application

- Planning Documents
 - Strategic/business plan, shareholders' agreement/direction, budget guidance documents
 - Financial statements, rating agency reports
 - Distribution System Plan, Asset Condition Assessment
 - Comparative data and benchmarking
 - Rates and revenue requirement trends
 - Past applications. Have you done what you said you were going to do?
- Projects and programs
 - Business cases (Capital and OM&A)
 - Third-party reports and analysis
 - Variance analysis, expense trends, Chapter 2 Appendices
 - Benchmarking
 - Individual issues – what are they and what is your plan
- The nitty-gritty
 - Continuity schedules, depreciation, revenues (load forecast and offsets), PILS, cost allocation and rate design, D&V accounts, accounting issues

Comparative Data

- Valuable diagnostic tools
 - Identify potential problem areas
 - Test against evidence for consistency
 - “Outcomes-based” analysis
- Comparative rates are important
 - Captures all aspects of costs, but not granular enough
 - Doesn’t always account for type of service territory and customer mix
- Rate Base and Capital Spending
 - e.g. Capital Additions/depreciation ratio, unit costs trends, ACA analytics
- OM&A Metrics
 - e.g. OM&A or FTE per customer, unit cost trends, compensation information
- Other Metrics
 - Components of revenue (e.g. by class)
 - Debt/equity ratio (leveraging)
 - Rates

COVID-19

- Evolving situation
- No template for anyone (utility, customers, regulator)
- What is your plan and how is it reflected in your application?
- Operation mitigation required
- Not sufficient to simply rely on COVID-19 Deferral Accounts (EB-2020-0133)
- Future may not look like the past
- Increased costs need to be offset by increase savings
- Changes in load due to economic consequences of COVID-19 need to be reflected with changes in capital and operating spending
- Customer engagement information may be outdated

Process - Interrogatories

- “The purpose of the interrogatory process is to test the evidence”
 - Filing Requirements For Electricity Distribution Rate Applications
- What we are looking for?
 - More detail
 - Documents referred to (or omitted), sometimes prior versions
 - Explanations
 - Missing data, steps, or confusion
 - Underlying data
 - Scenarios, “stretch testing” the assumptions and numbers
- If you do not understand the question or cannot provide the information we have asked for, pick up the phone or email

Process - Technical Conferences/Clarification Questions

- Technical Conference
 - The Board is generally not scheduling them anymore for non-Custom IR cases
 - Usually first contact with intervenors
 - Not cross-examination, but you may be asked direct questions
 - Model technical conference is more of a dialogue
 - Point is to save the Board panel from wasting their time at the hearing
 - Allows for parties to correct the smaller issues
 - Virtual Technical Conferences
- Clarification Questions
 - Provided to LDC a few days before settlement conference
 - Clarifying outstanding important issues that are required for settlement
 - Expectation is the answers are put on the record

Process - Settlement Conferences

- Process
 - Exchange of information/dialogue
 - Intervenor caucus
 - Offers back and forth
 - Documenting any agreement
- Offers
 - Issue by issue– revenue requirement and revenue forecast usually first
 - Deficiency based packages (looking for savings)
- Settlement of other issues
 - Asset management plans and longer-term issues
 - Metrics and targets
 - Cost allocation and rate design
 - Deferral and variance accounts

Process - Settlement Conferences

- Ratepayer group point of view
 - Result by agreement vs. result by decision
 - Settlement Conference positions vs. hearing/argument positions
 - Comparative data increasingly influential
 - Uncertainty about the interpretation and application of Board policies and principles
- How to get there
 - Willingness to compromise/listen – on both sides (very important)
 - Hearings can lead to rough justice, settlements allow for creative solutions
 - Achieve a known result versus the unknown of a Board decision
- Virtual Settlement Conferences
 - Experience so far has been positive

Process - Oral Hearings

- Pre-Oral Hearing Questions
 - Technical or data heavy questions provided in advance to limit undertaking requests and bogging hearing down unnecessarily
- Cross-examination
 - We want to challenge the assumptions in the application
 - The real testing of the evidence
- Advice
 - Credibility not easily lost, but also not easily regained
 - Pay close attention to questions from Board members
- Virtual Hearings

Consistent Issues

- Implementing the goals of the RRFE – still not there.
 - Outcome focus – Metrics and targets
 - Value for money
 - Continuous Improvement
 - Benchmarking
 - Robust capital planning requirements
 - Customer Engagement – rates versus reliability
- Customer growth or decline – how is this impacting your plan?
- Past underinvestment or past significant investment – what is the end state?
- Show us the plan
- Age not condition-centric asset replacement strategy
- Poor accounting and application inconsistencies
 - Make sure your numbers are correct
 - Spending extra time on the front end to save time on the back end

Thank you and stay safe

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2021 Cost of Service Orientation Session

Accounting Matters related to COVID-19

June 23, 2020

Introduction

- Summary of the OEB accounting related letters and guidance on COVID-19 since the emergency was declared
- Status update on the COVID-19 1509 Deferral Account Stakeholder consultation
- New Reporting and Record Keeping Requirements (RRR) reporting on Distributor Liquidity
- Forgone Revenue Rate Rider update for those distributors that postponed their 2020 Rates

OEB accounting related letters and guidance on COVID-19

- March 17, 2020 - the Government of Ontario declared a state of emergency under the *Emergency Management and Civil Protection Act* to help fight the spread of COVID-19.
- What's New - March 18, 2020 – Established Web page called *OEB COVID-19 Updates*
- *What's New - March 24, 2020 –Letter re: Immediate Changes to Time-of-Use Prices in Response to Coronavirus Emergency*

OEB accounting related letters and guidance on COVID-19

- What's New – March 25, 2020 and April 29, 2020 - The OEB ordered the establishment of an account to record impacts arising from the COVID-19 emergency (the Account) through accounting orders issued March 25, 2020 and April 29, 2020.
 - Three sub-accounts established
 - Billing and system changes (specific to the Ontario's government emergency order regarding time-of-use pricing)
 - Lost revenues
 - Other incremental costs
- What's New - March 27, 2020, the OEB issued additional guidance on providing relief to customers during the COVID-19 emergency, including the use of the COVID-19 deferral account.

OEB accounting related letters and guidance on COVID-19

- What's New - April 2, 2020 –Letter re: Guidance to Electricity Distributors on the Regulated Price Plan Settlement with Respect to the Emergency Order
- On April 8, 2020, the OEB hosted a webinar. OEB staff addressed questions from utilities regarding OEB correspondence issued on the COVID-19 emergency. The questions and answers related to this webinar were posted on May 14, 2020 on the OEB's website.

OEB accounting related letters and guidance on COVID-19

- On April 16, 2020, the OEB decided to make the rate change optional for those electricity distributors seeking an adjustment to rates effective May 1, 2020, based on the incentive rate-setting mechanism. The OEB indicated the following:
 - Distributors that need to implement a change in rates on May 1, 2020 as scheduled may do so.
 - Distributors have the option to postpone the change in rates to November 1, 2020.
 - An opportunity for a longer postponement as November 2020 approaches may be considered by the OEB.
 - The OEB also indicated that the Account may be used to record temporarily forgone distribution revenue associated with the postponement of the implementation of May 1, 2020 rates.

OEB accounting related letters and guidance on COVID-19

- What's New – May 12 and May 20, 2020, the OEB introduced a new temporary reporting requirement for licensed electricity distributors to monitor the sector's response to the COVID-19 emergency. This is described in more detail in subsequent slides of this presentation.
- What's New - May 14, 2020, the OEB commenced a [consultation on a deferral account](#) relating to impacts arising from the COVID-19 emergency for:
 - Electricity distributors, transmitters, natural gas distributors, and Ontario Power Generation Inc. (collectively, the Utilities)

OEB accounting related letters and guidance on COVID-19

- What's New - May 15, 2020 (revised May 26, 2020) – letter providing Guidance to Electricity Distributors on Implementing the Emergency Order Regarding the Deferral of a Portion of the Global Adjustment
- What's New - May 29, 2020 – letter regarding Amendments to the Global Adjustment Regulation:
 - Revised Class A Eligibility and Partial Deferral of Global Adjustment Charges for Customers that are not on the Regulated Price Plan

OEB accounting related letters and guidance on COVID-19

- What's New – June 17, 2020 - to support the implementation of the government's new COVID-19 Energy Assistance Program (CEAP), the OEB:¹
 - Issued a Decision and Order (EB-2020-0162) amending the licences of electricity distributors and unit sub-meter providers to require them to deliver CEAP to their eligible customers
 - Stated that distributors may record the costs of CEAP implementation and administration in the COVID-19 Deferral account 1509, sub-account Other Costs

¹ On June 1, 2020, the Government of Ontario confirmed that it is making \$9 million available for CEAP to assist residential customers. The government also created a complementary program to help small business customers.

EB-2020-0133 - COVID-19 1509 Deferral Account Consultation

Purpose of Consultation:

For OEB to establish further detailed accounting guidance, including policy direction, so utilities can properly make applications for disposition of the Account balance.

Consultation Steps:

1. May 14, 2020 initiation letter
2. May 27, 2020 decision on cost award eligibility
3. May 28, 2020 preliminary stakeholder meeting
4. June 4, 2020 follow-up letter
5. June 11, 2020 written comments on draft issues list
6. June 18, 2020 reply comments on draft issues list

EB-2020-0133 - COVID-19 1509 Deferral Account Consultation

Consultation Steps Continued:

7. Issuance of a final issues list and any advanced policy direction, as required
8. Posting of data
9. July 28-30, 2020 stakeholder forum*
10. Subsequent steps to be determined in due course, following the stakeholder forum
11. At the end of the consultation, the OEB will issue accounting guidance and potentially filing requirements related to the Account

Follow the OEB's Consultation

- Please refer to the OEB's [webpage](#).

* Dates subject to change pending the OEB's finalization of the issues list

New RRR reporting requirements on Distributor Liquidity

- On May 12, 2020, the OEB introduced a new temporary reporting requirement for licensed electricity distributors to monitor the sector's response to the COVID-19 emergency.
- On May 20, 2020, the OEB issued a follow-up letter regarding this matter.
- This temporary reporting requirement has been developed to provide the OEB with information to identify how these potential issues may be affecting electricity distributors in order to monitor the financial situation of utilities during the emergency for any impact on reliability or continued service to consumers.
- The reporting requirement also requires distributors to provide information related to the balances in the Account.

Forgone Revenue Rate Rider update for those distributors Postponing May 1, 2020 IRM Rates

- The OEB provided 33 electricity distributors the opportunity to postpone implementation of their May 1, 2020 IRM rate adjustments until November 1, 2020. 24 electricity distributors opted to postpone implementation.
- An opportunity for a longer postponement as November 2020 approaches may be considered by the OEB.
- Initial implementation guidance provided in April 17, 2020 letter indicated postponing distributors shall use Account 1509 - Impacts Arising from the COVID-19 Emergency, Sub-account Lost Revenues to record any temporarily forgone distribution revenue.

Forgone Revenue Rate Rider update for those distributors Postponing May 1, 2020 IRM Rates

- Initial guidance indicated that forgone revenue may include amounts related to the base distribution rates, LRAMVA, ICM rate riders and microFIT monthly service charge.
- Now determined that postponed LRAMVA rate riders don't need to be recorded in account 1509. Should be treated in same manner as Group 1 rate riders.
 - The approved disposition rate riders may be implemented on November 1, 2020, based on the disposition period as approved in the distributor's May 1, 2020 decision. Any unrecovered or unreturned balance should remain in Account 1595 for disposition in a future proceeding.
- A COVID-19 Forgone Revenue Rate Ride Model will be issued to postponing distributors for the purposes of calculating the class-specific forgone revenue rate riders.

Forgone Revenue Rate Rider update for those distributors Postponing May 1, 2020 IRM Rates

Forgone Revenue Rate Rider Model

- The model will calculate the Forgone Revenue Rate Rider for base distribution rates, ICM rate riders and microFIT monthly service charge.
- Input:
 - selection of recovery period of either six or twelve months

Rate Effective Date	May 1, 2020
Postponed Implementation Date	November 1, 2020
Forgone Period (number of months)	6
Proposed Recovery Period (number of months)	6
Sunset Date of the Forgone Revenue Rate Rider	May 1, 2021

Forgone Revenue Rate Rider update for those distributors Postponing May 1, 2020 IRM Rates

Foregone Revenue Rate Rider Model Inputs Cont'd:

- o actual and forecast billing determinants for the forgone period and the recovery period

Consumption and Demand	Unit	Forgone Period							Recovery Period		
		May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Total kWh	Total kW	Nov 2020 to Apr 2021 Total kWh	Nov 2020 to Apr 2021 Total kW
		Actual	Actual	Actual	Forecast	Forecast	Forecast			Forecast	Forecast
RESIDENTIAL SERVICE CLASSIFICATION	kWh	21,587,272	21,587,272	21,587,272	21,587,272	21,587,272	21,587,272	151,110,901		151,110,901	
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	500,000	8532076	8532076	8532076	8532076	8532077	51,692,458		51,692,458	
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kW	500,000	500,000	500,000	500,000	500,000	500,000		3,500,000		3,500,000
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	kW	60,000	60,000	60,000	60,000	60,000	60,000		420,000		420,000
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	70,000	70,000	70,000	70,000	70,000	70,000	490,000		490,000	
STANDBY POWER SERVICE CLASSIFICATION	kW	70,000	171,528	171,528	171,528	171,528	171,529		1,099,171		1,099,171
SENTINEL LIGHTING SERVICE CLASSIFICATION	kWh	2,000	2,000	2,000	2,000	2,000	2,000	14,000		14,000	
STREET LIGHTING SERVICE CLASSIFICATION	kWh	2,000	2,000	2,000	2,000	2,000	2,000	14,000		14,000	

Forgone Revenue Rate Rider update for those distributors Postponing May 1, 2020 IRM Rates

Forgone Revenue Rate Rider Model Cont'd:

- Output:
 - forgone revenue rate riders for base distribution rates and ICM rate riders if applicable

Approved 2020 Monthly Fixed Charge (MFC)	Approved 2020 Distribution Volumetric Rate (DVR)	Previously Approved Monthly Fixed Charge to Customers	Previously Approved Volumetric Charge to Customers	diff in MFC	diff in DVR	Forgone Rev (MFC)	Forgone Rev (DVR)	Forgone Rev Rate Rider (MFC)	Forgone Rev Rate Rider (DVR)
32.76	0.0000	32.21		0.55	0.0000	\$ 3,285.42	\$ -	\$ 0.50	\$ -
29.33	0.0204	28.84	0.0201	0.49	0.0003	\$ 2,941.68	\$ 17,492.46	\$ 0.45	\$ 0.0003
156.68	4.5531	154.06	4.477	2.62	0.0761	\$ 15,714.12	\$ 228,327.00	\$ 2.38	\$ 0.0634
3444.01	1.8574	3386.44	1.8264	57.57	0.0310	\$ 345,416.88	\$ 11,177.57	\$ 52.34	\$ 0.0259
26950.23	2.0239	26499.73	1.9901	450.50	0.0338	\$ 2,702,972.46	\$ 14,209.31	\$ 409.54	\$ 0.0282
13.18	0.0358	12.96	0.0352	0.22	0.0006	\$ 1,321.92	\$ 615.86	\$ 0.20	\$ 0.0005
4.24	28.0058	4.17	27.5377	0.07	0.4681	\$ 425.34	\$ 5,617.69	\$ 0.06	\$ 0.3901
2.63	20.4831	2.59	20.1407	0.04	0.3424	\$ 264.18	\$ 4,108.70	\$ 0.04	\$ 0.2853

Forgone Revenue Rate Rider update for those distributors Postponing May 1, 2020 IRM Rates

Forgone Revenue Rate Rider Model Cont'd:

- o customer specific payment for the change in microFIT service charge (from \$5.40 to \$4.55)

Number of Affected microFIT Customers	100
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MicroFIT Payment to Customer					
New microFIT Service Charge	Existing microFIT Service Charge	Diff	Payment to Customer	Total microFIT amount to be refunded to customers	
\$ 4.55	\$ 5.40	\$ (0.85)	\$ (5.10)	\$ (510.00)	

Forgone Revenue Rate Rider update for those distributors Postponing May 1, 2020 IRM Rates

Accounting Guidance:

- OEB is considering the need for a new sub-account: Account 1509 Impacts Arising from the COVID-19 Emergency, Sub-account Foregone Revenue from Postponing Rate Decision Implementation
- All journal entries/billing journal transactions are to be supported with amounts on a rate class basis so residual balance amounts can be trued up to the correct classes of customers
- Bill impact calculations will be incorporated in the model which will incorporate 2019 rates as current rates, and the proposed rates will be the May 1, 2020 rates and the Forgone Revenue Rate Rider
- Accounting method ensures that the total amount collected will be equal i) to the amount collected had rates not been postponed, plus ii) carrying charges.

Forgone Revenue Rate Rider update for those distributors Postponing May 1, 2020 IRM Rates

Accounting for Forgone Distribution and microFit revenues:

- Journal entries will have the same net impact to Account 4080 -Distribution Revenue and Account 4235 – Miscellaneous Service Revenue (for microFIT) as the case where rate implementation was not postponed.

Accounting for Transactions:

1. Actual forgone revenues to be recorded in Account 1509 on a monthly basis with an offset to Account 4080/4235 as actual billed/unbilled data becomes available,.
 2. A forgone revenue rate rider will be calculated based on the Forgone Revenue Rate Rider Model assumes implementation is on November 1, 2020. The rate rider collected will be recorded in Account 1509.
 3. The audited residual balance in Account 1509 will be disposed in the next rate application (regardless of application type), according to normal disposition practices. Upon disposition, the residual balance will be transferred to Account 1595 and would be disposed proportionately by customer class.
- After the expiry of the forgone revenue rate rider (transaction #2), there will be no residual balance pertaining to microFIT remaining in Account 1509.

Forgone Revenue Rate Rider update for those distributors Postponing May 1, 2020 IRM Rates

Accounting for Postponed ICM Rate Rider:

- Journal entries will have the same net impact to Account 1508, Sub-account ICM Rate Rider Revenues as the case where rate implementation was not postponed.

Accounting for Transactions:

1. Actual forgone ICM rate rider amounts to be recorded in Account 1509 on a monthly basis with an offset to Account 1508, as actual billed/unbilled data becomes available,.
2. A rate rider for forgone ICM rate rider amounts will be calculated based on the Forgone Revenue Rate Rider Model assumed to be implemented on November 1, 2020. The rate rider collected will be recorded in Account 1509.
3. The audited residual balance in Account 1509 will be disposed in the next rate application (regardless of application type), according to normal disposition practices. Upon disposition, the residual balance will be transferred to Account 1595 and would be disposed proportionately by customer class.

Thank you.

Questions??

Addressing COVID-19 Issues in CoS Applications

For Discussion

Jane Scott

June 23, 2020

Decisions to Date under COVID-19

- Completed
 - Greater Sudbury Hydro 2020 CoS approved settlement proposal
 - In light of the COVID-19 pandemic, the parties agreed that the settlement proposal would not consider COVID-19
 - Sudbury deferred the implementation of certain components of the settlement proposal to Nov. 1, 2020
 - May 1, 2020 IRM applications were given the option to delay implementation of their rates until Nov. 1, 2020
 - Enbridge Gas was given the option of deferring the implementation of an ICM rate rider and decided to deferred it from July 1, 2020 to Oct. 1, 2020. They also proposed to skip the July Quarterly Rate Adjustment Mechanism.

Addressing COVID-19 Issues in CoS Applications

- Operating, Maintenance and Administration Costs
- Capital Planning/Expenditures
- Load Forecast
- Other

Orientation Session for Electricity Distributors Rebasing in 2021/2022

FURTHER COMMENTS/QUESTIONS?

EVALUATION FORMS

THANK YOU!

June 23, 2020