

August 18, 2021

VIA RESS

Ms. Christine E. Long
Registrar
Ontario Energy Board
2300 Yonge Street
27th Floor, Box 2319
Toronto, ON M4P 1E4
Email: Boardsec@oeb.ca

Dear Ms. Long;

RE: ALECTRA UTILITIES CORPORATION (“ALECTRA UTILITIES”) INCENTIVE REGULATION MECHANISM (“IRM”) APPLICATION FOR 2022 ELECTRICITY DISTRIBUTION RATES AND CHARGES (EB-2021-0005)

Alectra Utilities Corporation (“Alectra Utilities”) submits its electricity distribution rate (“EDR”) application for approval of proposed distribution rates and other charges in the Horizon Utilities, Brampton, PowerStream, Enersource, Guelph Hydro Rate Zones (“RZ”) effective January 1, 2022. The proposed 2022 rates are based on 2021 rates adjusted by the Ontario Energy Board’s (“OEB”) Price Cap Index Adjustment Mechanism formula.

This application is being filed in accordance with the OEB’s *Filing Requirements for Electricity Distribution Rate Applications – Chapter 3 Incentive Rate-Setting Applications*, updated June 24, 2021 (the “Chapter 3 Filing Requirements”).

This application includes live versions of the following:

- 2022 IRM Checklist
- Rate Generator Models
- Global Adjustment (“GA”) Analysis Work Forms
- Renewable Generation Connection Rate Protection (“RGCRP”) Models
- Lost Revenue Adjustment Mechanism Variance Account (“LRAMVA”) Work Forms
- Alectra Utilities’ 2019 Conservation and Demand Management (“CDM”) Savings
- Capitalization Policy Impact Model

Alectra Utilities has filed an electronic version of this application via the Board’s RESS filing system.

Should you have any questions or require additional information, please do not hesitate to contact the undersigned.

Yours truly,

A handwritten signature in blue ink, appearing to read "Michael Lister". The signature is fluid and cursive, with the first name "Michael" written in a larger, more prominent script than the last name "Lister".

Michael Lister
Interim Acting Vice President, Regulatory Affairs
michael.lister@aletrautilities.com

cc: Charles Keizer, Torys LLP

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IN THE MATTER OF the *Ontario Energy Act, 1998*, being Schedule B to the *Energy Competition Act, 1998*, S.O. 1998, c.15;

AND IN THE MATTER OF an Application by Alectra Utilities Corporation to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of January 1, 2022.

LEGAL APPLICATION

1 Alectra Utilities Corporation (the “Applicant” or “Alectra Utilities”), is a corporation incorporated
2 under the *Ontario Business Corporations Act*, and is licenced by the Ontario Energy Board
3 (the “OEB”) to own and operate electricity distribution facilities under licence number ED-
4 2016-0360.

5 Alectra Utilities hereby applies to the OEB pursuant to section 78 of the *Ontario Energy Board*
6 *Act, 1998*, as amended (the “OEB Act”), for orders approving:

- 7 a. Electricity distribution rates and charges in the Horizon Utilities, Brampton,
8 PowerStream, Enersource and Guelph Hydro Rate Zones (“RZs”) effective January 1,
9 2022, based on 2021 rates adjusted by the OEB’s Price Cap Index Adjustment
10 Mechanism formula;
- 11 b. Clearance of the balances recorded in Alectra Utilities’ Group 1 deferral and variance
12 accounts, by means of class-specific rate riders effective January 1, 2022 to December
13 31, 2022;
- 14 c. Recovery of Renewable Generation Connection Rate Protection (“RGCRP”) funding;
15 and
- 16 d. Disposition of the balance in Alectra Utilities’ Lost Revenue Adjustment Mechanism
17 Variance Accounts (“LRAMVA”).

18 This Application is prepared in accordance with the OEB’s:

- 1 a. *Filing Requirements for Electricity Distribution Rate Applications*, issued June 24, 2021
2 (the “Filing Requirements”);
- 3 b. *Report of the Board – New Policy Options for the Funding of Capital Investments: The*
4 *Advanced Capital Module*, issued September 18, 2014; and the subsequent *Report of*
5 *the Board – New Policy Options for the Funding of Capital Investments: Supplemental*
6 *Report*, issued January 22, 2016;
- 7 c. *Report of the Board: Renewed Regulatory Framework for Electricity Distributors: A*
8 *Performance-Based Approach*, dated October 18, 2012; and
- 9 d. *Handbook for Utility Rate Applications*, dated October 13, 2016.

10 This Application is supported by pre-filed written evidence which may be amended from time
11 to time. For the reasons set out in this Application, Alectra Utilities submits that the proposed
12 distribution rates and other charges are just and reasonable.

13 **PROPOSED EFFECTIVE DATE**

14 Alectra Utilities requests that the OEB make its Final Rate Order effective January 1, 2022. If
15 the OEB does not expect that the Final Rate Order will be issued by such date, the Applicant
16 requests an Order declaring its current (i.e., 2021) distribution rates and charges to be
17 effective on an interim basis as of January 1, 2022. Further, the Applicant requests that the
18 OEB approve rate riders to facilitate the recovery of any differences between the interim rates
19 and the actual rates from January 1, 2022, until the implementation date of the OEB’s Decision
20 and Order establishing final rates and charges.

21 **FORM OF HEARING REQUESTED**

22 Alectra Utilities requests that the elements of this Application be heard by way of written
23 hearing.

24 **CONTACT INFORMATION**

25 Alectra Utilities requests that copies of all documents filed with the OEB by each party to this
26 proceeding be served on the Applicant and the Applicant’s counsel as follows:

1 The Applicant:

2 Michael Lister
3 Interim Acting Vice-President, Regulatory Affairs
4 Alectra Utilities Corporation
5 2185 Derry Road West,
6 Mississauga, Ontario, L5N 7A6
7 Email: michael.lister@alecrautilities.com

8
9 Natalie Yeates
10 Director, Regulatory Affairs and Reporting
11 Alectra Utilities Corporation
12 2185 Derry Road West,
13 Mississauga, Ontario, L5N 7A6
14 Email: natalie.yeates@alecrautilities.com
15 Internet Address: <http://www.alecrautilities.com/>

16 The Applicant's Counsel:

17 Charles Keizer
18 Torys LLP
19 79 Wellington St West,
20 Toronto, Ontario, M5K 1N2
21 Tel: (416) 865-7512
22 Email: ckeizer@torys.com

1 Dated at Mississauga, Ontario this 18th day of August, 2021.

2

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ALECTRA UTILITIES CORPORATION

4



5

6

Michael Lister

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Interim Acting Vice-President, Regulatory Affairs

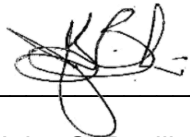
1 **CERTIFICATION OF THE EVIDENCE**

2 As Executive Vice-President and Chief Financial Officer of Alectra Inc., I certify that, to the best
3 of my knowledge, the evidence filed in this Application is accurate and is consistent with Chapters
4 One, and Three of the Ontario Energy Board's *Filing Requirements for Electricity Distribution Rate*
5 *Applications* issued on June 24, 2021. I also certify that Alectra Utilities has robust processes and
6 internal controls in place for the preparation, review, verification and oversight of the account
7 balances being disposed.

8

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10



11 John G. Basilio, CPA, CA

12 Executive Vice-President and Chief Financial Officer


1 **CERTIFICATION REGARDING PERSONAL INFORMATION**

2 As Executive Vice-President and Chief Financial Officer of Alectra Inc., I certify that, to the best
3 of my knowledge, that the evidence filed in this Application does not include any personal
4 information, as defined in the *Freedom of Information and Protection of Privacy Act*, that is not
5 otherwise redacted in accordance with Rule 9A of the OEB's *Rules of Practice and Procedure*.

6

7

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9 John G. Basilio, CPA, CA

10 Executive Vice-President and Chief Financial Officer

1 **EXECUTIVE OVERVIEW**

2 This Executive Overview provides a summary of the structure and key aspects of this Application.

3 **Application Structure**

4 Exhibit 2 sets out the IRM-related evidence in respect of the Applicant’s individual rate zones,
5 including 2022 Price Cap Incentive Rate-setting (“IR”) adjustments; deferral and variance account
6 disposition; Lost Revenue Adjustment Mechanism Variance Account (“LRAMVA”); and
7 Renewable Generation Connection Rate Protection (“RGCRP”). Exhibit 3 includes attachments
8 in support of various aspects of the Application. The 2022 IRM Checklist is filed as Attachment 6.

9 **Proposed Effective Date of Rate Order**

10 A list of requested approvals is set out in the Legal Application at Exhibit 1, Tab 1, Schedule 2.
11 Alectra Utilities proposes that the OEB make its Rate Order, together with the other relief sought
12 in this Application, effective January 1, 2022. In addition, Alectra Utilities requests that the OEB
13 declare each of the respective RZ’s current (i.e., 2021) rates as interim effective January 1, 2022,
14 as necessary, if the preceding approvals cannot be issued by the OEB in time to implement final
15 rates, effective January 1, 2022. Further, Alectra Utilities requests that the Board approve rate
16 riders that would provide for the recovery of foregone revenue for the period from January 1, 2022
17 to the implementation date of the 2022 Tariff of Rates and Charges.

18 **Conclusion**

19 Alectra Utilities respectfully requests that the Board approve the relief sought in this Annual Filing.

1 **INCENTIVE REGULATION MECHANISM (“IRM”)**

2 **MANAGER’S SUMMARY**

3 Alectra Utilities is applying for distribution rates and other charges, pursuant to a Price Cap IR,
4 effective January 1, 2022. This application impacts customers in 17 communities including: the
5 Cities of Hamilton and St. Catharines in the Horizon Utilities RZ; the City of Brampton in the
6 Brampton RZ; the Cities of Barrie, Markham, Vaughan and the Towns of Aurora, Richmond Hill,
7 Alliston, Beeton, Bradford West Gwillimbury, Penetanguishene, Thornton, and Tottenham, in the
8 PowerStream RZ; the City of Mississauga, in the Enersource RZ; and the City of Guelph and the
9 Village of Rockwood, in the Guelph Hydro RZ.

10 Alectra Utilities has completed the OEB’s Rate Generator Model (“RGM”) and LRAMVA and GA
11 Analysis Workforms, where applicable. This Application has been prepared in accordance with
12 the updated *Chapter 3 of the Board’s Filing Requirements for Electricity Distribution Rate*
13 *Applications – 2021 Edition for 2022 Rate Applications* (the “Chapter 3 Filing Requirements”),
14 dated June 24, 2021, including the key OEB reference documents listed therein, and *the Letter*
15 *from the Board to Rate-regulated Electricity Distributors and All Other Interested Stakeholders re:*
16 *Updated Filing Requirements for Electricity Distribution Rate Applications*, dated June 24, 2021.

17 This Application incorporates, or will incorporate, the following guidelines, reports and policy
18 changes, where appropriate for all rate zones:

- 19 • *Guideline (G-2008-0001) on Retail Transmission Service Rates - October 22, 2008*
20 *(Revision 3.0 June 22, 2011 and any subsequent updates);*
- 21 • *Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity*
22 *Distributors - July 14, 2008;*
- 23 • *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's*
24 *Electricity Distributors - September 17, 2008;*
- 25 • *Addendum to the Supplemental Report of the Board on 3rd Generation Incentive*
26 *Regulation for Ontario's Electricity Distributors - January 28, 2009;*

- 1 • *Report of the Board on Electricity Distributors' Deferral and Variance Account Review*
2 *Initiative (EDDVAR) - July 31, 2009;*
- 3 • *Report of the Board: Renewed Regulatory Framework for Electricity Distributors: A*
4 *Performance-Based Approach - October 18, 2012;*
- 5 • *Report of the Board: Rate Setting Parameters and Benchmarking under the Renewed*
6 *Regulatory Framework for Ontario's Electricity Distributors - corrected December 4,*
7 *2013;*
- 8 • *Board Policy (EB-2012-0410) - A New Distribution Rate Design for Residential Electricity*
9 *Customers - April 2, 2015;*
- 10 • *Report of the Ontario Energy Board - Defining Ontario's Typical Electricity Customer –*
11 *April 14, 2016;*
- 12 • *Report of the Board: New Policy Options for the Funding of Capital Investments: The*
13 *Advanced Capital Module - September 18, 2014;*
- 14 • *Report of the Ontario Energy Board - New Policy Options for the Funding of Capital*
15 *Investments: Supplemental Report – January 22, 2016;*
- 16 • *Guidance on Wholesale Market Service Accounting for Capacity Based Demand*
17 *Response (CBDR) and new IESO Charge Type 9920 – March 29, 2016;*
- 18 • *Accounting Guidance related to Accounts 1588 RSVA Power, and 1589 RSVA Global*
19 *Adjustment – February 21, 2019;*
- 20 • *OEB Letter: Accounting Direction Regarding Bill C-97 and Other Changes in Regulatory*
21 *or Legislated Tax Rules for Capital Cost Allowance – July 25, 2019; and*
- 22 • *OEB Letter: Adjustments to Correct for Errors in Electricity Distributor “Pass-Through”*
23 *Variance Accounts After Disposition – October 31, 2019*
- 24 • *Guidelines for Electricity Distributors' Conservation and Demand Management - April 26,*
25 *2012 (2012 CDM Guidelines);*

- 1 • *Report of the Ontario Energy Board - Updated Policy for the Lost Revenue Adjustment*
2 *Mechanism Calculation: Lost Revenues and Peak Demand Savings from Conservation*
3 *and Demand Management Programs – May 19, 2016;*
- 4 • *Guidelines for Electricity Distributors' Conservation and Demand Management -*
5 *December 19, 2014 (2014 CDM Guidelines) – Updated August 11, 2016; and*
- 6 • *Updated Guidance on LRAM Variance Account 1568 – New Sub-Account 1568-0001*
7 *LRAMVA Demand Response – July 18, 2017.*

8 Alectra Utilities provides a summary of the relief sought in respect of specific rate zones, below.

9 **Horizon Utilities RZ**

10 Alectra Utilities is seeking OEB approval of the following items for the Horizon Utilities RZ:

- 11 a. 2022 distribution rates effective January 1, 2022 based on 2021 rates adjusted by the
12 Board's Price Cap Index Adjustment Mechanism formula;
- 13 b. The clearance of the 2020 balances recorded in Group 1 deferral and variance
14 accounts by means of class-specific rate riders effective January 1, 2022 to
15 December 31, 2022; and final disposition of 2019 balances in Accounts 1588 and
16 1589 which were approved on an interim basis in EB-2020-0002;
- 17 c. The clearance of the balance in the 1589 Account RSVA - Global Adjustment and
18 1580 Account RSVA Wholesale Market Service Charge – Sub Account CBR B
19 attributed to new Class A and new Class B customers as of July 1, 2020, by means
20 of customer-specific bill adjustments for each new Class A and new Class B
21 customer;
- 22 d. An adjustment to the retail transmission service rates effective January 1, 2022;
- 23 e. Disposition of LRAMVA amounts related to CDM activities in 2019 over a one-year
24 period; and
- 25 f. Current (i.e., 2021) rates provided in Attachment 1 be declared interim effective
26 January 1, 2022, as necessary, if the preceding approvals cannot be issued by the
27 OEB in time to implement final rates effective January 1, 2022.

1 **Brampton RZ**

2 Alectra Utilities is seeking OEB approval of the following items for the Brampton RZ:

- 3 a. 2022 distribution rates effective January 1, 2022 based on 2021 rates adjusted by the
4 Board's Price Cap Index Adjustment Mechanism formula;
- 5 b. The clearance of the 2020 balances recorded in Group 1 deferral and variance
6 accounts by means of class-specific rate riders effective January 1, 2022 to
7 December 31, 2022;
- 8 c. The clearance of the balance in the 1589 Account RSVA - Global Adjustment and
9 1580 Account RSVA Wholesale Market Service Charge – Sub Account CBR B
10 attributed to new Class A and new Class B customers as of July 1, 2020, by means
11 of customer-specific bill adjustments for each new Class A and new Class B
12 customer;
- 13 d. An adjustment to the retail transmission service rates effective January 1, 2022;
- 14 e. Recovery of RGCRP funding;
- 15 f. Disposition of LRAMVA amounts related to CDM activities in 2019 over a one-year
16 period; and
- 17 g. Current (i.e., 2021) rates provided in Attachment 2 be declared interim effective
18 January 1, 2022, as necessary, if the preceding approvals cannot be issued by the
19 OEB in time to implement final rates effective January 1, 2022.

20 **PowerStream RZ**

21 Alectra Utilities is seeking OEB approval of the following items for the PowerStream RZ:

- 22 a. 2022 distribution rates effective January 1, 2022 based on 2021 rates adjusted by the
23 Board's Price Cap Index Adjustment Mechanism formula;
- 24 b. The clearance of the 2020 balances recorded in Group 1 deferral and variance
25 accounts by means of class-specific rate riders effective January 1, 2022 to December
26 31, 2022;

- 1 c. The clearance of the balance in the 1589 Account RSVA - Global Adjustment and
2 1580 Account RSVA Wholesale Market Service Charge – Sub Account CBR B
3 attributed to new Class A and new Class B customers as of July 1, 2020, by means of
4 customer-specific bill adjustments for each new Class A and new Class B customer;
- 5 d. An adjustment to the retail transmission service rates effective January 1, 2022;
- 6 e. Recovery of RGCRP funding;
- 7 f. Disposition of LRAMVA amounts related to CDM activities in 2019 over a one-year
8 period; and
- 9 g. Current (i.e., 2021) rates provided in Attachment 3 be declared interim effective
10 January 1, 2022, as necessary, if the preceding approvals cannot be issued by the
11 OEB in time to implement final rates effective January 1, 2022.

12 **Enersource RZ**

13 Alectra Utilities is seeking OEB approval of the following items for the Enersource RZ:

- 14 a. 2022 distribution rates effective January 1, 2022 based on 2021 rates adjusted by the
15 Board's Price Cap Index Adjustment Mechanism formula;
- 16 b. The clearance of the 2020 balances recorded in Group 1 deferral and variance
17 accounts by means of class-specific rate riders effective January 1, 2022 to December
18 31, 2022;
- 19 c. The clearance of the balance in the 1589 Account RSVA - Global Adjustment and
20 1580 Account RSVA Wholesale Market Service Charge – Sub Account CBR B
21 attributed to new Class A and new Class B customers as of July 1, 2020, by means of
22 customer-specific bill adjustments for each new Class A and new Class B customer;
- 23 d. An adjustment to the retail transmission service rates effective January 1, 2022;
- 24 e. Recovery of RGCRP funding;
- 25 f. Disposition of LRAMVA amounts related to CDM activities in 2019 over a one-year
26 period; and

- 1 g. Current (i.e., 2021) rates provided in Attachment 4 be declared interim effective
2 January 1, 2022, as necessary, if the preceding approvals cannot be issued by the
3 OEB in time to implement final rates effective January 1, 2022.

4 **Guelph Hydro RZ**

5 Alectra Utilities is seeking OEB approval of the following items for the Guelph Hydro RZ:

- 6 a. 2022 distribution rates effective January 1, 2022 based on 2021 rates adjusted by the
7 Board's Price Cap Index Adjustment Mechanism formula;
- 8 b. The clearance of the 2020 balances recorded in Group 1 deferral and variance
9 accounts by means of class-specific rate riders effective January 1, 2022 to December
10 31, 2022;
- 11 c. The clearance of the balance in the 1589 Account RSVA - Global Adjustment and
12 1580 Account RSVA Wholesale Market Service Charge – Sub Account CBR B
13 attributed to new Class A and new Class B customers as of July 1, 2020, by means of
14 customer-specific bill adjustments for each new Class A and new Class B customer;
- 15 d. An adjustment to the retail transmission service rates effective January 1, 2022;
- 16 e. Disposition of LRAMVA amounts related to CDM activities in 2019 over a one-year
17 period; and
- 18 f. Current (i.e., 2021) rates provided in Attachment 5 be declared interim effective
19 January 1, 2022, as necessary, if the preceding approvals cannot be issued by the
20 OEB in time to implement final rates effective January 1, 2022.

1 **CAPITALIZATION POLICY**

2

3 Alectra Utilities conformed its capitalization policy in 2017 (as a result of the consolidation through
4 which Alectra Utilities was formed, and as required under the International Financial Reporting
5 Standards (“IFRS”)) to align the capitalization policies for the Alectra Utilities rate zones.

6 IFRS 10 *Consolidated Financial Statements*, states that uniform accounting policies have to be
7 adopted for like transactions in a group of companies. Further, IFRS 3 *Business Combinations*
8 prescribes that the accounting policies of the parties to the merger should align to the acquirer’s
9 policy. IFRS 3 provides guidance on identifying the acquirer by assessing the relative voting rights
10 in the combined entity after the merger; the acquirer being the combining entity whose owners,
11 as a group, receive the largest portion of voting rights in the combined entity.

12 For the predecessor companies that formed Alectra Utilities, PowerStream is the acquirer in
13 accordance with IFRS 3 and IFRS 10. Consequently, Alectra Utilities adopted the PowerStream
14 capitalization policy.

15 In 2017, the capitalization policies of the former Enersource, Horizon Utilities, and Brampton
16 changed to conform to the capitalization policy of the acquirer (as identified by IFRS), the former
17 PowerStream. In 2019, the capitalization policy of the former Guelph Hydro was changed to
18 conform to the capitalization policy of the former PowerStream.

19 In the 2018 EDR Application proceeding (EB-2017-0024), the OEB issued a Decision and Partial
20 Accounting Order¹, directing Alectra Utilities to establish three new deferral accounts to track the
21 change in capitalization policy for the Horizon Utilities, Enersource and Brampton RZs. In the
22 2018 EDR Application Decision, the OEB stated that:

23 *“For the remainder of the Custom IR term, the effect on earnings resulting from the*
24 *change in the capitalization policy will be dealt with through the ESM. Once the*
25 *Custom IR term ends, the Horizon Utilities RZ will move to Price Cap IR per the*
26 *MAADs policy, and it will be treated consistently with the Brampton and Enersource*

¹ Decision and Partial Accounting Order, EB-2017-0024, December 20, 2017.

1 *RZs. Alectra Utilities shall retain the deferral account opened for Horizon Utilities RZ,*
2 *however, the first entries to the account shall begin January 1, 2020. The Brampton*
3 *and Enersource RZs are on Price Cap IR. For these rates zones, the OEB finds it*
4 *appropriate to retain the balances recorded in the deferral accounts approved in the*
5 *Decision and Partial Accounting Order effective February 1, 2017.*

6 In its Decision on Confidentiality and Procedural Order No. 3 in Alectra Utilities' 2019 EDR
7 Application, the OEB deferred the capitalization policy issue, of calculating the capitalization
8 impact for the purpose of recording balances in the deferral accounts, to Alectra Utilities' 2020
9 EDR Application.

10 In the OEB's Partial Decision and Order in Alectra Utilities' 2020 EDR Application, the OEB found
11 that the impact of the change in capitalization policy should be determined using the Account
12 1576 approach, and consistent with this approach, the balances should be disposed at Alectra
13 Utilities next rebasing application. Further, the OEB established a deferral account for the Guelph
14 Hydro RZ on the same basis as the deferral accounts for the Horizon Utilities, Brampton and
15 Enersource RZs, with the first entry to the account effective January 1, 2020.²

16 During the 2020 EDR Application proceeding, Alectra Utilities indicated that its Brampton, Horizon
17 Utilities, PowerStream and Enersource RZs, migrated to Alectra Utilities' Enterprise Resource
18 Planning ("ERP") system in July 2019. As these legacy systems are no longer in place, and due
19 to the complexities and costs required to maintain four additional sets of general ledgers, Alectra
20 Utilities can no longer determine the capitalization policy impact based on legacy systems.

21 Alectra Utilities proposed to rely on the actual impacts derived prior to the ERP convergence to
22 determine the actual impacts of the capitalization policy change in 2019, and the remainder of the
23 rebasing deferral period. Alectra Utilities determined the allocation percentages by rate zones
24 based on a ratio of the actual impact of the capitalization policy change, prior to the ERP
25 convergence, to actual distribution plant capital for the corresponding period. The proposed
26 allocation percentages and calculation were included in 'Tab 3 Allocation Method' of the

² Partial Decision and Order, EB-2019-0018, January 30, 2020, pp. 35-39.

1 Capitalization Policy Model filed in response to G-Staff-3 in the 2020 EDR proceeding. The
2 percentages determined by this calculation establishes the basis on which to calculate the
3 capitalization policy impact. The percentages are then applied to the actual distribution plant
4 capital to determine the capitalization policy impact; therefore, changes in the deferral account
5 balances over the remainder of the rebasing deferral period will be driven by the actual distribution
6 plant capital in any given year.

7 In the OEB's Partial Decision and Order, the OEB found:

8 *"The OEB finds Alectra Utilities' approach to allocations acceptable based on the*
9 *information provided in this proceeding. Allocation methodologies are not an exact*
10 *science, and typically there are a number of different approaches that can be applied.*
11 *Alectra Utilities is now a merged utility seeking to pursue synergies. One of these has*
12 *been to consolidate to a new ERP. As a result, estimates are required to allocate*
13 *financial information to each RZ. The OEB accepts this approach. However, the OEB*
14 *concludes that it is appropriate to continue to monitor the results of the allocation*
15 *methodology for unexpected results that might lead to the conclusion that an*
16 *amendment is required to the allocation approach on a prospective basis."*³

17 In the OEB's Decision and Rate Order in Alectra Utilities' 2021 EDR Application, the OEB
18 accepted the allocation methodology applied by Alectra Utilities to the capitalized deferral
19 accounts for the Enersource and Brampton RZs. Further, the OEB stated that Alectra Utilities
20 should file evidence in its 2022 IRM application, applying the accepted allocation methodology,
21 quantifying the differences between actual to forecast allocations and explaining the key drivers,
22 particularly if the differences are material.⁴

23 Alectra Utilities provided a forecast of the capitalization policy impacts over the rebasing deferral
24 period in its 2020 EDR proceeding.⁵ This forecast was underpinned by the capital included in

³ Partial Decision and Order, EB-2019-0018, January 30, 2020, pp. 38-39.

⁴ Decision and Rate Order, EB-2020-0002, December 17, 2020, p. 52.

⁵ Draft Rate Order, Reply Submission, EB-2019-0018, February 24, 2020.

1 Alectra Utilities’ Distribution System Plan (“DSP”). Alectra Utilities’ forecast capital expenditures
2 have been revised in response to the OEB’s Decision on the M-factor included in Alectra Utilities’
3 2020 EDR Application. As identified above, any changes relative to the capitalization policy
4 impacts included in the 2020 EDR proceeding, are driven by the actual distribution plant capital
5 expenditures in any given year.

6 In this Filing, Alectra Utilities reports on the actual balance in the capitalization deferral accounts
7 as at December 31, 2020 for the Brampton, Enersource, Guelph Hydro and Horizon Utilities RZs.
8 Alectra Utilities applied the allocation methodology accepted by the OEB to determine the
9 balances in the deferral accounts.

10 Tables 1 to 4, below provide the actual balances in the deferral accounts from 2017 to 2020. The
11 first entries recorded for the Horizon Utilities and Guelph Hydro RZs were effective January 1,
12 2020, in accordance with the OEB’s previous decisions. The capitalization policy impact model is
13 filed as Attachment 33.

14 **Table 1 – Capitalization Policy Impact – ERZ (\$000s)**

Accounting Changes between Rebasing Years Enersource Rate Zone				
	2017	2018	2019	2020
	Actual	Actual	Actual	Actual
Opening net PP&E	-	1,819	3,441	4,805
Net Additions	1,866	1,712	1,490	1,491
Net Depreciation	(47)	(89)	(127)	(164)
Closing net PP&E	1,819	3,441	4,805	6,132

15

1 **Table 2 –Capitalization Policy Impact – BRZ (\$000s)**

Accounting Changes between Rebasing Years Brampton Rate Zone				
	2017	2018	2019	2020
	Actual	Actual	Actual	Actual
Opening net PP&E	-	(1,785)	(3,308)	(5,149)
Net Additions	(1,831)	(1,610)	(1,976)	(2,283)
Net Depreciation	46	86	135	192
Closing net PP&E	(1,785)	(3,308)	(5,149)	(7,239)

2
3

4 **Table 3 –Capitalization Policy Impact – HRZ (\$000s)**

Accounting Changes between Rebasing Years Horizon Utilities Rate Zone				
	2017	2018	2019	2020
	Actual	Actual	Actual	Actual
Opening net PP&E	-	-	-	-
Net Additions	-	-	-	6,512
Net Depreciation	-	-	-	(163)
Closing net PP&E	-	-	-	6,349

5
6

7 **Table 4 – Capitalization Policy Impact – GRZ (\$000s)**

Accounting Changes between Rebasing Years Guelph Hydro Rate Zone				
	2017	2018	2019	2020
	Actual	Actual	Actual	Actual
Opening net PP&E	-	-	-	-
Net Additions	-	-	-	739
Net Depreciation	-	-	-	(18)
Closing net PP&E	-	-	-	721

8
9

10 As identified above, to determine the capitalization impact (i.e. net additions amounts), the
11 allocation percentages were applied to distribution plant capital for each RZ. In order to assess
12 the reasonability of the allocation methodology, Alectra Utilities compared the change in

1 distribution plant capital in the Enersource and Brampton RZs from 2019 to 2020, as provided in
2 Table 5, below.

3 **Table 5 – Allocation Methodology Analysis**

Allocation Analysis (\$MM)	2019 Actual	2020 Actual	% Change
ERZ - Net PP&E Change	1.5	1.5	0.04%
ERZ - Distribution Plant Capital	44.0	44.1	0.04%
BRZ - Net PP&E Change	(2.0)	(2.3)	15.55%
BRZ - Distribution Plant Capital	24.7	28.5	15.55%

4
5 The 2020 capitalization policy impact in the Enersource RZ is consistent with the impact reported
6 in 2019. This is due to relatively consistent distribution plant expenditure, year over year. The
7 increase in the capitalization policy impact in the Brampton RZ was due to increased System
8 Renewal capital (substation renewal) in 2020. The increase in the impact from (\$2.0MM) in 2019
9 to (\$2.3MM) in 2020 of 15.6%, is consistent with the increase in distribution plant capital over the
10 2019 to 2020 period. Alectra Utilities submits that its allocation methodology remains appropriate.

1 **ANNUAL PRICE CAP ADJUSTMENT MECHANISM**

2 As part of the *RRFE*, the OEB initiated a review of utility performance, per the *Defining and*
3 *Measuring Performance of Electricity Transmitters and Distributors* (EB-2010-0379) proceeding.
4 As part of this proceeding, the Board contracted Pacific Economics Group Research, LLC (“PEG”)
5 to prepare a report to the Board (the “PEG Report”) entitled, *Empirical Research in Support of*
6 *Incentive Rate Setting in Ontario: Report to the Ontario Energy Board*. The original PEG Report
7 was issued on May 3, 2013. It established the parameters for use to determine the Price Cap
8 Index for the 4th Generation IRM (now referred to as Price Cap IR), including: a productivity factor
9 of 0.00%, the approach to determine the Industry Specific Inflation Factor (replacing the 3rd
10 Generation IRM GDP-IPi inflation factor), and the initial stretch factor assignments.

11 *Stretch Factor*

12 The Stretch Factor assignments for 2022 IRM filers have not yet been updated by the Board.
13 Alectra Utilities has used a Stretch Factor of 0.3% in this Application, in accordance with the most
14 recent PEG Report, issued on August 31, 2020. The August 2020 Report placed Alectra Utilities
15 in Group III for the purpose of calculating stretch factors for 2021.

16 *Inflation Factor*

17 The Industry Specific Inflation Factor for 2022 filers has not yet been updated by the Board.
18 Alectra Utilities has used the Industry Specific Inflation Factor published for 2021 IRM filers, i.e.,
19 2.2%, as a proxy for 2022.

20 Alectra Utilities will update the RGM with the 2022 stretch factor and inflation factor, in order to
21 calculate the Price Cap Index once these factors are published by the Board.

22 The Price Cap Index, as determined in the RGM, filed as Attachments 7 to 11 is 1.9%, as identified
23 in Table 6, below.

1 **Table 6 – Calculation of Price Cap Index**

Factor	%
Inflation Factor	2.20%
Less: Productivity Factor	0.00%
Less: Stretch Factor	0.30%
Price Cap Index	1.90%

2 The Price Cap Index of 1.9% has been applied to Alectra Utilities' 2021 Service Charges and
3 Distribution Volumetric Rates by rate class to determine the 2022 Service Charges and
4 Distribution Volumetric Rates. Alectra Utilities' 2022 Proposed Tariff of Rates and Charges for
5 the Horizon Utilities, Brampton, PowerStream, Enersource and Guelph Hydro RZs are filed as
6 Attachments 12 to 16.

1 **ELECTRICITY DISTRIBUTION RETAIL TRANSMISSION SERVICE RATES**

2 The Board's *Guideline for Electricity Distribution Retail Transmission Service Rates* ("RTSR
3 Guideline") (G-2008-0001) was issued June 28, 2012. On December 17, 2020, the OEB issued
4 its Decision and Order in respect of the 2021 Uniform Transmission Rates ("UTRs") (EB-2020-
5 0251). On June 24, 2021, the OEB issued a Decision and Order to update the 2021 UTRs
6 effective July 1, 2021. On December 17, 2020 (revised February 18, 2021), the OEB issued its
7 Decision and Order in respect of Hydro One Networks Inc. ("HONI") application for electricity
8 distribution rates and other charges beginning January 1, 2021, which contain HONI's sub
9 transmission rates ("STRs") (EB-2020-0030). The most recent UTRs and STRs are identified in
10 Table 7 below.

11 **Table 7 – Current Board-Approved UTRs and STRs**

UTRs	\$
Network Service Rate	\$4.90
Line Connection Service Rate	\$0.81
Transformation Connection Service Rate	\$2.65

STRs	\$
Network Service Rate	\$3.4778
Line Connection Service Rate	\$0.8128
Transformation Connection Service Rate	\$2.0458

12
13 Alectra Utilities has updated Tabs 11-15 of the RGM, filed as Attachments 7 to 11, to incorporate:
14 i) the most recent UTRs and STRs approved by the Board; and ii) an update to Alectra Utilities
15 demand in the Horizon Utilities, Brampton, PowerStream, Enersource and Guelph Hydro RZs
16 from 2019 to 2020 actual values. The RTSRs are calculated in Tab 15 of the RGM.

17 For all Alectra Utilities' RZs, the change in the RTSRs exceeds the OEB's 4% threshold. The
18 primary driver for the increase in the proposed 2022 RTSRs, is the increase in the UTRs.

19 In Alectra Utilities' 2021 EDR Application, the calculation of the RTSRs were based on the interim
20 2020 UTRs as approved by the OEB in its Decision and Order issued July 31, 2020 (EB-2020-
21 0180). Table 8, below provides a comparison of the UTRs used to calculate the RTSRs in Alectra
22 Utilities' 2021 and 2022 EDR Applications. As shown in the table below, the network service rates
23 used in the RTSR calculation increased by 25%.

1 **Table 8 – UTRs Comparison**

UTRs	2021 EDR	2022 EDR	Change
Network Service Rate	\$3.92	\$4.90	25.0%
Line Connection Service Rate	\$0.97	\$0.81	-16.5%
Transformation Connection Service Rate	\$2.33	\$2.65	13.7%

2

3 Alectra Utilities will update the RTSRs for all rate zones, should the actual UTRs and STRs be
4 approved prior to the OEB issuing the final rate order for this application.

1 **REVIEW AND DISPOSITION OF GROUP 1 DEFERRAL AND VARIANCE ACCOUNT**
2 **BALANCES**

3 As discussed in the *Report of the Board on the Electricity Distributors' Deferral and Variance*
4 *Account Review Initiative* (EB-2008-0046), (the "EDDVAR Report"), issued July 31, 2009, under
5 the Price Cap IR or the Annual IR Index, the distributor's Group 1 account balances will be
6 reviewed and disposed if the pre-set disposition threshold of \$0.001 per kWh (debit or credit) is
7 met. Consistent with a Letter from the Board to Licensed Electricity Distributors re: *Process for*
8 *2015 Incentive Regulation Mechanism ("IRM") Distribution Rate Applications*, dated July 25, 2014,
9 distributors may also elect to dispose of Group 1 account balances below the threshold.

10 On February 21, 2019, the OEB issued a letter to all rate-regulated electricity distributors re:
11 Accounting Guidance related to Accounts 1588 RSVA Power, and 1589 RSVA Global
12 Adjustment. Alectra Utilities confirms that it has fully implemented the OEB's February 21, 2019
13 accounting guidance.

14 In the 2021 EDR Application Decision, the OEB approved disposition of the Group 1 accounts
15 balances as of December 31, 2019 on a final basis for the Brampton, PowerStream, Enersource
16 and Guelph RZs. The OEB also approved the disposition of balances as of December 31, 2017
17 that were previously disposed of on an interim basis for the Brampton and Guelph RZs in Alectra
18 Utilities' 2019 EDR Application (EB-2018-0016), and in Alectra Utilities' predecessor, Guelph
19 Hydro's 2019 EDR Application (EB-2018-0036). For the Horizon Utilities RZ, the OEB approved
20 disposition of the Group 1 account balances in 2017 and 2018 on a final basis. The Group 1
21 account balances in 2019 were approved on a final basis except for the balances in Accounts
22 1588 and 1589 which were disposed on an interim basis.⁶

23 In this Annual Filing, Alectra Utilities requests disposition of Group 1 account balances for all rate
24 zones as of December 31, 2020, including interest projected to December 31, 2021 on a final
25 basis. Alectra Utilities also requests final disposition of the balances in Accounts 1588 and 1589
26 in 2019 for the Horizon Utilities RZ.

⁶ EB-2020-0002, Decision and Rate Order, dated December 17, 2020, pp.16,21,24,27,32.

1 Group 1 accounts consist of the following Uniform System of Accounts (“USoA”):

- 2 • 1550 - Low Voltage Account;
- 3 • 1551 - Smart Metering Entity Charge Variance;
- 4 • 1580 - RSVA Wholesale Market Service Charge Account;
- 5 • 1584 - RSVA Retail Transmission Network Charge Account;
- 6 • 1586 - RSVA Retail Transmission Connection Charge Account;
- 7 • 1588 - RSVA Power Account;
- 8 • 1589 - RSVA Global Adjustment Account; and
- 9 • 1595 - Disposition and Recovery/Refund of Regulatory Balances Account.

10 Alectra Utilities provides the relief sought for its Group 1 deferral and variance account balances
11 by rate zone, below.

12 **Horizon Utilities RZ**

13 The Group 1 balances as of December 31, 2020, in the amount of (\$1,225,734) have been
14 adjusted for the following items to determine the amount for disposition of (\$6,866,320) as
15 identified in Table 9, below:

- 16 • Group 1 balances approved for disposition in the 2021 Annual Filing have been excluded;
- 17 • Principal adjustments which are not included in the audited financial statements have been
18 identified separately as an adjustment to the balance requested for disposition
19 Consequently, the account balances on Tab 3. Continuity Schedule differ from the annual
20 RRR filing;
- 21 • Projected carrying charges for each Group 1 Account balance to the proposed rate rider
22 implementation date are included (i.e. the amount for disposition includes projected
23 carrying charges to December 31, 2021); and
- 24 • Only eligible residual balances in Account 1595 for which rate riders have expired are
25 included.

1 **Table 9 – Group 1 Balances for Disposition – Horizon Utilities RZ**

Description	Amount
Group 1 Account Balances as of December 31, 2020	(\$1,225,734)
Subtract 2021 Annual Filing Disposition (EB-2020-0002) - Recovery from Customers	\$6,258,235
Add Principal Adjustments	\$1,061,186
Add Projected Carrying Charges	(\$35,847)
Deduct 1595 Residual Balances to be disposed in a future rate proceeding	\$407,689
Adjusted Group 1 Account Balances for Disposition - Refund to Customers	(\$6,866,320)

2

3 Alectra Utilities has computed the disposition threshold for the Horizon Utilities RZ, based on the

4 adjusted Group 1 balances to be (\$0.0013/kWh), as identified in Table 10, below.

5 **Table 10 - Calculation of Disposition Threshold – Horizon Utilities RZ**

Description	Account	Amount
Low Voltage	1550	\$2,114,579
Smart Meter Entity Charge	1551	(\$231,359)
RSVA - Wholesale Market Service Charge excluding CBR	1580	(\$4,524,722)
RSVA - Wholesale Market Service Charge - Capacity Based Recovery ("CBR") Class B	1580	(\$517,385)
RSVA - Retail Transmission Network Charge	1584	\$2,560,616
RSVA - Retail Transmission Connection Charge	1586	\$754,413
RSVA - Power	1588	\$2,042,192
RSVA - Global Adjustment	1589	(\$3,176,949)
Disposition and Recovery/Refund of Regulatory Balances	1595	(\$247,118)
Group 1 Account Balances as of December 31, 2020		(\$1,225,734)
Subtract 2021 Annual Filing Disposition (EB-2020-0002) - Recovery from Customers		\$6,258,235
Add Principal Adjustments		\$1,061,186
Add Projected Carrying Charges		(\$35,847)
Deduct 1595 Residual Balances to be disposed in a future rate proceeding		\$407,689
Adjusted Group 1 Account Balances for Disposition - Refund to Customers		(\$6,866,320)
2020 kWhs		5,210,371,664
Threshold Test \$/kWh		(\$0.0013)

6

7 Alectra Utilities has completed and filed the RGM as Attachment 7 for the Horizon Utilities RZ.

8 Alectra Utilities has reconciled the Group 1 balances filed in the 2020 RRR, section 2.1.7 for the

9 Horizon Utilities RZ. The variance to the RRR balance is equal to the principal adjustments made

10 in the current disposition period. A reconciliation of the balance requested for disposition is

11 provided in Table 11, below. Alectra Utilities confirms that the last Board approved balance of

12 \$6,258,235 for the Horizon Utilities RZ has been transferred to Account 1595. Further, Alectra

13 Utilities has confirmed the accuracy of the billing determinants to the 2020 RRR, section 2.1.5.4.

14 Alectra Utilities relied upon the Board's prescribed interest rates to calculate carrying charges on

- 1 the deferral and variance account balances. The prescribed interest rate of 0.57% for 2021 Q1-
- 2 Q3 was used to calculate forecasted interest for 2021. No adjustments have been made to any
- 3 deferral and variance account balances previously approved by the Board on a final basis.

1 **Table 11 – Deferral and Variance Account Reconciliation – Horizon Utilities RZ**

Account Description	Account	Principal Amounts as of Dec 31, 2020	Carrying Charges to Dec 31, 2020	Principal Disposition during 2021	Interest Disposition during 2021	Projected Carrying Charges to Dec 31, 2021	Total Disposition before Principal Adjustment	Principal Adjustment	Projected Carrying Charges to December 31, 2021	1595 Balances Not Claimed in 2022	Total Disposition
Group 1 Accounts:											
Low Voltage	1550	\$2,085,195	\$29,384	(1,010,381)	(25,183)	\$6,126	\$1,085,141	-		-	\$1,085,141
Smart Meter Entity Charge	1551	(\$221,458)	(\$9,901)	191,874	9,867	(\$169)	(\$29,787)	-		-	(\$29,787)
RSVA - Wholesale Market Service Charge excluding CBR	1580	(\$4,479,720)	(\$45,003)	1,766,282	34,680	(\$15,467)	(\$2,739,226)	-		-	(\$2,739,226)
RSVA - Wholesale Market Service Charge - CBR B	1580	(\$505,258)	(\$12,126)	343,927	10,871	(\$920)	(\$163,506)	-		-	(\$163,506)
RSVA - Retail Transmission Network Charge	1584	\$2,488,511	\$72,104	(2,786,533)	(78,140)	(\$1,699)	(\$305,755)	-		-	(\$305,755)
RSVA - Retail Transmission Connection Charge	1586	\$673,363	\$81,049	(1,423,442)	(86,697)	(\$4,275)	(\$760,002)	-		-	(\$760,002)
RSVA - Power	1588	\$2,049,016	(\$6,824)	518,320	(25,287)	\$14,634	\$2,549,859	(\$2,966,707)	(\$16,910)	-	(\$433,757)
Sub-total not including RSVA Power Global Adjustment		\$2,089,650	\$108,684	(2,399,952)	(159,889)	(\$1,769)	(\$363,276)	(\$2,966,707)	(\$16,910)	-	(\$3,346,893)
RSVA - Power Global Adjustment	1589	(\$3,157,079)	(\$19,871)	(4,401,497)	51,252	(\$43,084)	(\$7,570,278)	\$4,027,892	\$22,959	-	(\$3,519,427)
Total including RSVA Power Global Adjustment		(\$1,067,429)	\$88,813	(6,801,449)	(108,637)	(\$44,853)	(\$7,933,555)	\$1,061,186	\$6,049	-	(\$6,866,320)
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	(\$461,013)	(\$190,838)	461,013	190,838	-	-	-		-	-
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	\$405,473	(\$115,585)	-	-	\$2,311	\$292,200	-		\$292,200	-
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	\$225,725	(\$91,971)	-	-	\$1,287	\$135,041	-		\$135,041	-
Disposition and Recovery/Refund of Regulatory Balances (2020)	1595	(\$112,532)	\$93,622	-	-	(\$641)	(\$19,552)	-		(\$19,552)	-
Total 1595		\$57,653	(\$304,771)	461,013	190,838	\$2,956	\$407,689	-	-	\$407,689	-
Total Group 1		(\$1,009,776)	(\$215,959)	(6,340,436)	82,201	(\$41,896)	(\$7,525,866)	\$1,061,186	\$6,049	\$407,689	(\$6,866,320)
Total Amount for Disposition		(\$1,009,776)	(\$215,959)	(6,340,436)	82,201	(\$41,896)	(\$7,525,866)	\$1,061,186	\$6,049	\$407,689	(\$6,866,320)

2

1 Alectra Utilities is seeking a one-year disposition period for the Group 1 balances for the Horizon
2 Utilities RZ. This approach is consistent with the EDDVAR Report which states on page 6 that
3 *“the default disposition period used to clear the account balances through a rate rider should be*
4 *one year”*.

5 **Wholesale Market Participants (“WMPs”)**

6 WMPs participate directly in the IESO administered market and settle commodity and market-
7 related charges directly with the IESO. Alectra Utilities has established separate rate riders to
8 dispose of the balances in the RSVAs for WMPs. The balances in Account 1588 RSVA – Power,
9 Account 1580 RSVA – Wholesale Market Service Charge (including CBR) and Account 1589
10 RSVA – Global Adjustment have not been allocated to WMPs.

11 **Global Adjustment (“GA”) and Capacity Based Response (“CBR”) Disposition**

12 Alectra Utilities has also established separate rate riders to dispose of the GA and CBR account
13 balances for the Horizon Utilities RZ. The GA rate rider is only applicable to non-RPP customers,
14 and the CBR rate rider is only applicable to Class B customers. Alectra Utilities’ Class A customers
15 are invoiced actual GA and CBR, therefore, none of the variance in the GA and CBR account
16 balance is attributed to these customers.

17 There were 30 Alectra Utilities customers in the Horizon Utilities RZ that transitioned between
18 Class A and Class B during 2019 and 2020, under the IESO’s Industrial Conservation Initiative
19 (“ICI”). Customer 30 in ‘Tab 6 Class A Consumption Data’ has partial data as this is a former
20 customer of Alectra Utilities. These transition customers paid GA and CBR during the period they
21 were Class B customers. As such, these customers will only be allocated the portion of the GA
22 and CBR account balance which accrued to them as a Class B customer.

23 These GA and CBR amounts will be settled through twelve equal adjustments to bills as directed
24 in the Chapter 3 Filing Requirements. These customers will not be charged or refunded the
25 general GA and CBR rate riders.

26 Table 12 below identifies the GA balances disposed of through rate riders and specific bill
27 adjustments.

28 Alectra Utilities requests disposition of its total GA balance of (\$3,519,427), of which (\$3,318,685)
29 will be disposed of via rate rider; and (\$200,742) will be disposed of via specific bill adjustments,

1 as discussed above. Alectra Utilities’ total CBR balance of (\$163,506) was not material enough
 2 to result in a rate rider in one or more rate classes, and therefore, the entire balance was
 3 transferred into Account 1580 WMS control account to be disposed through the general purpose
 4 Group 1 DVA rate riders. Tab “6.1a GA Allocation” in the RGM identifies the detailed calculation
 5 of the bill adjustments.

6 **Table 12 –Disposition of GA Balances – Horizon Utilities RZ**

Description	Amount
Global Adjustment - Non-RPP Class B Customers	(\$3,318,685)
Global Adjustment - Transition Customers	(\$200,742)
Class B Non-RPP Customers only - GA Rate Rider/Bill Adjustment	(\$3,519,427)

8 A summary of the rate riders applicable to each group of customers is identified in Table 13 below.

9 **Table 13 – Rate Riders by Customer Group – Horizon Utilities RZ**

Customers	DVA Rate Rider 1 ¹	DVA Rate Rider 2 ²	CBR B Rate Rider ³ (if applicable)	GA Rate Rider	Specific Bill Adjustment
WMPs	x				
Class A (Full Year)	x	x			
Transition Customers	x	x			x
Class B non-RPP Customers (Full Year)	x	x	x	x	
Class B RPP Customers	x	x	x		

1. DVA Rate Rider 1 = disposition of low voltage, SME, Network, Connection, IRM balances

2. DVA Rate Rider 2 = disposition of Power and Wholesale Market Service Charges (excluding CBR)

3. If the allocated CBR B amount does not produce a rate rider in one or more rate class, the entire balance is transferred into Account 1580 WMS control account

10
 11 WMPs are charged DVA Rate Rider 1 only, which includes account balances for low voltage
 12 charges, retail transmission network charges, retail transmission connection charges.

13 Class A customers are charged the sum of DVA Rate Rider 1 and DVA Rate Rider 2, the latter of
 14 which includes account balances for power and wholesale market service charges excluding
 15 CBR.

16 Transition customers are charged the sum of DVA Rate Rider 1 and DVA Rate Rider 2; and a
 17 customer specific bill adjustment for their portion of the GA and CBR account balances.

18 Class B, non-RPP customers are charged the sum of DVA Rate Riders 1 and 2; and the GA and
 19 CBR Rate Rider.

20 Class B RPP customers are charged the sum of DVA Rate Riders 1 and 2; and the CBR Rate
 21 Rider.

1 The Group 1 DVAs disposition by customer group is identified in Table 14, below.

2 **Table 14 – Group 1 DVAs Disposition by Customer Group – Horizon Utilities RZ**

Description	Account	Amount
Low Voltage	1550	\$1,085,141
Smart Meter Entity Charge (Residential and GS<50kW Classes Only)	1551	(\$29,787)
Retail Transmission Network Charge	1584	(\$305,755)
Retail Transmission Connection Charge	1586	(\$760,002)
Disposition and Recovery/Refund of Regulatory Balances	1595	\$0
All Customers - DVA Rate Rider 1		(\$10,403)
Power	1588	(\$433,757)
Wholesale Market Service Charge excluding CBR	1580	(\$2,739,226)
All Customers ex WMPs - DVA Rate Rider 2		(\$3,172,984)
Wholesale Market Service Charge - CBR Class B	1580	(\$163,506)
Capacity Based Recovery - Transition Customers	1580	\$0
All Class B Customers ex WMPs - CBR B Rate Rider/Bill Adjustment		(\$163,506)
Global Adjustment - Non-RPP Class B Customers	1589	(\$3,318,685)
Global Adjustment - Transition Customers	1589	(\$200,742)
Class B Non-RPP Customers only - GA Rate Rider/Bill Adjustment		(\$3,519,427)
Total (Repayment to)/Recovery from Customers		(\$6,866,320)
Disposition via Rate Rider		(\$6,665,579)
Global Adjustment - Transition Customers		(\$200,742)
Capacity Based Recovery - Transition Customers		\$0

3

4 All balances claimed are allocated to the rate classes based on the default cost allocation
5 methodology as identified in the EDDVAR report. The 2020 actuals reported in Alectra Utilities
6 2020 RRRs have been used to calculate the rate riders as per the Chapter 3 Filing Requirements
7 issued by the OEB on June 24, 2021.

8 The billing determinants, billing adjustments and calculation of the rate riders are provided in Tabs
9 4 through 7 in the RGM Model filed as Attachment 7. Alectra Utilities requests disposition of the
10 Horizon Utilities RZ adjusted Group 1 balances, through the rate riders identified in Table 15,
11 below.

1 **Table 15 – Deferral and Variance Account Riders – Horizon Utilities RZ**

2

Customer Class	Deferral/Variance Account Rate Rider		Deferral/Variance Account Rate Rider for Non-WMP		Global Adjustment Rate Rider Non-RPP Class B		CBR B Rate Rider Class B Consumer	
	\$/kWh	\$/kW	\$/kWh	\$/kW	\$/kWh	\$/kW	\$/kWh	\$/kW
Residential	(0.0008)				(0.0030)			
General Service Less Than 50 kW	(0.0007)				(0.0030)			
General Service 50 To 4,999 kW		0.0013		(0.2675)	(0.0030)			
Large Use		(0.4165)						
Large Use Service with Dedicated Assets		0.0021		(0.3321)				
Unmetered Scattered Load	(0.0007)				(0.0030)			
Sentinel Lighting		(0.2940)			(0.0030)			
Street Lighting		(0.2612)			(0.0030)			

1 **GA Analysis Workform**

2 The GA Analysis Workform (“GA Workform”) for the Horizon Utilities RZ is filed as Attachment 17.
3 The GA Workform compares the principal activity in the general ledger for Account 1589, Global
4 Adjustment to the expected principal balance based on monthly GA volumes, revenue and costs.
5 The GA Workform provides a tool to assess if the principal activity in Account 1589 for a specific
6 year is reasonable. Distributors are required to submit a GA Workform for each year that has not
7 previously been approved by the OEB for disposition. Alectra Utilities has completed the GA
8 Workform for 2019 and 2020 for the Horizon Utilities RZ.

9 **GA 2019**

10 Background

11 In 2019, Alectra Utilities identified an omission related to the Horizon Utilities RZ in reporting
12 embedded generation energy kWhs produced from FIT and microFIT as part of the Form 1598
13 submission to the IESO. The omission resulted in adjustments to three IESO charge types,
14 including CT 2148 Global Adjustment Prior Period Adjustments (\$7.99MM), CT 9990 IESO
15 administration charge (\$0.09MM) and CT 1351 Capacity Based Demand Response Program
16 Recovery Amount for Class B load (\$0.03MM), for a total adjustment of \$8.1MM. These amounts
17 were included in Alectra Utilities’ Group 1 balance for the Horizon Utilities RZ in the 2021 EDR
18 application.

19 In the 2021 EDR proceeding, OEB staff submitted that further adjustments were required to the
20 Accounts 1588 and 1589 balances requested for disposition. OEB staff submitted that Alectra
21 Utilities included a reconciling item of \$7.99MM to Account 1589 in the GA Analysis Workform
22 filed by Alectra Utilities for the Horizon Utilities RZ related to IESO charge type 2148, or prior
23 period corrections to Class B global adjustment charges. OEB staff submitted that, in the month
24 when the IESO charge type 2148 was included on the IESO invoice, Alectra was expected to
25 allocate the charge type amount of \$7.99MM between RPP and non-RPP customers, and include
26 the RPP portion in the RPP settlement claim and subsequent true-ups with the IESO. OEB staff
27 further stated that given Alectra Utilities recorded the entire \$7.99MM in Account 1589, it must

1 revise the December 31, 2019 balances being requested for disposition in the Horizon Utilities
2 RZ to reflect the appropriate allocation of the \$7.99MM between Accounts 1588 and 1589⁷.

3 In its reply submission, Alectra Utilities submitted that its accounting of the prior period adjustment
4 is in accordance with the OEB's May 15, 2019 Letter *Re: Accounting Guidance for IESO Charge*
5 *Type 2148*, February 21, 2019 *Accounting Procedures Handbook Update – Accounting Guidance*
6 *Related to Commodity Pass-Through Accounts 1588 & 1589*, and the April 2019 *Accounting*
7 *Guidance Training – Commodity Pass-through Variance Accounts*. Alectra Utilities reviewed all
8 the transactions related to the adjustment and confirmed that it allocated the charge type amount
9 of \$7.99MM between RPP and non-RPP customers and included the RPP portion in the RPP
10 settlement claim and subsequent true-ups with the IESO.⁸

11 In the 2021 EDR Application Decision⁹, the OEB approved the recovery of the \$8.1MM adjustment
12 from customers, however, the OEB approved interim disposition of the balances in Accounts 1588
13 and 1589 for 2019, pending a further review of the allocation of the adjustment of \$7.99MM to
14 each of the respective accounts.

15 As the OEB indicated at page 16 of the 2021 EDR Decision:

16 *“The OEB finds that the public record is not clear regarding the “correct”*
17 *allocation of the \$8.1 million error when comparing the continuity schedules for*
18 *Accounts 1588 and 1589 and the submissions made by OEB staff and Alectra*
19 *Utilities. The OEB has considered the issue of the \$8.1 million error and*
20 *approves the correction of the error that persisted from 2011 to 2019 and*
21 *approves the recovery of the payment made to the IESO from customers. The*
22 *OEB does not approve the recovery from customers of the additional \$170*
23 *thousand in accrued interest after the IESO payment was made, from*
24 *September 2019 to December 2020.”*

25

26 Further, at page 18 of the 2021 EDR Decision, the OEB stated that:

⁷ EB-2020-0002, OEB Staff Submission, November 18, 2020, p.3

⁸ EB-2020-0002, Alectra Reply Submission, December 2, 2020, pp.32-34

⁹ EB-2020-0002, Decision and Order, December 17, 2020.

1 *“The OEB encourages Alectra Utilities and OEB staff to confer regarding the*
2 *continuity schedules for Accounts 1588 and 1589 prior to filing the next IRM*
3 *application to address any outstanding issues.”*
4

5 Alectra Utilities has updated the 2019 GA Analysis Workform for the Horizon Utilities RZ to record
6 a reconciling item of \$2.64MM, which is the portion of the \$7.99MM adjustment that was allocated
7 to Account 1589. The GA Analysis Workform previously included the entire \$7.99MM as a
8 reconciling item. As identified above, Alectra Utilities allocated the charge type amount of
9 \$7.99MM between RPP and non-RPP customers, and as a result, the GA Analysis Workform
10 should only include the amount allocated to non-RPP customers.

11 The GA Analysis Workform has also been updated for the following items:

- 12 1. Alectra Utilities has updated the consumption data in the Note 4 table of the GA Analysis
13 Workform to include actual calendar month consumption data in column F, instead of
14 unbilled consumption. This is consistent with the *“Instructions for Completing GA Analysis*
15 *Workform – 2021 Rate”* published by the OEB in May 2020 that provides distributors the
16 option to use more precise calendar month consumption, if available; and
17 2. Alectra Utilities has reviewed the 2019 transactions recorded in Account 1588 and 1589
18 for the Horizon Utilities RZ and identified a duplicate amount in the September 2019
19 General Ledger to allocate the GA costs between 1588 and 1589. This impacted both
20 Account 1588 and Account 1589 and resulted in an additional credit balance in the amount
21 of \$2.21MM recorded in Account 1588, which was offset by an additional debit balance in
22 the amount of \$2.21MM recorded in Account 1589. Alectra Utilities has revised the 2019
23 GA Analysis Workform for the Horizon Utilities RZ and reflected the update as a principal
24 adjustment in the continuity schedule in the 2022 Rate Generator Model.

25 Table 16, below compares the reconciling items identified in the GA Analysis Workform in
26 response to interrogatory HRZ-Staff-34 in the 2021 proceeding, to the revised 2019 GA Workform
27 included in this application.

1 **Table 16 – Summary of Reconciling Items**

Summary of reconciling items	2021 EDR HRZ-Staff- 34	2022 EDR Revised	Change
CT 148 True-up of GA Charges based on Actual Non-RPP Volumes - prior year	\$1,956,654	\$1,956,654	\$0
CT 148 True-up of GA Charges based on Actual Non-RPP Volumes - current year	(\$841,592)	(\$841,592)	\$0
Remove prior year end unbilled to actual revenue differences	(\$821,562)	(\$821,562)	\$0
Add current year end unbilled to actual revenue differences	(\$566,756)	(\$566,756)	\$0
<i>FIT/MicroFIT adjustment</i>	(\$7,988,841)	(\$2,641,113)	\$5,347,728
<i>Duplicate entry which represents an offsetting adjustment from 1589 to 1588</i>		(\$2,206,342)	(\$2,206,342)
Adjustment to reallocate amount from Account 1589 to Account 1588	(\$563,661)	(\$563,661)	\$0
Total of reconciling items	(\$8,825,758)	(\$5,684,372)	\$3,141,386

2

3 The principal activity in Account 1589 recorded in 2019 was \$9,552,315 as identified in Table 17

4 below. The principal activity balance, after known adjustments of (\$5,684,372) was \$3,867,943.

5 This is compared to the expected principal balance in Account 1589 of \$3,041,676 calculated in

6 Attachment 17 which results in an unreconciled difference of \$826,267. This represents 0.58% of

7 Alectra Utilities 2019 IESO purchases in the Horizon Utilities RZ, which is within the OEB's

8 threshold (+/- 1% of IESO purchases).

9 **Table 17 – 2019 Revised GA Workform Summary**

Description	Amount
Principal Activity in RSVA(GA)	\$9,552,315
Add Known Adjustments	(\$5,684,372)
Adjusted Principal Activity in RSVA(GA)	\$3,867,943
Expected Principal Activity in RSVA(GA)	\$3,041,676
Variance \$	\$826,267
Total 2019 IESO Purchases	\$143,537,354
Absolute Variance as a % of IESO Purchases	0.58%

10

11 In accordance with the OEB's direction in Alectra Utilities' 2021 EDR Application Decision, Alectra

12 Utilities conferred with OEB staff regarding the balances in Accounts 1588 and 1589 related to

1 the prior period adjustment. OEB staff has reviewed the revised 2019 GA Workform and has
2 determined that there are no additional outstanding issues regarding this item.

3 **GA 2020**

4 The principal activity in Account 1589 recorded in 2020 was (\$5,352,234) as identified in Table
5 18 below. The principal activity balance, after known adjustments of \$5,170,447 was (\$181,786).
6 This is compared to the expected principal balance in Account 1589 of \$1,158,562 calculated in
7 Attachment 17, which results in an unreconciled difference of (\$1,340,348). This represents
8 0.96% of Alectra Utilities 2020 IESO purchases in the Horizon Utilities RZ, which is within the
9 OEB's threshold (+/- 1% of IESO purchases).

10 **Table 18 – GA Workform Summary**

Description	Amount
Principal Activity in RSVA(GA)	(\$5,352,234)
Add Known Adjustments	\$5,170,447
Adjusted Principal Activity in RSVA(GA)	(\$181,786)
Expected Principal Activity in RSVA(GA)	\$1,158,562
Variance \$	(\$1,340,348)
Total 2020 IESO Purchases	\$140,005,792
Absolute Variance as a % of IESO Purchases	0.96%

12 **Account 1588**

13 The GA Workform also includes a reasonability test for Account 1588, RSVA Power, and
14 compares the annual Account 1588 variance to the Cost of Power purchases in the respective
15 year. Distributors are required to explain variances greater than +/- 1% of Cost of Power
16 purchased.

17 The transactions in Account 1588 recorded in 2019 was (\$6,705,017) as identified in Table 19
18 below. The transactions, after principal adjustments of \$2,512,240 were (\$4,192,778). This is
19 compared to the power purchased of \$236,001,669, which represents 1.78% of purchases, which
20 exceeds the OEB's threshold of +/- 1%.

1 **Table 19 – 2019 Account 1588 Power Summary**

Description	Amount
Principal Activity in RSVA(Power)	(\$6,705,017)
Add Known Adjustments	\$2,512,240
Total Activity in 2019	(\$4,192,778)
Total 2019 IESO Purchases	\$236,001,669
Absolute Variance as a % of Power Purchased	1.78%

2

3 The threshold was exceeded primarily due to a credit balance of \$1.3MM included in the 2019
4 transactions in the general ledger, which was related to a RPP settlement amount with the IESO.
5 This credit balance offsets a debit balance in the same amount accrued in 2018 related to the
6 RPP portion of the IESO CT 2148 Prior Period Adjustment pertaining to Mohawk TS. The RPP
7 GA amount was accrued in 2018, and subsequently reversed in 2019. The reversed amount was
8 offset by the RPP portion of the IESO CT 2148 recorded in June 2019. Therefore, the net impact
9 of this entry in Account 1588 over the 2018 to 2019 period is nil. Further details on the Mohawk
10 TS settlement with the IESO was provided in response to interrogatory HRZ-Staff-36 in Alectra
11 Utilities' 2021 EDR Application. Further, Alectra Utilities under-accrued the amounts to be paid to
12 the Embedded Generators at the contract price in 2019 of \$0.7MM. Table 20 has been revised to
13 include these reconciling items, which results in a revised total of \$2,217,262, and represents
14 0.94% of purchases.

15 **Table 20 – Account 1588 Reconciliation**

Description	Amount
Total Activity in 2019	(\$4,192,778)
Mohawk RPP GA received from IESO in 2019, related to 2018	\$1,310,106
Embedded Generation (FIT/RESOP/HCI) under accrued in 2019	\$665,410
Revised Total	(\$2,217,262)
Account 4705 - Power Purchased	\$236,001,669
Absolute Variance as a % of Power Purchased	0.94%

16

17 The transactions in Account 1588 recorded in 2020 was \$360,995 as identified in Table 21 below.
18 The transactions, after principal adjustments of (\$2,966,707) was (\$2,605,712). This is compared
19 to the power purchased of \$325,716,217, which represents 0.80% of purchases, which is within
20 the OEB's threshold of +/- 1%.

1 **Table 21 – 2020 Account 1588 Power Summary**

Description	Amount
Principal Activity in RSVA(Power)	\$360,995
Principal Adjustments	(\$2,966,707)
Total Activity in 2020	(\$2,605,712)
Account 4705 - Power Purchased	\$325,716,217
Absolute Variance as a % of Power Purchased	0.80%

1 **1595 Analysis Workform**

2 The 1595 Workform compares the principal and interest amounts previously approved for
3 disposition to the residual balances remaining after the amounts have been recovered or refunded
4 to customers through rate riders. As discussed in the Chapter 3 Filing Requirements, *“the*
5 *balances in Account 1595 will first be assessed in two groups of accounts; one being the amounts*
6 *attributable to GA, and the other being the remainder of Group 1 and Group 2 Accounts (if*
7 *applicable). A residual balance in either of the two groups of accounts exceeding +/- 10% of the*
8 *original amounts previously approved for disposition would be considered material.”* The 1595
9 Workform provides a tool to assess if the residual balance in Account 1595 for a specific year is
10 reasonable. Distributors can only seek disposition of the balance in Account 1595, two years after
11 the expiry of the rate rider (i.e. the fourth rate year after expiry of the rate rider).

12 In this Application, Alectra Utilities is not requesting disposition of its 1595 sub-account balances
13 for the Horizon Utilities RZ as it does not meet the requirements for disposition of residual
14 balances.

1 **Brampton RZ**

2 The Group 1 balances as of December 31, 2020, in the amount of (\$3,018,898) have been
3 adjusted for the following items to determine the amount for disposition of (\$3,313,332) as
4 identified in Table 22, below:

- 5 • Group 1 balances approved for disposition in the 2021 Annual Filing have been excluded;
- 6 • Principal adjustments which are not included in the audited financial statements have been
7 identified separately as an adjustment to the balance requested for disposition
8 Consequently, the account balances on Tab 3. Continuity Schedule differ from the annual
9 RRR filing;
- 10 • Projected carrying charges for each Group 1 Account balance to the proposed rate rider
11 implementation date are included (i.e. the amount for disposition includes projected
12 carrying charges to December 31, 2021); and
- 13 • Only eligible residual balances in Account 1595 for which rate riders have expired are
14 included.

15 **Table 22 – Group 1 Balances for Disposition – Brampton RZ**

Description	Amount
Group 1 Account Balances as of December 31, 2020	(\$3,018,898)
Subtract 2021 Annual Filing Disposition (EB-2020-0002) - Refund to Customers	(\$687,351)
Add Principal Adjustments	(\$1,071,095)
Add Projected Carrying Charges	(\$18,201)
Deduct 1595 Residual Balances to be disposed in a future rate proceeding	(\$107,511)
Adjusted Group 1 Account Balances for Disposition - Refund to Customers	(\$3,313,332)

16

17 Alectra Utilities has computed the disposition threshold for the Brampton RZ, based on the
18 adjusted Group 1 balances to be (\$0.0008/kWh), which is below the OEB's pre-set disposition
19 threshold, as identified in Table 23, below. Alectra Utilities elects to request disposition of its
20 Group 1 account balances in this Annual Filing for the Brampton RZ.

1 **Table 23 - Calculation of Disposition Threshold – Brampton RZ**

Description	Account	Amount
Low Voltage	1550	\$864,114
Smart Meter Entity Charge	1551	(\$194,717)
RSVA - Wholesale Market Service Charge excluding CBR	1580	(\$3,453,991)
RSVA - Wholesale Market Service Charge - Capacity Based Recovery ("CBR") Class B	1580	(\$438,259)
RSVA - Retail Transmission Network Charge	1584	\$1,840,170
RSVA - Retail Transmission Connection Charge	1586	\$1,186,994
RSVA - Power	1588	(\$171,688)
RSVA - Global Adjustment	1589	(\$2,625,315)
Disposition and Recovery/Refund of Regulatory Balances	1595	(\$26,205)
Group 1 Account Balances as of December 31, 2020		(\$3,018,898)
Subtract 2021 Annual Filing Disposition (EB-2020-0002) - Refund to Customers		(\$687,351)
Add Principal Adjustments		(\$1,071,095)
Add Projected Carrying Charges		(\$18,201)
Deduct 1595 Residual Balances to be disposed in a future rate proceeding		(\$107,511)
Adjusted Group 1 Account Balances for Disposition - Refund to Customers		(\$3,313,332)
2020 kWhs		4,058,822,816
Threshold Test \$/kWh		(\$0.0008)

2

3 Alectra Utilities has completed and filed the RGM as Attachment 8 for the Brampton RZ. Alectra

4 Utilities has reconciled the Group 1 balances filed in the 2020 RRR, section 2.1.7 for the Brampton

5 RZ. The variance to the RRR balance is equal to the principal adjustments made in the current

6 disposition period. A reconciliation of the balance requested for disposition is provided in Table

7 24, below. Alectra Utilities confirms that the last Board approved balance of (\$687,351) for the

8 Brampton RZ has been transferred to Account 1595. Further, Alectra Utilities has confirmed the

9 accuracy of the billing determinants to the 2020 RRR, section 2.1.5.4. Alectra Utilities relied upon

10 the Board's prescribed interest rates to calculate carrying charges on the deferral and variance

11 account balances. The prescribed interest rate of 0.57% for 2021 Q1-Q3 was used to calculate

12 forecasted interest for 2021. No adjustments have been made to any deferral and variance

13 account balances previously approved by the Board on a final basis.

1 **Table 24 – Deferral and Variance Account Reconciliation – Brampton RZ**

Account Description	Account	Principal Amounts as of Dec 31, 2020	Carrying Charges to Dec 31, 2020	Principal Disposition during 2021	Interest Disposition during 2021	Projected Carrying Charges to Dec 31, 2021	Total Disposition before Principal Adjustment	Principal Adjustment	Projected Carrying Charges to December 31, 2021	1595 Balances Not Claimed in 2022	Total Disposition
Group 1 Accounts:											
Low Voltage	1550	\$845,367	\$18,747	(500,583)	(17,292)	\$1,965	\$348,203	-		-	\$348,203
Smart Meter Entity Charge	1551	(\$187,302)	(\$7,415)	167,322	7,403	(\$114)	(\$20,107)	-		-	(\$20,107)
RSVA - Wholesale Market Service Charge excluding CBR	1580	(\$3,401,453)	(\$52,538)	1,456,455	46,609	(\$11,086)	(\$1,962,013)	-		-	(\$1,962,013)
RSVA - Wholesale Market Service Charge - CBR B	1580	(\$427,239)	(\$11,019)	296,846	8,503	(\$743)	(\$133,654)	-		-	(\$133,654)
RSVA - Retail Transmission Network Charge	1584	\$1,817,835	\$22,335	(1,275,164)	(25,747)	\$3,093	\$542,351	-		-	\$542,351
RSVA - Retail Transmission Connection Charge	1586	\$1,133,212	\$53,782	(1,078,365)	(56,329)	\$313	\$52,613	-		-	\$52,613
RSVA - Power	1588	\$26,004	(\$197,692)	3,685,073	147,930	\$21,153	\$3,682,468	(\$6,155,072)	(\$35,084)	-	(\$2,507,688)
Sub-total not including RSVA Power Global Adjustment		(\$193,577)	(\$173,801)	2,751,583	111,076	\$14,581	\$2,509,862	(\$6,155,072)	(\$35,084)	-	(\$3,680,294)
RSVA - Power Global Adjustment	1589	(\$2,717,757)	\$92,442	(2,071,845)	(21,533)	(\$27,301)	(\$4,745,993)	\$5,083,977	\$28,979	-	\$366,962
Total including RSVA Power Global Adjustment		(\$2,911,333)	(\$81,359)	679,739	89,543	(\$12,720)	(\$2,236,131)	(\$1,071,095)	(\$6,105)	-	(\$3,313,332)
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	\$78,382	\$3,548	(78,382)	(3,548)	-	-	-		-	-
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	\$239,571	(\$270,402)	-	-	\$1,366	(\$29,466)	-		(\$29,466)	-
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	(\$17,673)	(\$10,534)	-	-	(\$101)	(\$28,307)	-		(\$28,307)	-
Disposition and Recovery/Refund of Regulatory Balances (2020)	1595	(\$112,350)	\$63,252	-	-	(\$640)	(\$49,738)	-		(\$49,738)	-
Total 1595		\$187,931	(\$214,136)	(78,382)	(3,548)	\$624	(\$107,511)	-	-	(\$107,511)	-
Total Group 1		(\$2,723,403)	(\$295,495)	601,357	85,995	(\$12,096)	(\$2,343,642)	(\$1,071,095)	(\$6,105)	(\$107,511)	(\$3,313,332)
Total Amount for Disposition		(\$2,723,403)	(\$295,495)	601,357	85,995	(\$12,096)	(\$2,343,642)	(\$1,071,095)	(\$6,105)	(\$107,511)	(\$3,313,332)

2

1 Alectra Utilities is seeking a one-year disposition period for the Group 1 balances for the Brampton
2 RZ. This approach is consistent with the EDDVAR Report which states on page 6 that “*the default*
3 *disposition period used to clear the account balances through a rate rider should be one year*”.

4 **Wholesale Market Participants (“WMPs”)**

5 WMPs participate directly in the IESO administered market and settle commodity and market-
6 related charges directly with the IESO. Alectra Utilities has established separate rate riders to
7 dispose of the balances in the RSVAs for WMPs. The balances in Account 1588 RSVA – Power,
8 Account 1580 RSVA – Wholesale Market Service Charge (including CBR) and Account 1589
9 RSVA – Global Adjustment have not been allocated to WMPs.

10 **Global Adjustment and Capacity Based Response (“CBR”) Disposition**

11 Alectra Utilities has also established separate rate riders to dispose of the GA and CBR account
12 balances for the Brampton RZ. The GA rate rider is only applicable to non-RPP customers, and
13 the CBR rate rider is only applicable to Class B customers. Alectra Utilities’ Class A customers
14 are invoiced actual GA and CBR, therefore, none of the variance in the GA account balance is
15 attributed to these customers.

16 There were 26 Alectra Utilities customers in the Brampton RZ that transitioned between Class A
17 and Class B during 2020 under the IESO’s Industrial Conservation Initiative (“ICI”). These
18 transition customers paid GA and CBR during the period they were Class B customers. As such,
19 these customers will only be allocated the portion of the GA and CBR account balance which
20 accrued to them as a Class B customer.

21 These GA and CBR amounts will be settled through twelve equal adjustments to bills as directed
22 in the Chapter 3 Filing Requirements. These customers will not be charged or refunded the
23 general GA and CBR rate riders.

24 Table 25 below identifies the GA balances disposed of through rate riders and specific bill
25 adjustments.

26 Alectra Utilities requests disposition of its total GA balance of \$366,962, of which \$346,864 will
27 be disposed of via rate rider; and \$20,098 will be disposed of via specific bill adjustments, as
28 discussed above. Alectra Utilities’ total CBR balance of (\$133,654) was not material enough to
29 result in a rate rider in one or more rate classes, and therefore, the entire balance was transferred

1 into Account 1580 WMS control account to be disposed through the general purpose Group 1
2 DVA rate riders. Tab “6.1a GA Allocation” in the RGM identifies the detailed calculation of the bill
3 adjustments.

4 **Table 25 –Disposition of GA Balances – Brampton RZ**

Description	Amount
Global Adjustment - Non-RPP Class B Customers	\$346,864
Global Adjustment - Transition Customers	\$20,098
Class B Non-RPP Customers only - GA Rate Rider/Bill Adjustment	\$366,962

6 A summary of the rate riders applicable to each group of customers is identified in Table 26 below.

7 **Table 26 – Rate Riders by Customer Group – Brampton RZ**

Customers	DVA Rate Rider 1 ¹	DVA Rate Rider 2 ²	CBR B Rate Rider ³ (if applicable)	GA Rate Rider	Specific Bill Adjustment
WMPs	x				
Class A (Full Year)	x	x			
Transition Customers	x	x			x
Class B non-RPP Customers (Full Year)	x	x	x	x	
Class B RPP Customers	x	x	x		

1. DVA Rate Rider 1 = disposition of low voltage, SME, Network, Connection, IRM balances

2. DVA Rate Rider 2 = disposition of Power and Wholesale Market Service Charges (excluding CBR)

3. If the allocated CBR B amount does not produce a rate rider in one or more rate class, the entire balance is transferred into Account 1580 WMS control account

8
9 WMPs are charged DVA Rate Rider 1 only, which includes account balances for low voltage
10 charges, retail transmission network charges, retail transmission connection charges.

11 Class A customers are charged the sum of DVA Rate Rider 1 and DVA Rate Rider 2, the latter of
12 which includes account balances for power and wholesale market service charges excluding
13 CBR.

14 Transition customers are charged the sum of DVA Rate Rider 1 and DVA Rate Rider 2; and a
15 customer specific bill adjustment for their portion of the GA and CBR account balances.

16 Class B, non-RPP customers are charged the sum of DVA Rate Riders 1 and 2; and the GA and
17 CBR Rate Rider.

18 Class B RPP customers are charged the sum of DVA Rate Riders 1 and 2; and the CBR Rate
19 Rider.

20 The Group 1 DVAs disposition by customer group is identified in Table 27, below.

1 **Table 27 – Group 1 DVAs Disposition by Customer Group – Brampton RZ**

Low Voltage	1550	\$348,203
Smart Meter Entity Charge (Residential and GS<50kW Classes Only)	1551	(\$20,107)
Retail Transmission Network Charge	1584	\$542,351
Retail Transmission Connection Charge	1586	\$52,613
Disposition and Recovery/Refund of Regulatory Balances	1595	(\$0)
All Customers - DVA Rate Rider 1		\$923,061
Power	1588	(\$2,507,688)
Wholesale Market Service Charge excluding CBR	1580	(\$1,962,013)
All Customers ex WMPs - DVA Rate Rider 2		(\$4,469,701)
Wholesale Market Service Charge - CBR Class B	1580	(\$133,654)
Capacity Based Recovery - Transition Customers	1580	\$0
All Class B Customers ex WMPs - CBR B Rate Rider/Bill Adjustment		(\$133,654)
Global Adjustment - Non-RPP Class B Customers	1589	\$346,864
Global Adjustment - Transition Customers	1589	\$20,098
Class B Non-RPP Customers only - GA Rate Rider/Bill Adjustment		\$366,962
Total (Repayment to)/Recovery from Customers		(\$3,313,332)
Disposition via Rate Rider		(\$3,333,430)
Global Adjustment - Transition Customers		\$20,098
Capacity Based Recovery - Transition Customers		\$0

2
3 All balances claimed are allocated to the rate classes based on the default cost allocation
4 methodology as identified in the EDDVAR report. The 2020 actuals reported in Alectra Utilities
5 2020 RRRs have been used to calculate the rate riders as per the Chapter 3 Filing Requirements
6 issued by the OEB on June 24, 2020.

7 The billing determinants, billing adjustments and calculation of the rate riders are provided in Tabs
8 4 through 7 in the RGM Model filed as Attachment 8. Alectra Utilities requests disposition of the
9 Brampton RZ adjusted Group 1 balances, through the rate riders identified in Table 28, below.

10 **Table 28 – Deferral and Variance Account Riders – Brampton RZ**

Customer Class	Deferral/Variance Account Rate Rider		Deferral/Variance Account Rate Rider for Non-WMP		Global Adjustment Rate Rider Non-RPP Class B		CBR B Rate Rider Class B Consumer	
	\$/kWh	\$/kW	\$/kWh	\$/kW	\$/kWh	\$/kW	\$/kWh	\$/kW
Residential	(0.0009)				0.0003			
General Service Less Than 50 kW	(0.0009)				0.0003			
General Service 50 To 699 kW		0.0811		(0.4038)	0.0003			
General Service 700 To 4,999 kW		0.0980		(0.4754)	0.0003			
Large Use		(0.4901)						
Unmetered Scattered Load	(0.0009)				0.0003			
Street Lighting		(0.3256)			0.0003			
Embedded Distributor	(0.0009)				0.0003			
Distributed Generation	(0.0009)				0.0003			

11

1 **GA Analysis Workform**

2 The GA Analysis Workform (“GA Workform”) for the Brampton RZ is filed as Attachment 18. The
3 GA Workform compares the principal activity in the general ledger for Account 1589, Global
4 Adjustment to the expected principal balance based on monthly GA volumes, revenue and costs.
5 The GA workform provides a tool to assess if the principal activity in Account 1589 for a specific
6 year is reasonable. Distributors are required to submit a GA Workform for each year that has not
7 previously been approved by the OEB for disposition. Alectra Utilities has completed the GA
8 Workform for 2020 for the Brampton RZ.

9 **GA 2020**

10 The principal activity in Account 1589 recorded in 2020 was (\$4,789,601) as identified in Table
11 29 below. The principal activity balance, after known adjustments of \$5,800,646 was \$1,011,045.
12 This is compared to the expected principal balance in Account 1589 of \$485,624 calculated in
13 Attachment 18, which results in an unreconciled difference of \$525,421. This represents 0.41%
14 of Alectra Utilities 2020 IESO purchases in the Brampton RZ, which is within the OEB’s threshold
15 (+/- 1% of IESO purchases).

16 **Table 29 – GA Workform Summary**

Description	Amount
Principal Activity in RSVA(GA)	(\$4,789,601)
Add Known Adjustments	\$5,800,646
Adjusted Principal Activity in RSVA(GA)	\$1,011,045
Expected Principal Activity in RSVA(GA)	\$485,624
Variance \$	\$525,421
Total 2020 IESO Purchases	\$129,496,590
Absolute Variance as a % of IESO Purchases	0.41%

17
18 **Account 1588**

19 The GA Workform also includes a reasonability test for Account 1588, RSVA Power, and
20 compares the annual Account 1588 variance to the Cost of Power purchases in the respective
21 year. Distributors are required to explain variances greater than +/- 1% of Cost of Power
22 purchased.

1 The transactions in Account 1588 recorded in 2020 was \$3,711,077 as identified in Table 30
2 below. The transactions, after principal adjustments of (\$6,155,072) was (\$2,443,995). This is
3 compared to the power purchased of \$267,824,333, which represents 0.91% of purchases, which
4 is within the OEB's threshold of +/- 1%.

5 **Table 30 – Account 1588 Power Summary**

Description	Amount
Principal Activity in RSVA(Power)	\$3,711,077
Add Known Adjustments	(\$6,155,072)
Total Activity in 2020	(\$2,443,995)
Account 4705 - Power Purchased	\$267,824,333
Absolute Variance as a % of Power Purchased	0.91%

6

1 **1595 Analysis Workform**

2 The 1595 Workform compares the principal and interest amounts previously approved for
3 disposition to the residual balances remaining after the amounts have been recovered or refunded
4 to customers through rate riders. As discussed in the Chapter 3 Filing Requirements, *“the*
5 *balances in Account 1595 will first be assessed in two groups of accounts; one being the amounts*
6 *attributable to GA, and the other being the remainder of Group 1 and Group 2 Accounts (if*
7 *applicable). A residual balance in either of the two groups of accounts exceeding +/- 10% of the*
8 *original amounts previously approved for disposition would be considered material.”* The 1595
9 Workform provides a tool to assess if the residual balance in Account 1595 for a specific year is
10 reasonable. Distributors can only seek disposition of the balance in Account 1595, two years after
11 the expiry of the rate rider (i.e. the fourth rate year after expiry of the rate rider).

12 In this Application, Alectra Utilities is not requesting disposition of its 1595 sub-account balances
13 for the Brampton RZ as it does not meet the requirements for disposition of residual balances.

1 **PowerStream RZ**

2 The Group 1 balances as of December 31, 2020, in the amount of \$15,015,390 have been
3 adjusted for the following items to determine the amount for disposition of \$3,169,826 as identified
4 in Table 31, below:

- 5 • Group 1 balances approved for disposition in the 2021 Annual Filing have been excluded;
- 6 • Principal adjustments which are not included in the audited financial statements have been
7 identified separately as an adjustment to the balance requested for disposition
8 Consequently, the account balances on Tab 3. Continuity Schedule differ from the annual
9 RRR filing;
- 10 • Projected carrying charges for each Group 1 Account balance to the proposed rate rider
11 implementation date are included (i.e. the amount for disposition includes projected
12 carrying charges to December 31, 2021); and
- 13 • Only eligible residual balances in Account 1595 for which rate riders have expired are
14 included.

15 **Table 31 – Group 1 Balances for Disposition – PowerStream RZ**

Description	Amount
Group 1 Account Balances as of December 31, 2020	\$15,015,390
Subtract 2021 Annual Filing Disposition (EB-2020-0002) - Recovery from Customers	\$11,709,056
Add Principal Adjustments	(\$1,300,920)
Add Projected Carrying Charges	\$19,341
Deduct 1595 Residual Balances to be disposed in a future rate proceeding	(\$1,145,072)
Adjusted Group 1 Account Balances for Disposition - Recovery from Customers	\$3,169,826

16
17 Alectra Utilities has computed the disposition threshold for the PowerStream RZ, based on the
18 adjusted Group 1 balances to be \$0.0004/kWh, which is below the OEB's pre-set disposition
19 threshold, as identified in Table 32, below. Alectra Utilities elects to request disposition of its
20 Group 1 account balances in this Annual Filing for the PowerStream RZ.

1 **Table 32 - Calculation of Disposition Threshold – PowerStream RZ**

Description	Account	Amount
Low Voltage	1550	\$6,466,135
Smart Meter Entity Charge	1551	(\$126,099)
RSVA - Wholesale Market Service Charge excluding CBR	1580	(\$6,027,459)
RSVA - Wholesale Market Service Charge - Capacity Based Recovery ("CBR") Class B	1580	(\$1,169,326)
RSVA - Retail Transmission Network Charge	1584	\$658,267
RSVA - Retail Transmission Connection Charge	1586	(\$2,731,453)
RSVA - Power	1588	\$11,249,265
RSVA - Global Adjustment	1589	\$7,842,615
Disposition and Recovery/Refund of Regulatory Balances	1595	(\$1,146,555)
Group 1 Account Balances as of December 31, 2020		\$15,015,390
Subtract 2021 Annual Filing Disposition (EB-2020-0002) - Recovery from Customers		\$11,709,056
Add Principal Adjustments		(\$1,300,920)
Add Projected Carrying Charges		\$19,341
Deduct 1595 Residual Balances to be disposed in a future rate proceeding		(\$1,145,072)
Adjusted Group 1 Account Balances for Disposition - Recovery from Customers		\$3,169,826
2020 kWhs		8,477,232,054
Threshold Test \$/kWh		\$0.0004

2

3

4 Alectra Utilities has completed and filed the RGM as Attachment 9 for the PowerStream RZ.

5 Alectra Utilities has reconciled the Group 1 balances filed in the 2020 RRR, section 2.1.7 for the

6 PowerStream RZ. The variance to the RRR balance is equal to the principal adjustments made

7 in the current disposition period. A reconciliation of the balance requested for disposition is

8 provided in Table 33, below. Alectra Utilities confirms that the last Board approved balance of

9 \$11,709,056 for the PowerStream RZ has been transferred to Account 1595. Further, Alectra

10 Utilities has confirmed the accuracy of the billing determinants to the 2020 RRR, section 2.1.5.4.

11 Alectra Utilities relied upon the Board’s prescribed interest rates to calculate carrying charges on

12 the deferral and variance account balances. The prescribed interest rate of 0.57% for 2021 Q1-

13 Q3 was used to calculate forecasted interest for 2021. No adjustments have been made to any

14 deferral and variance account balances previously approved by the Board on a final basis.

1 **Table 33 – Deferral and Variance Account Reconciliation – PowerStream RZ**

Account Description	Account	Principal Amounts as of Dec 31, 2020	Carrying Charges to Dec 31, 2020	Principal Disposition during 2021	Interest Disposition during 2021	Projected Carrying Charges to Dec 31, 2021	Total Disposition before Principal Adjustment	Principal Adjustment	Projected Carrying Charges to December 31, 2021	1595 Balances Not Claimed in 2022	Total Disposition
Group 1 Accounts:											
Low Voltage	1550	\$6,406,050	\$60,085	(2,125,256)	(42,988)	\$24,401	\$4,322,292	-	-	-	\$4,322,292
Smart Meter Entity Charge	1551	(\$123,004)	(\$3,095)	76,019	2,496	(\$268)	(\$47,851)	-	-	-	(\$47,851)
RSVA - Wholesale Market Service Charge excluding CBR	1580	(\$5,980,835)	(\$46,624)	1,795,098	27,292	(\$23,859)	(\$4,228,927)	-	-	-	(\$4,228,927)
RSVA - Wholesale Market Service Charge - CBR B	1580	(\$1,147,484)	(\$21,842)	770,621	18,241	(\$2,148)	(\$382,612)	-	-	-	(\$382,612)
RSVA - Retail Transmission Network Charge	1584	\$687,458	(\$29,191)	(609,138)	16,011	\$446	\$65,586	-	-	-	\$65,586
RSVA - Retail Transmission Connection Charge	1586	(\$2,677,684)	(\$53,769)	1,561,729	46,000	(\$6,361)	(\$1,130,085)	-	-	-	(\$1,130,085)
RSVA - Power	1588	\$11,189,216	\$60,050	(4,622,003)	(77,873)	\$37,433	\$6,586,822	(\$2,666,937)	(\$15,202)	-	\$3,904,683
Sub-total not including RSVA Power Global Adjustment		\$8,353,716	(\$34,387)	(3,152,930)	(10,821)	\$29,644	\$5,185,224	(\$2,666,937)	(\$15,202)	-	\$2,503,085
RSVA - Power Global Adjustment	1589	\$7,372,816	\$469,799	(8,139,768)	(405,537)	(\$4,372)	(\$707,062)	\$1,366,017	\$7,786	-	\$666,742
Total including RSVA Power Global Adjustment		\$15,726,533	\$435,412	(11,292,698)	(416,358)	\$25,273	\$4,478,162	(\$1,300,920)	(\$7,415)	-	\$3,169,826
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	\$1,131,515	(\$734,477)	-	-	\$6,450	\$403,488	-	-	\$403,488	-
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	(\$734,624)	(\$168,682)	-	-	(\$4,187)	(\$907,493)	-	-	(\$907,493)	-
Disposition and Recovery/Refund of Regulatory Balances (2020)	1595	(\$136,700)	(\$503,587)	-	-	(\$779)	(\$641,066)	-	-	(\$641,066)	-
Total 1595		\$260,191	(\$1,406,746)	-	-	\$1,483	(\$1,145,072)	-	-	(\$1,145,072)	-
Total Group 1		\$15,986,724	(\$971,334)	(11,292,698)	(416,358)	\$26,756	\$3,333,090	(\$1,300,920)	(\$7,415)	(\$1,145,072)	\$3,169,826
Total Amount for Disposition		\$15,986,724	(\$971,334)	(11,292,698)	(416,358)	\$26,756	\$3,333,090	(\$1,300,920)	(\$7,415)	(\$1,145,072)	\$3,169,826

2

1 Alectra Utilities is seeking a one-year disposition period for the Group 1 balances for the
2 PowerStream RZ. This approach is consistent with the EDDVAR Report which states on page 6
3 that *“the default disposition period used to clear the account balances through a rate rider should*
4 *be one year”*.

5 **Wholesale Market Participants (“WMPs”)**

6 WMPs participate directly in the IESO administered market and settle commodity and market-
7 related charges directly with the IESO. Alectra Utilities has established separate rate riders to
8 dispose of the balances in the RSVAs for WMPs. The balances in Account 1588 RSVA – Power,
9 Account 1580 RSVA – Wholesale Market Service Charge (including CBR) and Account 1589
10 RSVA – Global Adjustment have not been allocated to WMPs.

11 **Global Adjustment and Capacity Based Response (“CBR”) Disposition**

12 Alectra Utilities has also established separate rate riders to dispose of the GA and CBR account
13 balances for the PowerStream RZ. The GA rate rider is only applicable to non-RPP customers,
14 and the CBR rate rider is only applicable to Class B customers. Alectra Utilities’ Class A customers
15 are invoiced actual GA and CBR, therefore, none of the variance in the GA account balance is
16 attributed to these customers.

17 There were 33 Alectra Utilities customers in the PowerStream RZ that transitioned between Class
18 A and Class B during 2020 under the IESO’s Industrial Conservation Initiative (“ICI”). These
19 transition customers paid GA and CBR during the period they were Class B customers. As such,
20 these customers will only be allocated the portion of the GA and CBR account balance which
21 accrued to them as a Class B customer.

22 These GA and CBR amounts will be settled through twelve equal adjustments to bills as directed
23 in the Chapter 3 Filing Requirements. These customers will not be charged or refunded the
24 general GA and CBR rate riders.

25 Table 34 below identifies the GA and CBR balances disposed of through rate riders and specific
26 bill adjustments.

27 Alectra Utilities requests disposition of its total GA balance of \$666,742, of which \$651,449 will
28 be disposed of via rate rider; and \$15,293 will be disposed of via specific bill adjustments, as
29 discussed above. Alectra Utilities requests disposition of its total CBR balance of (\$382,612), of

1 which (\$378,970) will be disposed of via rate rider; and (\$3,642) will be disposed of via specific
2 bill adjustments, as discussed above. Tab “6.1a GA Allocation” and “6.2a CBR B Allocation” in
3 the RGM identifies the detailed calculation of the bill adjustments.

4 **Table 34 –Disposition of GA and CBR Balances – PowerStream RZ**

Description	Amount
Global Adjustment - Non-RPP Class B Customers	\$651,449
Global Adjustment - Transition Customers	\$15,293
Class B Non-RPP Customers only - GA Rate Rider/Bill Adjustment	\$666,742
Capacity Based Recovery - Non-RPP Class B Customers	(\$378,970)
Capacity Based Recovery - Transition Customers	(\$3,642)
Class B Non-RPP Customers only - CBR Rate Rider/Bill Adjustment	(\$382,612)

5
6 A summary of the rate riders applicable to each group of customers is identified in Table 35 below.

7 **Table 35 – Rate Riders by Customer Group – PowerStream RZ**

Customers	DVA Rate Rider 1 ¹	DVA Rate Rider 2 ²	CBR B Rate Rider ³ (if applicable)	GA Rate Rider	Specific Bill Adjustment
WMPs	x				
Class A (Full Year)	x	x			
Transition Customers	x	x			x
Class B non-RPP Customers (Full Year)	x	x	x	x	
Class B RPP Customers	x	x	x		

1. DVA Rate Rider 1 = disposition of low voltage, SME, Network, Connection, IRM balances

2. DVA Rate Rider 2 = disposition of Power and Wholesale Market Service Charges (excluding CBR)

3. If the allocated CBR B amount does not produce a rate rider in one or more rate class, the entire balance is transferred into Account 1580 WMS control account

8
9 WMPs are charged DVA Rate Rider 1 only, which includes account balances for low voltage
10 charges, retail transmission network charges, retail transmission connection charges.

11 Class A customers are charged the sum of DVA Rate Rider 1 and DVA Rate Rider 2, the latter of
12 which includes account balances for power and wholesale market service charges excluding
13 CBR.

14 Transition customers are charged the sum of DVA Rate Rider 1 and DVA Rate Rider 2; and a
15 customer specific bill adjustment for their portion of the GA and CBR account balances.

16 Class B, non-RPP customers are charged the sum of DVA Rate Riders 1 and 2; and the GA and
17 CBR Rate Rider.

1 Class B RPP customers are charged the sum of DVA Rate Riders 1 and 2; and the CRB Rate
2 Rider.

3 The Group 1 DVAs disposition by customer group is identified in Table 36, below.

4 **Table 36 – Group 1 DVAs Disposition by Customer Group – PowerStream RZ**

Description	Account	Amount
Low Voltage	1550	\$4,322,292
Smart Meter Entity Charge (Residential and GS<50kW Classes Only)	1551	(\$47,851)
Retail Transmission Network Charge	1584	\$65,586
Retail Transmission Connection Charge	1586	(\$1,130,085)
Disposition and Recovery/Refund of Regulatory Balances	1595	(\$0)
All Customers - DVA Rate Rider 1		\$3,209,941
Power	1588	\$3,904,683
Wholesale Market Service Charge excluding CBR	1580	(\$4,228,927)
All Customers ex WMPs - DVA Rate Rider 2		(\$324,244)
Wholesale Market Service Charge - CBR Class B	1580	(\$378,970)
Capacity Based Recovery - Transition Customers	1580	(\$3,642)
All Class B Customers ex WMPs - CBR B Rate Rider/Bill Adjustment		(\$382,612)
Global Adjustment - Non-RPP Class B Customers	1589	\$651,449
Global Adjustment - Transition Customers	1589	\$15,293
Class B Non-RPP Customers only - GA Rate Rider/Bill Adjustment		\$666,742
Total (Repayment to)/Recovery from Customers		\$3,169,826
Disposition via Rate Rider		\$3,158,175
Global Adjustment - Transition Customers		\$15,293
Capacity Based Recovery - Transition Customers		(\$3,642)

5
6 All balances claimed are allocated to the rate classes based on the default cost allocation
7 methodology as identified in the EDDVAR report. The 2020 actuals reported in Alectra Utilities
8 2020 RRRs have been used to calculate the rate riders as per the Chapter 3 Filing Requirements
9 issued by the OEB on June 24, 2021.

10 The billing determinants, billing adjustments and calculation of the rate riders are provided in Tabs
11 4 through 7 in the RGM Model filed as Attachment 9. Alectra Utilities requests disposition of the
12 PowerStream RZ adjusted Group 1 balances, through the rate riders identified in Table 37, below.

1 **Table 37 – Deferral and Variance Account Riders – PowerStream RZ**

Customer Class	Deferral/Variance Account Rate Rider		Deferral/Variance Account Rate Rider for Non-WMP		Global Adjustment Rate Rider Non-RPP Class B		CBR B Rate Rider Class B Consumer	
	\$/kWh	\$/kW	\$/kWh	\$/kW	\$/kWh	\$/kW	\$/kWh	\$/kW
Residential	0.0003				0.0002		(0.0001)	
General Service Less Than 50 kW	0.0003				0.0002		(0.0001)	
General Service 50 To 4,999 kW		0.1417		(0.0141)	0.0002			(0.0181)
Large Use		0.2004						
Unmetered Scattered Load	0.0003				0.0002		(0.0001)	
Sentinel Lighting		0.1278			0.0002			(0.0206)
Street Lighting		0.1248			0.0002			(0.0197)

2

1 **GA Analysis Workform**

2 The GA Analysis Workform (“GA Workform”) for the PowerStream RZ is filed as Attachment 19.
3 The GA Workform compares the principal activity in the general ledger for Account 1589, Global
4 Adjustment to the expected principal balance based on monthly GA volumes, revenue and costs.
5 The GA Workform provides a tool to assess if the principal activity in Account 1589 for a specific
6 year is reasonable. Distributors are required to submit a GA Workform for each year that has not
7 previously been approved by the OEB for disposition. Alectra Utilities has completed the GA
8 Workform for 2020 for the PowerStream RZ.

9 **GA 2020**

10 The principal activity in Account 1589 recorded in 2020 was (\$766,952) as identified in Table 38
11 below. The principal activity balance, after known adjustments of \$4,463,137 was \$3,696,185.
12 This is compared to the expected principal balance in Account 1589 of \$3,047,923 calculated in
13 Attachment 19, which results in an unreconciled difference of \$648,262. This represents 0.19%
14 of Alectra Utilities 2020 IESO purchases in the PowerStream RZ, which is within the OEB’s
15 threshold (+/- 1% of IESO purchases).

16 **Table 38 – GA Workform Summary**

Description	Amount
Principal Activity in RSVA(GA)	(\$766,952)
Add Known Adjustments	\$4,463,137
Adjusted Principal Activity in RSVA(GA)	\$3,696,185
Expected Principal Activity in RSVA(GA)	\$3,047,923
Variance \$	\$648,262
Total 2020 IESO Purchases	\$338,626,522
Absolute Variance as a % of IESO Purchases	0.19%

17
18 **Account 1588**

19 The GA Workform also includes a reasonability test for Account 1588, RSVA Power, and
20 compares the annual Account 1588 variance to the Cost of Power purchases in the respective
21 year. Distributors are required to explain variances greater than +/- 1% of Cost of Power
22 purchased.

1 The transactions in Account 1588 recorded in 2020 was \$6,567,212 as identified in Table 39
2 below. The transactions, after principal adjustments of (\$2,666,937) was \$3,900,275. This is
3 compared to the power purchased of \$585,471,184, which represents 0.67% of purchases, which
4 is within the OEB's threshold of +/- 1%.

5 **Table 39 – Account 1588 Power Summary**

Description	Amount
Principal Activity in RSVA(Power)	\$6,567,212
Add Known Adjustments	(\$2,666,937)
Total Activity in 2020	\$3,900,275
Account 4705 - Power Purchased	\$585,471,184
Absolute Variance as a % of Power Purchased	0.67%

6

1 **1595 Analysis Workform**

2 The 1595 Workform compares the principal and interest amounts previously approved for
3 disposition to the residual balances remaining after the amounts have been recovered or refunded
4 to customers through rate riders. As discussed in the Chapter 3 Filing Requirements, *“the*
5 *balances in Account 1595 will first be assessed in two groups of accounts; one being the amounts*
6 *attributable to GA, and the other being the remainder of Group 1 and Group 2 Accounts (if*
7 *applicable). A residual balance in either of the two groups of accounts exceeding +/- 10% of the*
8 *original amounts previously approved for disposition would be considered material.”* The 1595
9 Workform provides a tool to assess if the residual balance in Account 1595 for a specific year is
10 reasonable. Distributors can only seek disposition of the balance in Account 1595, two years after
11 the expiry of the rate rider (i.e. the fourth rate year after expiry of the rate rider).

12 In this Application, Alectra Utilities is not requesting disposition of its 1595 sub-account balances
13 for the Power Stream RZ as it does not meet the requirements for disposition of residual balances.

1 **Enersource RZ**

2 The Group 1 balances as of December 31, 2020, in the amount of \$15,406,428 have been
3 adjusted for the following items to determine the amount for disposition of \$6,474,589 as identified
4 in Table 40, below:

- 5 • Group 1 balances approved for disposition in the 2021 Annual Filing have been excluded;
- 6 • Principal adjustments which are not included in the audited financial statements have been
7 identified separately as an adjustment to the balance requested for disposition
8 Consequently, the account balances on Tab 3. Continuity Schedule differ from the annual
9 RRR filing;
- 10 • Projected carrying charges for each Group 1 Account balance to the proposed rate rider
11 implementation date are included (i.e. the amount for disposition includes projected
12 carrying charges to December 31, 2021); and
- 13 • Only eligible residual balances in Account 1595 for which rate riders have expired are
14 included.

15 **Table 40 – Group 1 Balances for Disposition – Enersource RZ**

Description	Amount
Group 1 Account Balances as of December 31, 2020	\$15,406,428
Subtract 2021 Annual Filing Disposition (EB-2020-0002) - Recovery from Customers	\$13,347,158
Add Principal Adjustments	\$3,513,493
Add Projected Carrying Charges	\$33,315
Deduct 1595 Residual Balances to be disposed in a future rate proceeding	(\$868,511)
Adjusted Group 1 Account Balances for Disposition - Recovery from Customers	\$6,474,589

16
17 Alectra Utilities has computed the disposition threshold for the Enersource RZ, based on the
18 adjusted Group 1 balances to be \$0.0009/kWh, which is below the OEB's pre-set disposition
19 threshold, as identified in Table 41, below. Alectra Utilities elects to request disposition of its
20 Group 1 account balances in this Annual Filing for the Enersource RZ.

1 **Table 41 - Calculation of Disposition Threshold – Enersource RZ**

Description	Account	Amount
Low Voltage	1550	\$7,017,017
Smart Meter Entity Charge	1551	(\$31,301)
RSVA - Wholesale Market Service Charge excluding CBR	1580	(\$5,123,464)
RSVA - Wholesale Market Service Charge - Capacity Based Recovery ("CBR") Class B	1580	(\$338,592)
RSVA - Retail Transmission Network Charge	1584	\$1,688,370
RSVA - Retail Transmission Connection Charge	1586	(\$3,341,405)
RSVA - Power	1588	\$1,464,800
RSVA - Global Adjustment	1589	\$14,936,001
Disposition and Recovery/Refund of Regulatory Balances	1595	(\$864,998)
Group 1 Account Balances as of December 31, 2020		\$15,406,428
Subtract 2021 Annual Filing Disposition (EB-2020-0002) - Recovery from Customers		\$13,347,158
Add Principal Adjustments		\$3,513,493
Add Projected Carrying Charges		\$33,315
Deduct 1595 Residual Balances to be disposed in a future rate proceeding		(\$868,511)
Adjusted Group 1 Account Balances for Disposition - Recovery from Customers		\$6,474,589
2020 kWhs		6,926,729,825
Threshold Test \$/kWh		\$0.0009

2

3 Alectra Utilities has completed and filed the RGM as Attachment 10 for the Enersource RZ.

4 Alectra Utilities has reconciled the Group 1 balances filed in the 2020 RRR, section 2.1.7 for the

5 Enersource RZ. The variance to the RRR balance is equal to the principal adjustments made in

6 the current disposition period. A reconciliation of the balance requested for disposition is provided

7 in Table 42, below. Alectra Utilities confirms that the last Board approved balance of \$13,347,158

8 for the Enersource RZ has been transferred to Account 1595. Further, Alectra Utilities has

9 confirmed the accuracy of the billing determinants to the 2020 RRR, section 2.1.5.4. Alectra

10 Utilities relied upon the Board's prescribed interest rates to calculate carrying charges on the

11 deferral and variance account balances. The prescribed interest rate of 0.57% for 2021 Q1-Q3

12 was used to calculate forecasted interest for 2021. No adjustments have been made to any

13 deferral and variance account balances previously approved by the Board on a final basis.

1 **Table 42 – Deferral and Variance Account Reconciliation – Enersource RZ**

Account Description	Account	Principal Amounts as of Dec 31, 2020	Carrying Charges to Dec 31, 2020	Principal Disposition during 2021	Interest Disposition during 2021	Projected Carrying Charges to Dec 31, 2021	Total Disposition before Principal Adjustment	Principal Adjustment	Projected Carrying Charges to December 31, 2021	1595 Balances Not Claimed in 2022	Total Disposition
Group 1 Accounts:											
Low Voltage	1550	\$6,930,021	\$86,996	(2,984,792)	(66,772)	\$22,488	\$3,987,940	-		-	\$3,987,940
Smart Meter Entity Charge	1551	(\$30,551)	(\$750)	21,669	528	(\$51)	(\$9,155)	-		-	(\$9,155)
RSVA - Wholesale Market Service Charge excluding CBR	1580	(\$5,089,881)	(\$33,583)	1,658,765	25,152	(\$19,557)	(\$3,459,105)	-		-	(\$3,459,105)
RSVA - Wholesale Market Service Charge - CBR B	1580	(\$325,299)	(\$13,294)	358,355	9,775	\$188	\$29,726	-		-	\$29,726
RSVA - Retail Transmission Network Charge	1584	\$1,659,455	\$28,915	(1,985,920)	(36,863)	(\$1,861)	(\$336,274)	-		-	(\$336,274)
RSVA - Retail Transmission Connection Charge	1586	(\$3,289,577)	(\$51,828)	1,665,001	49,781	(\$9,260)	(\$1,635,883)	-		-	(\$1,635,883)
RSVA - Power	1588	\$1,403,882	\$60,918	(4,366,165)	(124,519)	(\$16,885)	(\$3,042,768)	\$7,573,539	\$43,169	-	\$4,573,941
Sub-total not including RSVA Power Global Adjustment		\$1,258,051	\$77,374	(5,633,087)	(142,919)	(\$24,938)	(\$4,465,519)	\$7,573,539	\$43,169	-	\$3,151,190
RSVA - Power Global Adjustment	1589	\$14,721,618	\$214,384	(7,399,107)	(172,044)	\$41,738	\$7,406,588	(\$4,060,047)	(\$23,142)	-	\$3,323,399
Total including RSVA Power Global Adjustment		\$15,979,668	\$291,758	(13,032,195)	(314,963)	\$16,801	\$2,941,069	\$3,513,493	\$20,027	-	\$6,474,589
Disposition and Recovery/Refund of Regulatory Balances (2016)	1595	\$49,497	(\$49,497)	-	-	\$282	\$282	-		282	-
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	(\$459,899)	(\$30,585)	-	-	(\$2,621)	(\$493,105)	-		(\$493,105)	-
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	\$17,674	\$48,976	-	-	\$101	\$66,751	-		\$66,751	-
Disposition and Recovery/Refund of Regulatory Balances (2020)	1595	(\$223,589)	(\$217,575)	-	-	(\$1,274)	(\$442,439)	-		(\$442,439)	-
Total 1595		(\$616,317)	(\$248,682)	-	-	(\$3,513)	(\$868,511)	-	-	(\$868,511)	-
Total Group 1		\$15,363,352	\$43,076	(13,032,195)	(314,963)	\$13,288	\$2,072,558	\$3,513,493	\$20,027	(\$868,511)	\$6,474,589
Total Amount for Disposition		\$15,363,352	\$43,076	(13,032,195)	(314,963)	\$13,288	\$2,072,558	\$3,513,493	\$20,027	(\$868,511)	\$6,474,589

2

1 Alectra Utilities is seeking a one-year disposition period for the Group 1 balances for the
2 Enersource RZ. This approach is consistent with the EDDVAR Report which states on page 6
3 that “*the default disposition period used to clear the account balances through a rate rider should*
4 *be one year*”.

5 **Wholesale Market Participants (“WMPs”)**

6 WMPs participate directly in the IESO administered market and settle commodity and market-
7 related charges directly with the IESO. Alectra Utilities has established separate rate riders to
8 dispose of the balances in the RSVAs for WMPs. The balances in Account 1588 RSVA – Power,
9 Account 1580 RSVA – Wholesale Market Service Charge (including CBR) and Account 1589
10 RSVA – Global Adjustment have not been allocated to WMPs.

11 **Global Adjustment and Capacity Based Response (“CBR”) Disposition**

12 Alectra Utilities has also established separate rate riders to dispose of the GA and CBR account
13 balances for the Enersource RZ. The GA rate rider is only applicable to non-RPP customers, and
14 the CBR rate rider is only applicable to Class B customers. Alectra Utilities’ Class A customers
15 are invoiced actual GA, therefore, none of the variance in the GA account balance is attributed to
16 these customers.

17 There were 40 Alectra Utilities customers in the Enersource RZ that transitioned between Class
18 A and Class B during 2020 under the IESO’s Industrial Conservation Initiative (“ICI”). These
19 transition customers paid GA and CBR during the period they were Class B customers. As such,
20 these customers will only be allocated the portion of the GA and CBR account balance which
21 accrued to them as a Class B customer.

22 These GA and CBR amounts will be settled through twelve equal adjustments to bills as directed
23 in the Chapter 3 Filing Requirements. These customers will not be charged or refunded the
24 general GA and CBR rate riders.

25 Table 43 below identifies the GA balances disposed of through rate riders and specific bill
26 adjustments.

27 Alectra Utilities requests disposition of its total GA balance of \$3,323,399, of which \$3,165,820
28 will be disposed of via rate rider; and \$157,580 will be disposed of via specific bill adjustments,
29 as discussed above. Alectra Utilities’ total CBR balance of \$29,726 was not material enough to

1 result in a rate rider in one or more rate classes, and therefore, the entire balance was transferred
2 into Account 1580 WMS control account to be disposed through the general purpose Group 1
3 DVA rate riders. Tab “6.1a GA Allocation” in the RGM identifies the detailed calculation of the bill
4 adjustments.

5 **Table 43 –Disposition of GA Balances – Enersource RZ**

Description	Amount
Global Adjustment - Non-RPP Class B Customers	\$3,165,820
Global Adjustment - Transition Customers	\$157,580
Class B Non-RPP Customers only - GA Rate Rider/Bill Adjustment	\$3,323,399

7 A summary of the rate riders applicable to each group of customers is identified in Table 44 below.

8 **Table 44 – Rate Riders by Customer Group – Enersource RZ**

Customers	DVA Rate Rider 1 ¹	DVA Rate Rider 2 ²	CBR B Rate Rider ³ (if applicable)	GA Rate Rider	Specific Bill Adjustment
WMPs	x				
Class A (Full Year)	x	x			
Transition Customers	x	x			x
Class B non-RPP Customers (Full Year)	x	x	x	x	
Class B RPP Customers	x	x	x		

1. DVA Rate Rider 1 = disposition of low voltage, SME, Network, Connection, IRM balances

2. DVA Rate Rider 2 = disposition of Power and Wholesale Market Service Charges (excluding CBR)

3. If the allocated CBR B amount does not produce a rate rider in one or more rate class, the entire balance is transferred into Account 1580 WMS control account

9
10 WMPs are charged DVA Rate Rider 1 only, which includes account balances for low voltage
11 charges, retail transmission network charges, retail transmission connection charges.

12 Class A customers are charged the sum of DVA Rate Rider 1 and DVA Rate Rider 2, the latter of
13 which includes account balances for power and wholesale market service charges excluding
14 CBR.

15 Transition customers are charged the sum of DVA Rate Rider 1 and DVA Rate Rider 2; and a
16 customer specific bill adjustment for their portion of the GA and CBR account balances.

17 Class B, non-RPP customers are charged the sum of DVA Rate Riders 1 and 2; and the GA and
18 CBR Rate Rider.

19 Class B RPP customers are charged the sum of DVA Rate Riders 1 and 2; and the CBR Rate
20 Rider.

21 The Group 1 DVAs disposition by customer group is identified in Table 45, below.

1 **Table 45 – Group 1 DVAs Disposition by Customer Group – Enersource RZ**

Description	Account	Amount
Low Voltage	1550	\$3,987,940
Smart Meter Entity Charge (Residential and GS<50kW Classes Only)	1551	(\$9,155)
Retail Transmission Network Charge	1584	(\$336,274)
Retail Transmission Connection Charge	1586	(\$1,635,883)
Disposition and Recovery/Refund of Regulatory Balances	1595	\$0
All Customers - DVA Rate Rider 1		\$2,006,628
Power	1588	\$4,573,941
Wholesale Market Service Charge excluding CBR	1580	(\$3,459,105)
All Customers ex WMPs - DVA Rate Rider 2		\$1,114,835
Wholesale Market Service Charge - CBR Class B	1580	\$29,726
Capacity Based Recovery - Transition Customers	1580	\$0
All Class B Customers ex WMPs - CBR B Rate Rider/Bill Adjustment		\$29,726
Global Adjustment - Non-RPP Class B Customers	1589	\$3,165,820
Global Adjustment - Transition Customers	1589	\$157,580
Class B Non-RPP Customers only - GA Rate Rider/Bill Adjustment		\$3,323,399
Total (Repayment to)/Recovery from Customers		\$6,474,589
Disposition via Rate Rider		\$6,317,009
Global Adjustment - Transition Customers		\$157,580
Capacity Based Recovery - Transition Customers		\$0

2
3 All balances claimed are allocated to the rate classes based on the default cost allocation
4 methodology as identified in the EDDVAR report. The 2020 actuals reported in Alectra Utilities
5 2020 RRRs have been used to calculate the rate riders as per the Chapter 3 Filing Requirements
6 issued by the OEB on June 24, 2021.

7 The billing determinants, billing adjustments and calculation of the rate riders are provided in Tabs
8 4 through 7 in the RGM Model filed as Attachment 10. Alectra Utilities requests disposition of the
9 Enersource RZ adjusted Group 1 balances of \$6,474,589, through the rate riders identified in
10 Table 46, below.

11 **Table 46 – Deferral and Variance Account Riders – Enersource RZ**

Customer Class	Deferral/Variance Account Rate Rider		Deferral/Variance Account Rate Rider for Non-WMP		Global Adjustment Rate Rider Non-RPP Class B		CBR B Rate Rider Class B Consumer	
	\$/kWh	\$/kW	\$/kWh	\$/kW	\$/kWh	\$/kW	\$/kWh	\$/kW
Residential	0.0005				0.0013			
General Service Less Than 50 kW	0.0005				0.0013			
General Service 50 To 499 kW		0.1613			0.0013			
General Service 500 To 4,999 kW		0.1283		0.0729	0.0013			
Large Use		0.2632						
Unmetered Scattered Load	0.0005				0.0013			
Street Lighting		0.1652			0.0013			

12

1 **GA Analysis Workform**

2 The GA Analysis Workform (“GA Workform”) for the Enersource RZ is filed as Attachment 20.
3 The GA Workform compares the principal activity in the general ledger for Account 1589, Global
4 Adjustment to the expected principal balance based on monthly GA volumes, revenue and costs.
5 The GA Workform provides a tool to assess if the principal activity in Account 1589 for a specific
6 year is reasonable. Distributors are required to submit a GA Workform for each year that has not
7 previously been approved by the OEB for disposition. Alectra Utilities has completed the GA
8 Workform for 2020 for the Enersource RZ.

9 **GA 2020**

10 The principal activity in Account 1589 recorded in 2020 was \$7,332,510 as identified in Table 47
11 below. The principal activity balance, after known adjustments of (\$3,349,767) was \$3,972,743.
12 This is compared to the expected principal balance in Account 1589 of \$3,974,751 calculated in
13 Attachment 20, which results in an unreconciled difference of (\$2,008). This represents 0.001%
14 of Alectra Utilities 2020 IESO purchases in the Enersource RZ, which is within the OEB’s
15 threshold (+/- 1% of IESO purchases).

16 **Table 47 – GA Workform Summary**

Description	Amount
Principal Activity in RSVA(GA)	\$7,322,510
Add Known Adjustments	(\$3,349,767)
Adjusted Principal Activity in RSVA(GA)	\$3,972,743
Expected Principal Activity in RSVA(GA)	\$3,974,751
Variance \$	(\$2,008)
Total 2020 IESO Purchases	\$286,846,161
Absolute Variance as a % of IESO Purchases	0.001%

18 **Account 1588**

19 The GA Workform also includes a reasonability test for Account 1588, RSVA Power, and
20 compares the annual Account 1588 variance to the Cost of Power purchases in the respective
21 year. Distributors are required to explain variances greater than +/- 1% of Cost of Power
22 purchased.

1 The transactions in Account 1588 recorded in 2020 was (\$2,962,282) as identified in Table 48
 2 below. The transactions, after principal adjustments of \$7,573,539 was 4,611,257. This is
 3 compared to the power purchased of \$365,475,968, which represents 1.26% of purchases, which
 4 exceeds the OEB's threshold of +/- 1%.

5 **Table 48 – Account 1588 Power Summary**

Description	Amount
Principal Activity in RSVA(Power)	(\$2,962,282)
Add Known Adjustments	\$7,573,539
Total Activity in 2020	\$4,611,257
Account 4705 - Power Purchased	\$365,475,968
Absolute Variance as a % of Power Purchased	1.26%

6
 7 The threshold was exceeded due to the reversal in 2020 of an over-accrual for unbilled revenue
 8 recorded in the general ledger in 2019. Table 49 has been revised to include the unbilled accrual
 9 amount as a reconciling item, which results in a revised total of \$1,559,922, and represents 0.43%
 10 of purchases.

11 **Table 49 – Account 1588 Reconciliation**

Description	Amount
Total Activity in 2020	\$4,611,257
2019 Unbilled over-accrual	(\$3,051,335)
Revised Total	\$1,559,922
Account 4705 - Power Purchased	\$365,475,968
Absolute Variance as a % of Power Purchased	0.43%

12

1 **1595 Analysis Workform**

2 The 1595 Workform compares the principal and interest amounts previously approved for
3 disposition to the residual balances remaining after the amounts have been recovered or refunded
4 to customers through rate riders. As discussed in the Chapter 3 Filing Requirements, *“the*
5 *balances in Account 1595 will first be assessed in two groups of accounts; one being the amounts*
6 *attributable to GA, and the other being the remainder of Group 1 and Group 2 Accounts (if*
7 *applicable). A residual balance in either of the two groups of accounts exceeding +/- 10% of the*
8 *original amounts previously approved for disposition would be considered material.”* The 1595
9 Workform provides a tool to assess if the residual balance in Account 1595 for a specific year is
10 reasonable. Distributors can only seek disposition of the balance in Account 1595, two years after
11 the expiry of the rate rider (i.e. the fourth rate year after expiry of the rate rider).

12 In this Application, Alectra Utilities is not requesting disposition of its 1595 sub-account balances
13 for the Enersource RZ as it does not meet the requirements for disposition of residual balances.

1 **Guelph Hydro RZ**

2 The Group 1 balances as of December 31, 2020, in the amount of \$5,337,270 have been adjusted
3 for the following items to determine the amount for disposition of \$124,983 as identified in Table
4 50, below:

- 5 • Group 1 balances approved for disposition in the 2021 Annual Filing have been excluded;
- 6 • Principal adjustments which are not included in the audited financial statements have been
7 identified separately as an adjustment to the balance requested for disposition
8 Consequently, the account balances on Tab 3. Continuity Schedule differ from the annual
9 RRR filing;
- 10 • Projected carrying charges for each Group 1 Account balance to the proposed rate rider
11 implementation date are included (i.e. the amount for disposition includes projected
12 carrying charges to December 31, 2021); and
- 13 • Only eligible residual balances in Account 1595 for which rate riders have expired are
14 included.

15 **Table 50 – Group 1 Balances for Disposition – Guelph Hydro RZ**

Description	Amount
Group 1 Account Balances as of December 31, 2020	\$5,337,270
Subtract 2021 Annual Filing Disposition (EB-2020-0002) - Recovery from Customers	\$1,221,943
Add Principal Adjustments	(\$3,735,504)
Add Projected Carrying Charges	\$2,753
Deduct 1595 Residual Balances to be disposed in a future rate proceeding	\$257,592
Adjusted Group 1 Account Balances for Disposition - Recovery from Customers	\$124,983

16
17 Alectra Utilities has computed the disposition threshold for the Guelph Hydro RZ, based on the
18 adjusted Group 1 balances to be \$0.0001/kWh, which is below the OEB’s pre-set disposition
19 threshold, as identified in Table 51, below. Alectra Utilities elects to request disposition of its
20 Group 1 account balances in this Annual Filing for the Guelph RZ.

1 **Table 51 - Calculation of Disposition Threshold – Guelph Hydro RZ**

Description	Account	Amount
Low Voltage	1550	\$287,422
Smart Meter Entity Charge	1551	(\$112,856)
RSVA - Wholesale Market Service Charge excluding CBR	1580	(\$1,106,568)
RSVA - Wholesale Market Service Charge - Capacity Based Recovery ("CBR") Class B	1580	(\$139,478)
RSVA - Retail Transmission Network Charge	1584	\$428,089
RSVA - Retail Transmission Connection Charge	1586	\$903,204
RSVA - Power	1588	\$6,564,321
RSVA - Global Adjustment	1589	(\$1,443,127)
Disposition and Recovery/Refund of Regulatory Balances	1595	(\$43,738)
Group 1 Account Balances as of December 31, 2020		\$5,337,270
Subtract 2021 Annual Filing Disposition (EB-2020-0002) - Recovery from Customers		\$1,221,943
Add Principal Adjustments		(\$3,735,504)
Add Projected Carrying Charges		\$2,753
Deduct 1595 Residual Balances to be disposed in a future rate proceeding		\$257,592
Adjusted Group 1 Account Balances for Disposition - Recovery from Customers		\$124,983
2020 kWhs		1,537,981,717
Threshold Test \$/kWh		\$0.0001

2

3 Alectra Utilities has completed and filed Tabs 3 to 7 of the RGM as Attachment 11 for the Guelph
4 Hydro RZ. Alectra Utilities has reconciled the Group 1 balances filed in the 2020 RRR, section
5 2.1.7 for the Guelph Hydro RZ. The variance to the RRR balance is equal to the principal
6 adjustments made in the current disposition period. A reconciliation of the balance requested for
7 disposition is provided in Table 52, below.

8 Alectra Utilities confirms that the last Board approved balance of \$1,221,943 for the Guelph RZ
9 has been transferred to Account 1595. Further, Alectra Utilities has confirmed the accuracy of
10 the billing determinants to the 2020 RRR, section 2.1.5.4. Alectra Utilities relied upon the Board's
11 prescribed interest rates to calculate carrying charges on the deferral and variance account
12 balances. The prescribed interest rate of 0.57% for 2021 Q1-Q3 was used to calculate forecasted
13 interest for 2021. No adjustments have been made to any deferral and variance account balances
14 previously approved by the Board on a final basis.

1 **Table 52 – Deferral and Variance Account Reconciliation – Guelph Hydro RZ**

Account Description	Account	Principal Amounts as of Dec 31, 2020	Carrying Charges to Dec 31, 2020	Principal Disposition during 2021	Interest Disposition during 2021	Projected Carrying Charges to Dec 31, 2021	Total Disposition before Principal Adjustment	Principal Adjustment	Projected Carrying Charges to December 31, 2021	1595 Balances Not Claimed in 2022	Total Disposition
Group 1 Accounts:											
Low Voltage	1550	\$278,623	\$8,799	(151,357)	(5,200)	\$725	\$131,591	-		-	\$131,591
Smart Meter Entity Charge	1551	(\$109,491)	(\$3,365)	65,301	3,274	(\$252)	(\$44,534)	-		-	(\$44,534)
RSVA - Wholesale Market Service Charge excluding CBR	1580	(\$1,082,374)	(\$24,194)	667,488	21,706	(\$2,365)	(\$419,739)	-		-	(\$419,739)
RSVA - Wholesale Market Service Charge - CBR B	1580	(\$136,203)	(\$3,274)	102,917	3,007	(\$190)	(\$33,743)	-		-	(\$33,743)
RSVA - Retail Transmission Network Charge	1584	\$422,553	\$5,536	(221,817)	(7,006)	\$1,144	\$200,410	-		-	\$200,410
RSVA - Retail Transmission Connection Charge	1586	\$870,354	\$32,850	(546,516)	(33,009)	\$1,846	\$325,525	-		-	\$325,525
RSVA - Power	1588	\$6,555,797	\$8,524	(2,719,103)	(51,007)	\$21,869	\$3,816,081	(\$3,184,656)	(\$18,153)	-	\$613,272
Sub-total not including RSVA Power Global Adjustment		\$6,799,258	\$24,876	(2,803,087)	(68,235)	\$22,778	\$3,975,591	(\$3,184,656)	(\$18,153)	-	\$772,783
RSVA - Power Global Adjustment	1589	(\$1,413,455)	(\$29,672)	1,300,011	49,951	(\$647)	(\$93,812)	(\$550,848)	(\$3,140)	-	(\$647,799)
Total including RSVA Power Global Adjustment		\$5,385,803	(\$4,796)	(1,503,075)	(18,284)	\$22,132	\$3,881,780	(\$3,735,504)	(\$21,292)	-	\$124,983
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	(\$798,748)	\$510,314	798,748	(499,331)	-	\$10,983	-		10,983	-
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	\$60,941	\$19,271	-	-	\$347	\$80,559	-		\$80,559	-
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	\$274,759	(\$107,813)	-	-	\$1,566	\$168,513	-		\$168,513	-
Disposition and Recovery/Refund of Regulatory Balances (2020)	1595	-	-	-	-	-	-	-		-	-
Total 1595		(\$463,048)	\$419,310	798,748	(499,331)	\$1,913	\$257,592	-	-	\$257,592	-
Total Group 1		\$4,922,755	\$414,514	(704,328)	(517,615)	\$24,045	\$4,139,372	(\$3,735,504)	(\$21,292)	\$257,592	\$124,983
Total Amount for Disposition		\$4,922,755	\$414,514	(704,328)	(517,615)	\$24,045	\$4,139,372	(\$3,735,504)	(\$21,292)	\$257,592	\$124,983

2

1 Alectra Utilities is seeking a one-year disposition period for the Group 1 balances for the Guelph
2 Hydro RZ. This approach is consistent with the EDDVAR Report which states on page 6 that “*the*
3 *default disposition period used to clear the account balances through a rate rider should be one*
4 *year*”.

5 **Wholesale Market Participants (“WMPs”)**

6 WMPs participate directly in the IESO administered market and settle commodity and market-
7 related charges directly with the IESO. Alectra Utilities has established separate rate riders to
8 dispose of the balances in the RSVAs for WMPs. The balances in Account 1588 RSVA – Power,
9 Account 1580 RSVA – Wholesale Market Service Charge (including CBR) and Account 1589
10 RSVA – Global Adjustment have not been allocated to WMPs.

11 **Global Adjustment and Capacity Based Response (“CBR”) Disposition**

12 Alectra Utilities has also established separate rate riders to dispose of the global adjustment GA
13 and CBR account balances for the Guelph Hydro RZ. The GA rate rider is only applicable to non-
14 RPP customers, and the CBR rate rider is only applicable to Class B customers. Alectra Utilities’
15 Class A customers are invoiced actual GA, therefore, none of the variance in the GA account
16 balance is attributed to these customers.

17 There were 12 Alectra Utilities customers in the Guelph RZ that transitioned between Class A and
18 Class B during 2020 under the IESO’s Industrial Conservation Initiative (“ICI”). These transition
19 customers paid GA and CBR during the period they were Class B customers. As such, these
20 customers will only be allocated the portion of the GA and CBR account balance which accrued
21 to them as a Class B customer.

22 These GA and CBR amounts will be settled through twelve equal adjustments to bills as directed
23 in the Chapter 3 Filing Requirements. These customers will not be charged or refunded the
24 general GA and CBR rate riders.

25 Table 53 below identifies the GA balances disposed of through rate riders and specific bill
26 adjustments.

27 Alectra Utilities requests disposition of its total GA balance of (\$647,799), of which (\$599,296) will
28 be disposed of via rate rider; and (\$48,504) will be disposed of via specific bill adjustments, as
29 discussed above. Alectra Utilities’ total CBR balance of (\$33,743) was not material enough to

1 result in a rate rider in one or more rate classes, and therefore, the entire balance was transferred
 2 into Account 1580 WMS control account to be disposed through the general purpose Group 1
 3 DVA rate riders. Tab “6.1a GA Allocation” in the RGM identifies the detailed calculation of the bill
 4 adjustments.

5 **Table 53 –Disposition of GA Balances – Guelph Hydro RZ**

Description	Amount
Global Adjustment - Non-RPP Class B Customers	(\$599,296)
Global Adjustment - Transition Customers	(\$48,504)
Class B Non-RPP Customers only - GA Rate Rider/Bill Adjustment	(\$647,799)

7 A summary of the rate riders applicable to each group of customers is identified in Table 54 below.

8 **Table 54 – Rate Riders by Customer Group – Guelph Hydro RZ**

Customers	DVA Rate Rider 1 ¹	DVA Rate Rider 2 ²	CBR B Rate Rider ³ (if applicable)	GA Rate Rider	Specific Bill Adjustment
WMPs	x				
Class A (Full Year)	x	x			
Transition Customers	x	x			x
Class B non-RPP Customers (Full Year)	x	x	x	x	
Class B RPP Customers	x	x	x		

1. DVA Rate Rider 1 = disposition of low voltage, SME, Network, Connection, IRM balances

2. DVA Rate Rider 2 = disposition of Power and Wholesale Market Service Charges (excluding CBR)

3. If the allocated CBR B amount does not produce a rate rider in one or more rate class, the entire balance is transferred into Account 1580 WMS control account

9
 10 WMPs are charged DVA Rate Rider 1 only, which includes account balances for low voltage
 11 charges, retail transmission network charges, retail transmission connection charges.

12 Class A customers are charged the sum of DVA Rate Rider 1 and DVA Rate Rider 2, the latter of
 13 which includes account balances for power and wholesale market service charges excluding
 14 CBR.

15 Transition customers are charged the sum of DVA Rate Rider 1 and DVA Rate Rider 2; and a
 16 customer specific bill adjustment for their portion of the GA and CBR account balances.

17 Class B, non-RPP customers are charged the sum of DVA Rate Riders 1 and 2; and the GA and
 18 CBR Rate Rider.

19 Class B RPP customers are charged the sum of DVA Rate Riders 1 and 2; and the CBR Rate
 20 Rider.

1 The Group 1 DVAs disposition by customer group is identified in Table 55, below.

2 **Table 55 – Group 1 DVAs Disposition by Customer Group – Guelph Hydro RZ**

Description	Account	Amount
Low Voltage	1550	\$131,591
Smart Meter Entity Charge (Residential and GS<50kW Classes Only)	1551	(\$44,534)
Retail Transmission Network Charge	1584	\$200,410
Retail Transmission Connection Charge	1586	\$325,525
Disposition and Recovery/Refund of Regulatory Balances	1595	\$0
All Customers - DVA Rate Rider 1		\$612,992
Power	1588	\$613,272
Wholesale Market Service Charge excluding CBR	1580	(\$419,739)
All Customers ex WMPs - DVA Rate Rider 2		\$193,534
Wholesale Market Service Charge - CBR Class B	1580	(\$33,743)
Capacity Based Recovery - Transition Customers	1580	\$0
All Class B Customers ex WMPs - CBR B Rate Rider/Bill Adjustment		(\$33,743)
Global Adjustment - Non-RPP Class B Customers	1589	(\$599,296)
Global Adjustment - Transition Customers	1589	(\$48,504)
Class B Non-RPP Customers only - GA Rate Rider/Bill Adjustment		(\$647,799)
Total (Repayment to)/Recovery from Customers		\$124,983
Disposition via Rate Rider		\$173,487
Global Adjustment - Transition Customers		(\$48,504)
Capacity Based Recovery - Transition Customers		\$0

3
4 All balances claimed are allocated to the rate classes based on the default cost allocation
5 methodology as identified in the EDDVAR report. The 2020 actuals reported in Alectra Utilities
6 2020 RRRs have been used to calculate the rate riders as per the Chapter 3 Filing Requirements
7 issued by the OEB on June 24, 2021.

8 The billing determinants, billing adjustments and calculation of the rate riders are provided in Tabs
9 4 through 7 in the RGM Model filed as Attachment 11. Alectra Utilities requests disposition of the
10 Guelph Hydro RZ adjusted Group 1 balances, through the rate riders identified in Table 56, below.

11 **Table 56 – Deferral and Variance Account Riders – Guelph Hydro RZ**

Customer Class	Deferral/Variance Account Rate Rider		Deferral/Variance Account Rate Rider for Non-WMP		Global Adjustment Rate Rider Non-RPP Class B		CBR B Rate Rider Class B Consumer	
	\$/kWh	\$/kW	\$/kWh	\$/kW	\$/kWh	\$/kW	\$/kWh	\$/kW
Residential	0.0004				(0.0021)			
General Service Less Than 50 kW	0.0005				(0.0021)			
General Service 50 To 999 kW		0.1547		0.0376	(0.0021)			
General Service 1,000 To 4,999 kW		0.1856		0.0453	(0.0021)			
Large Use		0.2554						
Unmetered Scattered Load	0.0005				(0.0021)			
Sentinel Lighting		0.1915						
Street Lighting		0.1947			(0.0021)			

12

1 **GA Analysis Workform**

2 The GA Analysis Workform (“GA Workform”) for the Guelph RZ is filed as Attachment 21. The GA
3 Workform compares the principal activity in the general ledger for Account 1589, Global
4 Adjustment to the expected principal balance based on monthly GA volumes, revenue and costs.
5 The GA Workform provides a tool to assess if the principal activity in Account 1589 for a specific
6 year is reasonable. Distributors are required to submit a GA Workform for each year that has not
7 previously been approved by the OEB for disposition. Alectra Utilities has completed the GA
8 Workform for 2020 for the Guelph Hydro RZ.

9 **GA 2020**

10 The principal activity in Account 1589 recorded in 2020 was (\$113,444) as identified in Table 57
11 below. The principal activity balance, after known adjustments of \$1,110,613 was \$997,170. This
12 is compared to the expected principal balance in Account 1589 of \$992,757 calculated in
13 Attachment 21, which results in an unreconciled difference of \$4,412. This represents 0.01% of
14 Alectra Utilities 2020 IESO purchases in the Guelph RZ, which is within the OEB’s threshold (+/-
15 1% of IESO purchases).

16 **Table 57 – GA Workform Summary**

Description	Amount
Principal Activity in RSVA(GA)	(\$113,444)
Add Known Adjustments	\$1,110,613
Adjusted Principal Activity in RSVA(GA)	\$997,170
Expected Principal Activity in RSVA(GA)	\$992,757
Variance \$	\$4,412
Total 2020 IESO Purchases	\$36,220,784
Absolute Variance as a % of IESO Purchases	0.01%

18 **Account 1588**

19 The GA Workform also includes a reasonability test for Account 1588, RSVA Power, and
20 compares the annual Account 1588 variance to the Cost of Power purchases in the respective
21 year. Distributors are required to explain variances greater than +/- 1% of Cost of Power
22 purchased.

1 The transactions in Account 1588 recorded in 2020 was \$3,836,694 as identified in Table 58
2 below. The transactions, after principal adjustments of (\$3,184,656) was \$652,038. This is
3 compared to the power purchased of \$84,118,082, which represents 0.78% of purchases, which
4 is within the OEB's threshold of +/- 1%.

5 **Table 58 – Account 1588 Power Summary**

Description	Amount
Principal Activity in RSVA(Power)	\$3,836,694
Add Known Adjustments	(\$3,184,656)
Total Activity in 2020	\$652,038
Account 4705 - Power Purchased	\$84,118,082
Absolute Variance as a % of Power Purchased	0.78%

6

1 **1595 Analysis Workform**

2 The 1595 Workform compares the principal and interest amounts previously approved for
3 disposition to the residual balances remaining after the amounts have been recovered or refunded
4 to customers through rate riders. As discussed in the Chapter 3 Filing Requirements, *“the*
5 *balances in Account 1595 will first be assessed in two groups of accounts; one being the amounts*
6 *attributable to GA, and the other being the remainder of Group 1 and Group 2 Accounts (if*
7 *applicable). A residual balance in either of the two groups of accounts exceeding +/- 10% of the*
8 *original amounts previously approved for disposition would be considered material.”* The 1595
9 Workform provides a tool to assess if the residual balance in Account 1595 for a specific year is
10 reasonable. Distributors can only seek disposition of the balance in Account 1595, two years after
11 the expiry of the rate rider (i.e. the fourth rate year after expiry of the rate rider).

12 In this Application, Alectra Utilities is not requesting disposition of its 1595 sub-account balances
13 for the Guelph RZ as it does not meet the requirements for disposition of residual balances.

1 **RENEWABLE GENERATION CONNECTION RATE PROTECTION**

2 Alectra Utilities provides a summary of its RGCRP amounts by rate zone, below. Alectra Utilities
3 is not requesting renewable generation funding for the Horizon Utilities and Guelph RZs.¹⁰ The
4 OEB approved 2021 RGCRP amounts for the Brampton, PowerStream and Enersource RZs in
5 Alectra Utilities' 2021 EDR Application. In response to OEB staff interrogatories in that
6 proceeding, OEB staff and Alectra Utilities updated the RGCRP models to extend the calculations
7 for the RGCRP payment amounts for each year between 2022 to 2026.¹¹ Alectra Utilities' 2022
8 RGCRP funding request is provided by RZ, below.

9 **Brampton RZ**

10 In the 2015 Cost of Service Rate Application (EB-2014-0083), the Board approved Hydro One
11 Brampton's request for the funding of Renewable Generation Connection Provincial amounts
12 included in its detailed Distribution System Plan ("DSP"), to be recovered through the IESO
13 relating to Renewable Enabling Improvement Investments and Renewable Expansion
14 Investments from 2015 to 2019. Hydro One Brampton's DSP was reviewed by the OEB and its
15 funding requests for eligible investments for 2015 to 2019 were approved by the OEB.

16 Alectra Utilities is requesting to collect renewable generation funding of \$136,430 in 2022 or
17 \$11,369 per month from all provincial ratepayers, as identified in Attachment 22 for the Brampton
18 RZ.

19 **PowerStream RZ**

20 In the 2017 Custom IR Rate Application (EB-2015-0003), the Board approved PowerStream's
21 request for the funding of Renewable Generation Connection Provincial amounts included in its
22 detailed DSP, to be recovered through the IESO relating to Renewable Enabling Improvement
23 Investments and Renewable Expansion Investments from 2016 to 2020.

¹⁰ EB-2019-0018, Partial Decision and Interim Rate Order, dated December 12, 2019, pp.37-40

¹¹ EB-2020-0002, IRR BRZ-Staff-16, PRZ-Staff-42, ERZ-Staff-30

1 Alectra Utilities is requesting to collect renewable generation funding of \$248,681 in 2022 or
2 \$20,723 per month from all provincial ratepayers for the PowerStream RZ, as identified in
3 Attachment 23.

4 **Enersource RZ**

5 Enersource filed a basic Green Energy Plan (the “GEA Plan”) which was approved by the Board
6 in Enersource’s 2013 cost of service application proceeding (EB-2012-0033). The GEA Plan
7 identified the projects and expenditures associated with the connection of renewable generation
8 to its system and discussed constraints on the ability to connect renewable generation. The GEA
9 Plan was filed in accordance with the *Filing Requirements: Distribution System Plans – Filing*
10 *under Deemed Conditions of Licence* (EB-2009-0397), which requires distributors to identify the
11 costs related to the connection of FIT and microFIT projects and/or to the implementation of a
12 smart grid. The GEA Plan did not include any smart grid initiatives.

13 Alectra Utilities is requesting the collection of renewable generation funding for the Enersource
14 RZ of \$147,377 or \$12,281 per month from all provincial ratepayers, as shown in Attachment 24.
15 The 2022 funding request for the Enersource RZ is inclusive of true-up amounts for 2020 and
16 2021. This is consistent with the calculation of RGCRP funding amounts in previous proceedings
17 for the Enersource RZ. In Alectra Utilities’ 2021 EDR Application proceeding, OEB staff submitted
18 that Alectra Utilities continue to true-up RGCRP amounts consistent with its approach in prior IRM
19 applications.¹² In its Reply Submission, Alectra Utilities agreed with OEB staff and updated its
20 2021 RGCRP payment amount inclusive of the true-up for 2019 and 2020, which was approved
21 by the OEB.¹³ Alectra Utilities has applied this approach in determining the RGCRP payment
22 amount for 2022.

¹² EB-2020-0002, OEB staff Submission, p.22

¹³ EB-2020-0002, Decision and Rate Order, dated December 17, 2020, pp. 40-42

1 **DISPOSITION OF LRAM VARIANCE ACCOUNT**

2 Alectra Utilities is applying for disposition of the balance in its LRAM variance account
3 ("LRAMVA") resulting from its Conservation and Demand Management ("CDM") activities in 2019
4 in the Horizon Utilities, Brampton, PowerStream, Enersource and Guelph Hydro RZs.

5 **Lost Revenue Adjustment Mechanism for 2011-2014 and 2015-2020**

6 On March 31, 2010, the Ministry of Energy and Infrastructure issued a directive to the OEB (the
7 "Directive") to establish electricity and conservation and demand management targets to be met
8 by licensed electricity distributors over a four-year period commencing January 1, 2011. The
9 Minister of Energy and Infrastructure included guidance to the OEB that lost revenues that result
10 from CDM programs should not act as a disincentive to a distributor to promote CDM activities.

11 On April 26, 2012, in response to the Directive, the OEB issued a new set of *Guidelines for*
12 *Electricity Distributor Conservation and Demand Management* (EB-2012-0003) ("2012 CDM
13 Guidelines") which set out the obligations and requirements with which electricity distributors must
14 comply in relation to the CDM targets that are a condition of licence. The 2012 CDM Guidelines
15 also provided updated details for the Lost Revenue Adjustment Mechanism ("LRAM") to
16 compensate distributors for lost revenues resulting from CDM programs for the 2011 to 2014
17 period.

18 The OEB authorized the establishment of an LRAMVA to record, at the customer rate-class level,
19 the difference between:

- 20 (i) the results of actual, verified impacts of authorized CDM activities undertaken by
21 electricity distributors between 2011-2014 for CDM programs, and
- 22 (ii) the level of CDM program activities included in the distributor's load forecast (i.e. the
23 level embedded into rates).

24 The variance calculated from the comparison will result in a credit or a debit to the ratepayer at
25 the customer class level in the LRAMVA.

26 On March 31, 2014, the Ministry of Energy and Infrastructure, in response to the Government of
27 Ontario's Long-Term Energy Plan ("LTEP"), issued a directive to the OEB ("the Conservation

1 Directive”) to promote CDM, including amending the licences of electricity distributors and
2 establishing CDM Requirement guidelines (the “2015 CDM Guidelines”).

3 On December 19, 2014, the OEB issued *Conservation and Demand Management Requirement*
4 *Guidelines for Electricity Distributors* (EB-2014-0278) (“2015 CDM Guidelines”) which amended
5 the electricity distribution licences of all electricity distributors to include a condition that requires
6 the distributors to make CDM programs available to each customer segment in their service area
7 and to report annual CDM results to the IESO. The Board also requires that electricity distributors
8 work with natural gas distributors and the IESO in coordinating and integrating electricity
9 conservation and natural gas demand side management programs. The 2015 CDM Guidelines
10 also confirmed the continuation of the LRAM to compensate distributors for lost revenues resulting
11 from CDM programs for the 2015 to 2020 period.

12 On May 19, 2016, the OEB issued an *Updated Policy for the Lost Revenue Adjustment*
13 *Mechanism Calculation: Lost Revenues and Peak Demand Savings from Conservation and*
14 *Demand Management Programs*, on the calculation of the LRAMVA in respect of peak demand
15 savings. In this report, the OEB determined that distributors should multiply the peak demand
16 (kW) savings amounts from energy efficiency programs included in the IESO Final Results by the
17 number of months the IESO has indicated those savings take place throughout the year. The
18 OEB also indicated that peak demand savings from Demand Response (“DR”) programs should
19 generally not be included within the LRAMVA calculation.

20 On March 21, 2019, the Minister of Energy, Northern Development and Mines issued a directive
21 to the Independent Electricity System Operator (“IESO”) to discontinue the Conservation First
22 Framework and associated Conservation and Demand Management (“CDM”) activities. Pursuant
23 to the Ministerial Directive, the IESO issued a Notice of Termination of the Energy Conservation
24 Agreement (“ECA”) to Alectra Utilities.

25 **LRAM Calculations**

26 The OEB has identified that distributors can apply for disposition of the balance in the LRAMVA
27 as part of their cost of service applications and may apply for disposition on an annual basis, as
28 part of their IRM application, if the balance is deemed significant by the applicant. The Chapter 3
29 Filing Requirements also state that distributors should strive to dispose of all Conservation First

1 Framework (“CFF”) related LRAMVA balances as part of their 2022 rate applications. Alectra
2 Utilities is applying for disposition of the balance in its LRAMVA resulting from its Conservation
3 CDM activities in 2019. Alectra Utilities’ process for completing and including the LRAMVA
4 request for disposition relies on CDM energy savings for projects which are closed and completed,
5 representing finalized CDM savings for all programs. Currently, CDM activities related to 2020
6 actual savings remain under review and have not been finalized for several CDM programs,
7 including, Save on Energy High Performance New Construction Program, and Save on Energy
8 Process & Systems Upgrade Program. In addition, the Save on Energy Retrofit Program is
9 operated under the Pay-For-Performance mechanism where the actual savings results for 2020
10 have not been finalized and received from the IESO. As a result of these factors, Alectra Utilities
11 is only requesting disposition of 2019 LRAMVA balances in this application.

12 Alectra Utilities is requesting approval for the recovery of lost revenues of \$9,584,402, including
13 carrying charges across its five RZs, which is above the materiality threshold for Alectra Utilities.
14 The materiality threshold, as defined by the OEB, is \$1 million for a distributor with a distribution
15 revenue requirement of more than \$200 million.

16 Alectra Utilities has determined the LRAM amount in accordance with the Board’s 2012 CDM
17 Guidelines, 2015 CDM Guidelines, its 2016 Updated Policy for the calculation of LRAMVA, in
18 respect of peak demand savings and the Chapter 3 Filing Requirements. Alectra Utilities has
19 completed the 2022 LRAMVA work form provided by the OEB to calculate the variance between
20 actual CDM savings and forecast CDM savings. The LRAMVA work form is filed as a working
21 Microsoft Excel file as directed by the Board in the Chapter 3 Filing Requirements and is provided
22 in Attachments 25 to 29. Alectra Utilities has not included peak demand (kW) savings from
23 Demand Response programs in its lost revenue calculation in accordance with Board’s 2016
24 Updated Policy on the calculation of peak demand savings.

25 Alectra Utilities engaged IndEco Strategic Consulting Inc. (“IndEco”) to review and verify the
26 process and related calculations used for determining 2019 CDM savings, including the allocation
27 of savings across rate zones and rate classes. IndEco confirmed the accuracy of the amounts
28 included in the LRAMVA workforms, and that the process of allocation the CDM savings was
29 appropriate. The IndEco letter is provided as Attachment 30.

1 In accordance with the Chapter 3 Filing Requirements, Alectra Utilities provides the following
2 information:

3 (i) Alectra Utilities has used the most recent input assumptions available at the time of the
4 program evaluation when calculating the lost revenue amount;

5 (ii) Alectra Utilities relied on its internal CDM-Information System (“CDM-IS”) reports and the
6 IESO’s April 2019 Participation and Cost Report (“P&C”) in support of its LRAMVA claim
7 from 2019 programs. The CDM-IS reports, provided as Attachment 31 and Attachment
8 32, contain energy savings for projects completed in 2019, with incentives paid to March
9 31, 2021. The CDM-IS reports include personal and commercially sensitive information.
10 In accordance with the Chapter 3 filing requirements, Alectra Utilities has removed all
11 personal information and commercially sensitive information from the CDM-IS report.
12 Alectra Utilities used the April 2019 P&C report to support the savings from the Energy
13 Manager Program;

14 (iii) The CDM-IS reports are automatically connected to various data portals including the
15 IESO’s CDM IS, Alectra Utilities’ Microsoft Dynamics Customer Relationship Management
16 (“CRM”) system and vendor portals through data connection technology. This system and
17 report allow Alectra Utilities to maintain accurate information on projects completed by
18 CDM participants. For the Retrofit Program, project-specific information and related
19 savings in the CDM-IS reports are based on the data stored in the Microsoft Dynamics
20 CRM system which is directly connected to the IESO’s online database for the Retrofit
21 Module. For other programs administrated by Alectra Utilities, the related savings are
22 based on the data stored in the vendors portal or Alectra Utilities’ Post Project Review
23 report;

24 Table 59, below provides a complete list of data sources for the 2019 program savings.

1 **Table 59: Data source for 2019 program savings**

Program	Data Source	RZ
Save on Energy Audit Funding Program	IESO 2017 Final Verified Results Report	ALL
Save on Energy Retrofit Program - P4P	IESO online CDM Data Portal	ALL
Save on Energy Small Business Lighting Program	Vendor Portal	ALL
Save on Energy High Performance New Construction Program	Alectra Post Project Review Report	ALL
Save on Energy Energy Manager Program	P&C Report	ALL
Save on Energy Process & Systems Upgrades Program	CLEAResult M&V Report	BRZ, HRZ, PRZ
Save on Energy Retrofit Program - FCR	IESO online CDM Data Portal	ALL
Save on Energy Business Refrigeration Local Program	Vendor Report	ALL
Social Benchmarking Program - OPower	Vendor Portal	PRZ
Saved on Energy Residential New Construction Program	IESO Measures List	ALL

2

3 (iv) Each project’s net energy savings in the CDM-IS reports were estimated by applying the
4 2017 Net to Gross Ratio (“NTG”) and Realization Rate (“RR”) to the gross energy savings.
5 The NTG and RR applicable to each program are identified in Tab “LDC Progress” in the
6 Final Verified 2017 CDM Program Results Report for Alectra Utilities;

7 (v) Alectra Utilities derived the allocation of the total program savings by rate zone and rate
8 class based on participant-specific information in the CDM-IS reports, which includes the
9 project location and rate class for each project. The allocation of the total savings for the
10 Energy Manager Program by rate zone and rate class is based on the energy managers’
11 time allocation to the respective rate zones and rate classes;

12 (vi) Alectra Utilities has provided additional data in Tab 8 Street Lighting of the LRAMVA
13 Workform, in support of the Street Lighting project savings. Demand savings for the retrofit
14 streetlight project do not appear on the IESO’s Final Verified Result Report, as the
15 reduction to peak demand occurs outside the IESO’s peak hours. Streetlight demand
16 savings were calculated based on the difference between pre-conversion billing demand
17 and post-conversion billing demand. The net-to-gross assumption used to calculate street
18 lighting savings was based on the 2019 CDM Save on Energy Retrofit project demand
19 savings results from Alectra Utilities’ CDM-IS reports. A detailed breakdown of the type of
20 bulbs replaced and average demand per bulb (pre and post upgrade) is provided in Tab
21 8 of the LRAMVA Workform. Alectra Utilities has relied on reports from participating
22 municipalities or third-party reports, where applicable, to validate the number and type of
23 bulbs replaced or retrofitted through the IESO program.

1 Alectra Utilities confirms that street light upgrades represent incremental savings
2 attributable to participation in the IESO's CDM program. Alectra Utilities also confirms that
3 the associated street light energy savings have been inputted separately in 2019 and the
4 energy savings removed from the overall Retrofit program; and

5 (vii)The prior year program savings persisting in 2019 are based on the IESO Persistence
6 Savings Reports and the Final Verified 2017 CDM Program Results Report. These reports
7 (2011-2014 Persistence Savings Reports; 2015 Annual Persistence Reports; 2017 Final
8 Verified CDM Program Results; and Participation and Cost Reports) were filed in Alectra
9 Utilities' 2021 EDR Application.

10 Following a further review of the 2018 savings filed in the 2021 EDR Application (EB-2020-0002),
11 Alectra Utilities reported additional true up savings in 2018, based on the most up-to-date
12 information in the CDM-IS report, which included the 2018 projects with incentive paid to March
13 31, 2021. These projects were not previously included in the 2021 EDR Application for disposition.
14 The resulting persistence of the savings adjustments are included on a go-forward basis as part
15 of the 2019 LRAMVA claim.

16 Alectra Utilities proposes to dispose of its 2020 LRAMVA balance in a future rate proceeding.
17 Alectra Utilities identifies that the balance in Account 1568, LRAMVA, in Tab "3. Continuity
18 Schedule" does not match the amount being requested for disposition due to the exclusion of the
19 2020 balances and true-up entries recorded in subsequent years.

20 Alectra Utilities provides a summary of relief sought by rate zone, below.

21 **Horizon Utilities RZ**

22 Alectra Utilities is seeking recovery of lost revenues for the period January 1, 2019 to December
23 31, 2019 resulting from the following:

24 (i) 2014 to 2018 CDM persistence savings in 2019; and

25 (ii) Incremental savings from IESO-funded CDM programs implemented in 2019.

26 The total amount requested for disposition in the Horizon Utilities RZ is a debit of \$690,183
27 including forecasted carrying charges of \$19,776 through to December 31, 2021. Actual savings

1 from CDM activities for 2019 was above the estimated projections used in the load forecast
2 resulting in an under-collection from customers during this period. Alectra Utilities’ most recent
3 application for the recovery of lost revenues due to CDM activities was filed in Alectra Utilities
4 2021 EDR Application (EB-2020-0002). In that proceeding, the Board approved Alectra Utilities’
5 request to recover lost revenues from CDM activities in 2018 in the Horizon Utilities RZ.

6 In calculating the lost revenue amounts by rate class, CDM verified savings (in kWh and kW) were
7 multiplied by the appropriate Board-approved variable distribution rates for the respective period
8 as provided in Tab “3. Distribution Rates” of the LRAMVA work form and in Table 60 identified
9 below.

10 **Table 60 – Distribution Volumetric Rates – Horizon Utilities RZ**

Year	Residential	GS<50 kW	General Service 50 to 4,999 kW	Large Use	Large Use 2	Street Lighting	Unmetered Scattered Load
	kWh	kWh	kW	kW	kW	kW	kWh
2019	\$0.0003	\$0.0109	\$2.6101	\$1.4298	\$0.3389	\$5.1869	\$0.0134

11
12 Horizon Utilities’ LRAMVA threshold approved in its 2015 Custom IR Application (EB-2014-0002,
13 Exhibit 3, Tab 1, Schedule 2) is used as the comparator against actual savings for the lost revenue
14 calculation for 2019. The LRAMVA thresholds are provided in Tab “2. LRAMVA Threshold” of the
15 LRAMVA work form and in Table 61 identified below.

16 **Table 61 – LRAMVA Thresholds – Horizon Utilities RZ**

Year	Residential	GS<50 KW	General Service 50 To 4,999 KW
	kWh	kWh	kW
2019	25,640,593	8,037,776	207,346

17
18 Alectra Utilities has calculated carrying charges on the LRAM amounts from January 1, 2019 to
19 December 31, 2021 in the LRAMVA work form using the OEB’s annual prescribed interest rates
20 as provided in Tab “6. Carrying Charges” of the LRAMVA work form. The total amount requested
21 for disposition is a recovery of \$690,183, representing a principal balance of \$670,407 and
22 carrying charges of \$19,776.

1 Alectra Utilities has provided a summary of its lost revenue calculations by year for each rate
2 class in Tables 62 and 63 below for, which is also provided in Tab “1. LRAMVA Summary” of the
3 LRAMVA work form.

4 **Table 62 – LRAMVA Totals by Rate Class – Horizon Utilities RZ**

Customer Class	Billing Unit	Principle (\$)	Carrying Charges (\$)	Total LRAMVA (\$)
Residential	kWh	\$18,688	\$551	\$19,239
GS<50 kW	kWh	\$441,066	\$13,011	\$454,077
General Service 50 To 4,999 KW	kW	(\$70,810)	(\$2,089)	(\$72,899)
Large Use	kW	\$29,324	\$865	\$30,189
Large Use Dedicated Assets	kW	\$26,166	\$772	\$26,938
Street Lighting	kW	\$180,710	\$5,331	\$186,040
Unmetered Scattered Load	kWh	\$45,263	\$1,335	\$46,598
Total		\$670,407	\$19,776	\$690,183

6 **Table 63 – LRAMVA by Year and Rate Class – Horizon Utilities RZ**

Description	Residential	GS<50 kW	General Service 50 to 4,999 kW	Large Use	Large Use Dedicated Assets	Street Lighting	Unmetered Scattered Load	Total
	kWh	kWh	kW	kW	kW	kW	kWh	
2019 Actuals	\$26,380	\$528,678	\$470,384	\$29,324	\$26,166	\$180,710	\$45,263	\$1,306,905
2019 Forecast	(\$7,692)	(\$87,612)	(\$541,194)	\$0	\$0	\$0	\$0	(\$636,498)
2019 LRAM Balance	\$18,688	\$441,066	(\$70,810)	\$29,324	\$26,166	\$180,710	\$45,263	\$670,407
Carrying Charges	\$551	\$13,011	(\$2,089)	\$865	\$772	\$5,331	\$1,335	\$19,776
Total LRAMVA Balance	\$19,239	\$454,077	(\$72,899)	\$30,189	\$26,938	\$186,040	\$46,598	\$690,183

7
8 The proposed rate riders that result from the disposition of Account 1568, LRAMVA, are identified
9 in Table 64 below and included in Tab “7. Calculation of Def-Var RR” in the RGM.

1 **Table 64 – LRAMVA Rate Riders – Horizon Utilities RZ**

Rate Class	Volumetric Rate Rider	Unit
Residential	\$0.0000	kWh
GS<50 kW	\$0.0008	kWh
General Service 50 To 4,999 KW	(\$0.0154)	kW
Large Use	\$0.0908	kW
Large Use Dedicated Assets	\$0.0151	kW
Unmetered Scattered Load	\$0.0042	kWh
Street Lighting	\$3.8996	kW

2
3 **Brampton RZ**

4 Alectra Utilities is seeking recovery of lost revenues for the period January 1, 2019 to December
5 31, 2019 resulting from the following:

- 6 (i) 2013 to 2018 CDM persistence savings in 2019; and
7 (ii) Incremental savings from IESO-funded CDM programs implemented in 2019.

8 The total amount requested for disposition in the Brampton RZ is a debit of \$1,485,506 including
9 forecasted carrying charges of \$42,564 through to December 31, 2021. Actual savings from CDM
10 activities for 2019 was above the estimated projections used in the load forecast resulting in an
11 under-collection from customers during this period. Alectra Utilities' most recent application for
12 the recovery of lost revenues due to CDM activities was filed in Alectra Utilities 2021 EDR
13 Application (EB-2020-0002). In that proceeding, the Board approved Alectra Utilities' request to
14 recover lost revenues from CDM activities in 2018 in the Brampton RZ.

15 In calculating the lost revenue amounts by rate class, CDM verified savings (in kWh and kW) were
16 multiplied by the appropriate Board-approved variable distribution rates for the respective period
17 as provided in Tab "3. Distribution Rates" of the LRAMVA work form and in Table 65 identified
18 below.

1 **Table 65 – Distribution Volumetric Rates – Brampton RZ**

Year	Residential	GS<50 kW	GS 50 to 699 kW	GS 700 to 4,999 kW	Large Use	Street Lighting
	kWh	kWh	kW	kW	kW	kW
2019	\$0.0003	\$0.0171	\$2.8957	\$3.3616	\$2.5451	\$11.7707

2
3 Brampton Hydro’s LRAMVA threshold approved in its 2015 Cost of Service Application (EB-2014-
4 0083, Settlement Table 12) is used as the comparator against actual savings for the lost revenue
5 calculation for 2019. The LRAMVA thresholds are provided in Tab “2. LRAMVA Threshold” of the
6 LRAMVA work form and in Table 66 identified below.

7 **Table 66 – LRAMVA Thresholds – Brampton RZ**

Year	Residential	GS<50 KW	General Service 50 To 699 KW	General Service 700 To 4,999 KW
	kWh	kWh	kW	kW
2019	12,486,005	1,448,724	64,526	35,242

8
9 Alectra Utilities has calculated carrying charges on the LRAM amounts from January 1, 2019 to
10 December 31, 2021 in the LRAMVA work form using the OEB’s annual prescribed interest rates
11 as provided in Tab “6. Carrying Charges” of the LRAMVA work form. The total amount requested
12 for disposition is a recovery of \$1,485,506, representing a principal balance of \$1,442,942 and
13 carrying charges of \$42,564.

14 Alectra Utilities has provided a summary of its lost revenue calculations by year for each rate
15 class in Tables 67 and 68 below for, which is also provided in Tab “1. LRAMVA Summary” of the
16 LRAMVA work form.

1 **Table 67 – LRAMVA Totals by Rate Class – Brampton RZ**

Customer Class	Billing Unit	Principle (\$)	Carrying Charges (\$)	Total LRAMVA (\$)
Residential	kWh	\$18,198	\$537	\$18,735
GS<50 kW	kWh	\$487,114	\$14,369	\$501,483
General Service 50 To 699 kW	kW	\$370,396	\$10,926	\$381,322
General Service 700 To 4,999 kW	kW	\$173,369	\$5,114	\$178,483
Large Use	kW	\$62,121	\$1,832	\$63,953
Street Lighting	kW	\$331,745	\$9,786	\$341,531
Total		\$1,442,942	\$42,564	\$1,485,506

3 **Table 68 – LRAMVA by Year and Rate Class – Brampton RZ**

Description	Residential	GS<50 kW	GS 50 to 699 kW	GS 700 to 4,999 kW	Large Use	Street Lighting	Total
	kWh	kWh	kW	kW	kW	kW	
2019 Actuals	\$21,944	\$511,887	\$557,243	\$291,839	\$62,121	\$331,745	\$1,776,779
2019 Forecast	(\$3,746)	(\$24,773)	(\$186,847)	(\$118,470)	\$0	\$0	(\$333,836)
2019 LRAM Balance	\$18,198	\$487,114	\$370,396	\$173,369	\$62,121	\$331,745	\$1,442,942
Carrying Charges	\$537	\$14,369	\$10,926	\$5,114	\$1,832	\$9,786	\$42,564
Total LRAMVA Balance	\$18,735	\$501,483	\$381,322	\$178,483	\$63,953	\$341,531	\$1,485,506

5 The proposed rate riders that result from the disposition of Account 1568, LRAMVA, are identified
6 in Table 69 below and included in Tab “7. Calculation of Def-Var RR” in the RGM.

7 **Table 69 – LRAMVA Rate Riders – Brampton RZ**

Rate Class	Volumetric Rate Rider	Unit
Residential	\$0.0000	kWh
GS<50 kW	\$0.0016	kWh
General Service 50 To 699 kW	\$0.1273	kW
General Service 700 To 4,999 kW	\$0.0952	kW
Large Use	\$0.1028	kW
Street Lighting	\$4.9768	kW

9 **PowerStream RZ**

10 Alectra Utilities is seeking recovery of lost revenues for the period January 1, 2019 to December
11 31, 2019 resulting from the following:

1 (i) 2015 to 2018 CDM persistence savings in 2019; and

2 (ii) Incremental savings from IESO-funded CDM programs implemented in 2019.

3 The total amount requested for disposition in the PowerStream RZ is a debit of \$3,627,794
4 including forecasted carrying charges of \$103,946 through to December 31, 2021. Actual savings
5 from CDM activities for 2019 was above the estimated projections used in the load forecast
6 resulting in an under-collection from customers during this period. Alectra Utilities' most recent
7 application for the recovery of lost revenues due to CDM activities was filed in Alectra Utilities'
8 2021 EDR Application (EB-2020-0002). In that proceeding, the Board approved Alectra Utilities'
9 request to recover lost revenues from CDM activities in 2018 in the PowerStream RZ.

10 In calculating the lost revenue amounts by rate class, CDM verified savings (in kWh and kW) were
11 multiplied by the appropriate Board-approved variable distribution rates for the respective period
12 as provided in Tab "3. Distribution Rates" of the LRAMVA work form and in Table 70 identified
13 below.

14 **Table 70 – Distribution Volumetric Rates – PowerStream RZ**

Year	Residential	GS<50 kW	GS>50 kW	Large Use	Unmetered Scattered Load	Sentinel Lighting	Street Lighting
	kWh	kWh	kW	kW	kWh	kW	kW
2019	\$0.0049	\$0.0187	\$4.2882	\$2.2871	\$0.0199	\$10.0677	\$6.4492

16 PowerStream's LRAMVA threshold approved in its 2017 Custom of Service Application (EB-2015-
17 0003, Supplementary Exhibit H, Tab 2 and Interrogatory Response III-VECC-25) is used as the
18 comparator against actual savings for the lost revenue calculation for 2019. The LRAMVA
19 thresholds are provided in Tab "2. LRAMVA Threshold" of the LRAMVA work form and in Table
20 71 identified below.

21 **Table 71 – LRAMVA Thresholds – PowerStream RZ**

Year	Residential	GS<50 KW	General Service 50 To 4,999 KW	Street Lighting
	kWh	kWh	kW	kW
2019	32,226,368	26,548,154	264,157	40,558

22

1 Alectra Utilities has calculated carrying charges on the LRAM amounts from January 1, 2019 to
2 December 31, 2021 in the LRAMVA work form using the OEB’s annual prescribed interest rates
3 as provided in Tab “6. Carrying Charges” of the LRAMVA work form. The total amount requested
4 for disposition is a recovery of \$3,627,794, representing a principal balance of \$3,523,848 and
5 carrying charges of \$103,946.

6 Alectra Utilities has provided a summary of its lost revenue calculations by year for each rate
7 class in Tables 72 and 73 below for, which is also provided in Tab “1. LRAMVA Summary” of the
8 LRAMVA work form.

9 **Table 72 – LRAMVA Totals by Rate Class – PowerStream RZ**

Customer Class	Billing Unit	Principle (\$)	Carrying Charges (\$)	Total LRAMVA (\$)
Residential	kWh	\$823,136	\$24,281	\$847,416
GS<50 kW	kWh	\$523,386	\$15,439	\$538,825
General Service 50 To 4,999 KW	kW	\$2,025,460	\$59,747	\$2,085,207
Large Use	kW	\$31,564	\$931	\$32,495
Unmetered Scattered Load	kWh	\$7,708	\$227	\$7,935
Sentinel Lighting	kW	\$743	\$22	\$765
Street Lighting	kW	\$111,851	\$3,299	\$115,151
Total		\$3,523,848	\$103,946	\$3,627,794

10

11 **Table 73 – LRAMVA by Year and Rate Class – PowerStream RZ**

Description	Residential	GS<50 kW	GS>50 kW	Large Use	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	Total
	kWh	kWh	kW	kW	kWh	kW	kW	
2019 Actuals	\$981,045	\$1,019,837	\$3,158,220	\$31,564	\$7,708	\$743	\$373,417	\$5,572,533
2019 Forecast	(\$157,909)	(\$496,450)	(\$1,132,760)	\$0	\$0	\$0	(\$261,566)	(\$2,048,685)
2019 LRAM Balance	\$823,136	\$523,386	\$2,025,460	\$31,564	\$7,708	\$743	\$111,851	\$3,523,848
Carrying Charges	\$24,281	\$15,439	\$59,747	\$931	\$227	\$22	\$3,299	\$103,946
Total LRAMVA Balance	\$847,416	\$538,825	\$2,085,207	\$32,495	\$7,935	\$765	\$115,151	\$3,627,794

12

13 The proposed rate riders that result from the disposition of Account 1568, LRAMVA, are identified
14 in Table 74 below and included in Tab “7. Calculation of Def-Var RR” in the RGM.

1 **Table 74 – LRAMVA Rate Riders – PowerStream RZ**

Rate Class	Volumetric Rate Rider	Unit
Residential	\$0.0003	kWh
GS<50 kW	\$0.0006	kWh
General Service 50 To 4,999 KW	\$0.1745	kW
Large Use	\$0.2650	kW
Unmetered Scattered Load	\$0.0006	kWh
Sentinel Lighting	\$1.0523	kW
Street Lighting	\$0.8663	kW

2
3 **Enersource RZ**

4 Alectra Utilities is seeking recovery of lost revenues for the period January 1, 2019 to December
5 31, 2019 resulting from the following:

- 6 (i) 2011 to 2018 CDM persistence savings in 2019; and
7 (ii) Incremental savings from IESO-funded CDM programs implemented in 2019.

8 The total amount requested for disposition in the Enersource RZ is a debit of \$3,126,536 including
9 forecasted carrying charges of \$89,584 through to December 31, 2021. Actual savings from CDM
10 activities for 2019 was above the estimated projections used in the load forecast resulting in an
11 under-collection from customers during this period. Alectra Utilities' most recent application for
12 the recovery of lost revenues due to CDM activities was filed in Alectra Utilities 2021 EDR
13 Application (EB-2020-0002). In that proceeding, the Board approved Alectra Utilities' request to
14 recover lost revenues from CDM activities in 2018 in the Enersource RZ.

15 In calculating the lost revenue amounts by rate class, CDM verified savings (in kWh and kW) were
16 multiplied by the appropriate Board-approved variable distribution rates for the respective period
17 as provided in Tab "3. Distribution Rates" of the LRAMVA work form and in Table 75 identified
18 below.

1 **Table 75 – Distribution Volumetric Rates – Enersource RZ**

Year	Residential	GS<50 kW	GS 50-499 kW	GS 500-4999 kW	Large Use	Street Lighting	Unmetered Scattered Load
	kWh	kWh	kW	kW	kW	kW	kWh
2019	\$0.0003	\$0.0130	\$4.7142	\$2.4258	\$3.0109	\$11.7786	\$0.0167

2
3 Enersource’s LRAMVA threshold approved in its 2013 Custom of Service Application (EB-2012-
4 0033, Decision and Order, p.53) is used as the comparator against actual savings for the lost
5 revenue calculation for 2019. The LRAMVA thresholds are provided in Tab “2. LRAMVA
6 Threshold” of the LRAMVA work form and in Table 76 identified below.

7 **Table 76 – LRAMVA Thresholds – Enersource RZ**

Year	Residential	GS<50 KW	General Service 50 To 499 KW	General Service 500 To 4,999 KW	Large Use	Street Lighting
	kWh	kWh	kW	kW	kW	kW
2019	35,842,920	39,519,293	19,284	16,135	15,417	61,001

8
9 Alectra Utilities has calculated carrying charges on the LRAM amounts from January 1, 2019 to
10 December 31, 2021 in the LRAMVA work form using the OEB’s annual prescribed interest rates
11 as provided in Tab “6. Carrying Charges” of the LRAMVA work form. The total amount requested
12 for disposition is a recovery of \$3,126,536, representing a principal balance of \$3,036,952 and
13 carrying charges of \$89,584.

14 Alectra Utilities has provided a summary of its lost revenue calculations by year for each rate
15 class in Tables 77 and 78 below for, which is also provided in Tab “1. LRAMVA Summary” of the
16 LRAMVA work form.

1 **Table 77 – LRAMVA Totals by Rate Class – Enersource RZ**

Customer Class	Billing Unit	Principle (\$)	Carrying Charges (\$)	Total LRAMVA (\$)
Residential	kWh	\$20,138	\$594	\$20,732
GS<50 kW	kWh	\$278,768	\$8,223	\$286,991
General Service 50 To 499 KW	kW	\$1,945,869	\$57,399	\$2,003,268
General Service 500 To 4,999 KW	kW	\$664,252	\$19,594	\$683,846
Large Use	kW	\$207,607	\$6,124	\$213,731
Street Lighting	kW	(\$102,150)	(\$3,013)	(\$105,163)
Unmetered Scattered Load	kWh	\$22,468	\$663	\$23,131
Total		\$3,036,952	\$89,584	\$3,126,536

3 **Table 78 – LRAMVA by Year and Rate Class – Enersource RZ**

Description	Residential	GS<50 kW	GS 50-499 kW	GS 500-4999 kW	Large Use	Street Lighting	Unmetered Scattered Load	Total
	kWh	kWh	kW	kW	kW	kW	kWh	
2019 Actuals	\$30,891	\$792,518	\$2,036,778	\$703,392	\$254,026	\$616,357	\$22,468	\$4,456,430
2019 Forecast	(\$10,753)	(\$513,751)	(\$90,909)	(\$39,140)	(\$46,419)	(\$718,506)	\$0	(\$1,419,478)
2019 LRAMVA Balance	\$20,138	\$278,768	\$1,945,869	\$664,252	\$207,607	(\$102,150)	\$22,468	\$3,036,952
Carrying Charges	\$594	\$8,223	\$57,399	\$19,594	\$6,124	(\$3,013)	\$663	\$89,584
Total LRAMVA Balance	\$20,732	\$286,991	\$2,003,268	\$683,846	\$213,731	(\$105,163)	\$23,131	\$3,126,536

5 The proposed rate riders that result from the disposition of Account 1568, LRAMVA, are identified
 6 in Table 79 below and included in Tab “7. Calculation of Def-Var RR” in the RGM.

1 **Table 79 – LRAMVA Rate Riders – Enersource RZ**

Rate Class	Volumetric Rate Rider	Unit
Residential	\$0.0000	kWh
GS<50 kW	\$0.0005	kWh
General Service 50 To 499 KW	\$0.3878	kW
General Service 500 To 4,999 KW	\$0.1580	kW
Large Use	\$0.1278	kW
Unmetered Scattered Load	\$0.0020	kWh
Street Lighting	(\$2.7491)	kW

3 **Guelph Hydro RZ**

4 Alectra Utilities is seeking recovery of lost revenues for the period January 1, 2019 to December
5 31, 2019 resulting from the following:

- 6 (i) 2014 to 2018 CDM persistence savings in 2019; and
- 7 (ii) Incremental savings from IESO-funded CDM programs implemented in 2019.

8 The total amount requested for disposition in the Guelph Hydro RZ is a debit of \$654,383 including
9 forecasted carrying charges of \$18,750 through to December 31, 2021. Actual savings from CDM
10 activities for 2019 was above the estimated projections used in the load forecast resulting in an
11 under-collection from customers during this period. Alectra Utilities' predecessor, Guelph Hydro's
12 most recent application for the recovery of lost revenues due to CDM activities was filed in Alectra
13 Utilities' 2021 EDR Application (EB-2020-0002). In that proceeding, the Board approved Guelph
14 Hydro's request to recover lost revenues from CDM activities in 2018.

15 In calculating the lost revenue amounts by rate class, CDM verified savings (in kWh and kW) were
16 multiplied by the appropriate Board-approved variable distribution rates for the respective period
17 as provided in Tab "3. Distribution Rates" of the LRAMVA work form and in Table 80 identified
18 below.

1 **Table 80 – Distribution Volumetric Rates – Guelph Hydro RZ**

Year	Residential	GS<50 kW	General Service 50 to 999 kW	General Service 1,000 to 4,999 kW	Large Use	Unmetered Scattered Load	Sentinel Lighting	Street Lighting
	kWh	kWh	kW	kW	kW	kWh	kW	kW
2019	\$0.0000	\$0.0142	\$2.7982	\$3.1063	\$2.7908	\$0.0226	\$8.4893	\$10.4080

2
3 Guelph Hydro’s LRAMVA threshold approved in its 2016 Custom of Service Application (EB-
4 2015-0073, Settlement Proposal, Appendix D) is used as the comparator against actual savings
5 for the lost revenue calculation for 2019. The LRAMVA thresholds are provided in Tab “2.
6 LRAMVA Threshold” of the LRAMVA work form and in Table 81 identified below.

7 **Table 81 – LRAMVA Thresholds – Guelph Hydro RZ**

Year	Residential	GS<50 KW	General Service 50 To 999 KW	General Service 1,000 To 4,999 KW	Large Use	Street Lighting
	kWh	kWh	kW	kW	kW	kW
2019	4,365,766	1,133,691	8,871	1,546	40,432	2,344

8
9 Alectra Utilities has calculated carrying charges on the LRAM amounts from January 1, 2019 to
10 December 31, 2021 in the LRAMVA work form using the OEB’s annual prescribed interest rates
11 as provided in Tab “6. Carrying Charges” of the LRAMVA work form. The total amount requested
12 for disposition is a recovery of \$654,383, representing a principal balance of \$635,633 and
13 carrying charges of \$18,750.

14 Alectra Utilities has provided a summary of its lost revenue calculations by year for each rate
15 class in Tables 82 and 83 below for, which is also provided in Tab “1. LRAMVA Summary” of the
16 LRAMVA work form.

1 **Table 82 – LRAMVA Totals by Rate Class – Guelph Hydro RZ**

Customer Class	Billing Unit	Principle (\$)	Carrying Charges (\$)	Total LRAMVA (\$)
Residential	kWh	\$0	\$0	\$0
GS<50 kW	kWh	\$72,854	\$2,149	\$75,003
General Service 50 To 999 KW	kW	\$134,335	\$3,963	\$138,297
General Service 1,000 To 4,999 KW	kW	\$137,124	\$4,045	\$141,169
Large Use	kW	\$312,717	\$9,224	\$321,941
Street Lighting	kW	(\$21,396)	(\$631)	(\$22,028)
Total		\$635,633	\$18,750	\$654,383

3 **Table 83 – LRAMVA by Year and Rate Class – Guelph Hydro RZ**

Description	Residential	GS<50 kW	General Service 50 to 999 kW	General Service 1,000 to 4,999 kW	Large Use	Street Lighting	Total
	kWh	kWh	kW	kW	kW	kW	
2019 Actuals	\$0	\$88,952	\$159,158	\$141,926	\$425,554	\$2,998	\$818,588
2019 Forecast	\$0	(\$16,098)	(\$24,824)	(\$4,801)	(\$112,837)	(\$24,394)	(\$182,955)
2019 LRAM Balance	\$0	\$72,854	\$134,335	\$137,124	\$312,717	(\$21,396)	\$635,633
Carrying Charges	\$0	\$2,149	\$3,963	\$4,045	\$9,224	(\$631)	\$18,750
Total LRAMVA Balance	\$0	\$75,003	\$138,297	\$141,169	\$321,941	(\$22,028)	\$654,383

5 The proposed rate riders that result from the disposition of Account 1568, LRAMVA, are identified
6 in Table 84 below and included in Tab “7. Calculation of Def-Var RR” in the IRM Model.

7 **Table 84 – LRAMVA Rate Riders – Guelph Hydro RZ**

Rate Class	Volumetric Rate Rider	Unit
Residential	\$0.0000	kWh
GS<50 kW	\$0.0006	kWh
General Service 50 To 999 KW	\$0.1393	kW
General Service 1,000 To 4,999 KW	\$0.1424	kW
Large Use	\$0.7157	kW
Street Lighting	(\$1.6225)	kW

8

1 **TAX CHANGES**

2 The OEB policy, as described in the Board’s 2008 Report entitled *Supplemental Report of the*
3 *Board on 3rd Generation Incentive Regulation for Ontario’s Electricity Distributors* (the
4 “Supplemental Report”), prescribes a 50/50 sharing of impacts of legislated tax changes from
5 distributors’ tax rates embedded in their OEB approved base rates. If applicable, these amounts
6 will be refunded to customers over a 12-month period.

7 On June 21, 2019, Bill C-97, *Budget Implementation Act, 2019, No 1*, was given Royal Assent.
8 As part of Bill C-97, the federal government introduced an Accelerated Investment Incentive (“All”)
9 to support all businesses that make capital investments. Under the All, capital investments will
10 generally be eligible for a first-year deduction for depreciation equal to up to three times the
11 amount that would otherwise apply in the year an asset is put into use, thereby allowing
12 businesses to recover the initial cost of their investment more quickly. The All will apply to all
13 tangible capital assets, including long-lived investments like buildings, acquired after November
14 20, 2018. The All will gradually be phased out starting in 2024 and will no longer be in effect for
15 investments put in use after 2027.

16 On July 25, 2019, the OEB issued a Letter re: *Accounting Direction Regarding Bill C-97 and Other*
17 *Changes in Regulatory or Legislated Tax Rules for Capital Cost Allowance*. Distributors are
18 expected to record the impacts of CCA rule changes in Account 1592 – PILs and Tax Variances
19 – CCA Changes for the period November 21, 2018 until the effective date of the distributor’s next
20 cost-based rate application. Alectra has recorded the impact of the CCA rule change in Account
21 1592.

1 **SUMMARY OF BILL IMPACTS**

2 A summary of bill impacts for the typical customer by rate class is presented in Tables 85 to 94
3 below. Tab 20 Bill Impacts, of the RGM filed as Attachments 7 to 11 provides the detailed bill
4 impacts for each customer class for 2022.

5 **Table 85 – Distribution Bill Impacts by Rate Class – Horizon Utilities RZ**

Distribution Bill Impacts				
Customer Class	Billing Units	Average Monthly Volume	2022 vs. 2021	
			\$	%
Residential	kWh	750	\$ 0.38	1.4%
GS<50	kWh	2,000	\$ 1.23	1.8%
GS>50	kW	250	\$ 17.67	1.6%
Large User	kW	5,000	\$ 684.56	2.1%
Large User with Dedicated Asset	kW	20,000	\$ 299.33	2.3%
Street Lighting	kW	4,974	\$ 8,517.97	7.6%

6 Table excludes the impact of HST & OER

7 **Table 86 – Total Bill Impacts by Rate Class – Horizon Utilities RZ**

Total Bill Impacts				
Customer Class	Billing Units	Average Monthly Volume	2022 vs. 2021	
			\$	%
Residential	kWh	750	\$ 1.42	1.2%
GS<50	kWh	2,000	\$ 3.59	1.1%
GS>50	kW	250	\$ (565.43)	(3.7)%
Large User	kW	5,000	\$ 2,216.06	0.6%
Large User with Dedicated Asset	kW	20,000	\$ 6,755.33	0.5%
Street Lighting	kW	4,974	\$ (1,133.72)	(0.3)%

8 Table excludes the impact of HST & OER

1 **Table 87 – Distribution Bill Impacts by Rate Class – Brampton RZ**

Distribution Bill Impacts				
Customer Class	Billing Units	Average Monthly Volume	2022 vs. 2021	
			\$	%
Residential	kWh	750	\$ 0.25	1.0%
GS<50	kWh	2,000	\$ 1.91	2.9%
GS>50 to 699	kW	500	\$ 48.42	2.8%
GS 700 to 4,999	kW	1,432	\$ 151.62	2.4%
Large User	kW	20,000	\$ 1,570.61	2.6%
Street Lighting	kW	7,922	\$ 21,609.68	12.7%

2 Table excludes the impact of HST & OER

3 **Table 88 – Total Bill Impacts by Rate Class – Brampton RZ**

Total Bill Impacts				
Customer Class	Billing Units	Average Monthly Volume	2022 vs. 2021	
			\$	%
Residential	kWh	750	\$ 2.12	1.8%
GS<50	kWh	2,000	\$ 6.06	1.9%
GS>50 to 699	kW	500	\$ 195.82	0.8%
GS 700 to 4,999	kW	1,432	\$ 514.20	0.6%
Large User	kW	20,000	\$ 20,188.61	1.6%
Street Lighting	kW	7,922	\$ 22,823.99	4.4%

4 Table excludes the impact of HST & OER

5 **Table 89 – Distribution Bill Impacts by Rate Class – PowerStream RZ**

Distribution Bill Impacts				
Customer Class	Billing Units	Average Monthly Volume	2022 vs. 2021	
			\$	%
Residential	kWh	750	\$ 0.25	0.8%
GS<50	kWh	2,000	\$ 1.78	2.5%
GS>50	kW	250	\$ 28.81	2.2%
Large User	kW	7,350	\$ (99.85)	(0.4)%
Street Lighting	kW	1	\$ 1.41	18.4%

6 Table excludes the impact of HST & OER

1 **Table 90 – Total Bill Impacts by Rate Class – PowerStream RZ**

Total Bill Impacts				
Customer Class	Billing Units	Average Monthly Volume	2022 vs. 2021	
			\$	%
Residential	kWh	750	\$ 1.50	1.2%
GS<50	kWh	2,000	\$ 4.70	1.5%
GS>50	kW	250	\$ (14.20)	(0.1)%
Large User	kW	7,350	\$ 5,295.05	1.4%
Street Lighting	kW	1	\$ 1.35	3.0%

2 Table excludes the impact of HST & OER

3 **Table 91 – Distribution Bill Impacts by Rate Class – Enersource RZ**

Distribution Bill Impacts				
Customer Class	Billing Units	Average Monthly Volume	2022 vs. 2021	
			\$	%
Residential	kWh	750	\$ 0.33	1.3%
GS<50	kWh	2,000	\$ 1.88	2.5%
GS>50 to 499	kW	230	\$ 36.89	2.8%
GS>500 to 4,999	kW	2,250	\$ 185.91	2.3%
Large User	kW	5,000	\$ 636.71	2.0%
Street Lighting	kW	0.10	\$ 0.05	2.0%

4 Table excludes the impact of HST & OER

5 **Table 92 – Total Bill Impacts by Rate Class – Enersource RZ**

Total Bill Impacts				
Customer Class	Billing Units	Average Monthly Volume	2022 vs. 2021	
			\$	%
Residential	kWh	750	\$ 1.76	1.4%
GS<50	kWh	2,000	\$ 5.28	1.6%
GS>50 to 499	kW	230	\$ 39.66	0.3%
GS>500 to 4,999	kW	2,250	\$ 1,012.41	1.5%
Large User	kW	5,000	\$ 3,560.71	0.9%
Street Lighting	kW	0.10	\$ 0.05	0.7%

6 Table excludes the impact of HST & OER

1 **Table 93 – Distribution Bill Impacts by Rate Class – Guelph Hydro RZ**

Distribution Bill Impacts				
Customer Class	Billing Units	Average Monthly Volume	2022 vs. 2021	
			\$	%
Residential	kWh	750	\$ 0.43	1.4%
GS<50	kWh	2,000	\$ 1.33	2.8%
GS>50 to 999	kW	500	\$ 49.37	2.9%
GS 1000 to 4,999	kW	1,000	\$ 112.14	2.9%
Large User	kW	7,500	\$ 105.24	0.4%
Street Lighting	kW	2,200	\$ (1,269.32)	(4.5)%

2 Table excludes the impact of HST & OER

3 **Table 94 – Total Bill Impacts by Rate Class – Guelph Hydro RZ**

Total Bill Impacts				
Customer Class	Billing Units	Average Monthly Volume	2022 vs. 2021	
			\$	%
Residential	kWh	750	\$ 1.60	1.3%
GS<50	kWh	2,000	\$ 3.64	1.2%
GS>50 to 999	kW	500	\$ 659.26	2.7%
GS 1000 to 4,999	kW	1,000	\$ 1,503.92	2.4%
Large User	kW	7,500	\$ 5,207.49	1.0%
Street Lighting	kW	2,200	\$ 1,255.28	1.0%

Table excludes the impact of HST & OER