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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, 2023.

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 2023, based on 2022 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, 2023 to December
13 31, 2023;
- 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 May 24, 2022
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, 2023. 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., 2022) distribution rates and charges to be
17 effective on an interim basis as of January 1, 2023. 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, 2023, 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 Christine Long
3 Vice-President, Regulatory Affairs
4 Alectra Utilities Corporation
5 2185 Derry Road West,
6 Mississauga, Ontario, L5N 7A6
7 Email: christine.long@alecrautilities.com

8
9 Natalie Yeates
10 Director, Regulatory Affairs and Reporting
11 Alectra Utilities Corporation
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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 3rd day of August, 2022.

2

3

ALECTRA UTILITIES CORPORATION

Christine E. Long

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6

Christine E. Long

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Vice-President, Regulatory Affairs & Privacy Officer


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 May 24, 2022. 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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11

John G. Basilio, CPA, CA

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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, the evidence filed in this Application does not include any personal information,
4 as defined in the *Freedom of Information and Protection of Privacy Act*, that is not otherwise
5 redacted in accordance with Rule 9A of the OEB's *Rules of Practice and Procedure*.

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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 2023 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 2023 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, 2023. In addition, Alectra Utilities requests that the OEB
13 declare each of the respective RZ’s current (i.e., 2022) rates as interim effective January 1, 2023,
14 as necessary, if the preceding approvals cannot be issued by the OEB in time to implement final
15 rates, effective January 1, 2023. 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, 2023
17 to the implementation date of the 2023 Tariff of Rates and Charges.

18 **Conclusion**

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

20

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, 2023. 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 – 2022 Edition for 2023 Rate Applications* (the “Chapter 3 Filing Requirements”),
14 dated May 24, 2022, 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, Chapter 3*, dated May
17 24, 2022.

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

- 20 • *Guideline (G-2008-0001) on Retail Transmission Service Rates - October 22, 2008*
21 *(Revision 3.0 June 22,2011 and any subsequent updates);*
- 22 • *Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity*
23 *Distributors - July 14, 2008;*
- 24 • *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's*
25 *Electricity Distributors - September 17, 2008;*
- 26 • *Addendum to the Supplemental Report of the Board on 3rd Generation Incentive*
27 *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 • *OEB Letter: Applications for 2023 Electricity Distribution Rates – December 1, 2021;*
- 17 • *OEB Letter: Incremental Capital Modules During Extended Deferred Rebasing Periods –*
18 *February 10, 2022;*
- 19 • *Guidance on Wholesale Market Service Accounting for Capacity Based Demand*
20 *Response (CBDR) and new IESO Charge Type 9920 – March 29, 2016;*
- 21 • *Accounting Guidance related to Accounts 1588 RSVA Power, and 1589 RSVA Global*
22 *Adjustment – February 21, 2019;*
- 23 • *OEB Letter: Accounting Direction Regarding Bill C-97 and Other Changes in Regulatory*
24 *or Legislated Tax Rules for Capital Cost Allowance – July 25, 2019;*

- 1 • *OEB Letter: Adjustments to Correct for Errors in Electricity Distributor “Pass-Through”*
2 *Variance Accounts After Disposition – October 31, 2019*
- 3 • *Guidelines for Electricity Distributors' Conservation and Demand Management - April 26,*
4 *2012 (2012 CDM Guidelines);*
- 5 • *Report of the Ontario Energy Board - Updated Policy for the Lost Revenue Adjustment*
6 *Mechanism Calculation: Lost Revenues and Peak Demand Savings from Conservation*
7 *and Demand Management Programs – May 19, 2016;*
- 8 • *Guidelines for Electricity Distributors' Conservation and Demand Management -*
9 *December 19, 2014 (2014 CDM Guidelines) – Updated August 11, 2016;*
- 10 • *Updated Guidance on LRAM Variance Account 1568 – New Sub-Account 1568-0001*
11 *LRAMVA Demand Response – July 18, 2017; and*
- 12 • *Conservation and Demand Management Guidelines for Electricity Distributors –*
13 *December 20, 2021 (2021 CDM Guidelines).*

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

15 **Horizon Utilities RZ**

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

- 17 a. 2023 distribution rates effective January 1, 2023 based on 2022 rates adjusted by the
18 Board's Price Cap Index Adjustment Mechanism formula;
- 19 b. The clearance of the 2021 balances recorded in Group 1 deferral and variance
20 accounts by means of class-specific rate riders effective January 1, 2023 to
21 December 31, 2023.
- 22 c. The clearance of the balance in the 1589 Account RSVA - Global Adjustment and
23 1580 Account RSVA Wholesale Market Service Charge – Sub Account CBR B
24 attributed to new Class A and new Class B customers as of July 1, 2021, by means
25 of customer-specific bill adjustments for each new Class A and new Class B
26 customer;

- 1 d. An adjustment to the retail transmission service rates effective January 1, 2023;
- 2 e. Disposition of LRAMVA amounts related to CDM activities in 2020 and 2021 over a
3 one-year period; and
- 4 f. Current (i.e., 2022) rates provided in Attachment 1 be declared interim effective
5 January 1, 2023, as necessary, if the preceding approvals cannot be issued by the
6 OEB in time to implement final rates effective January 1, 2023.

7 **Brampton RZ**

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

- 9 a. 2023 distribution rates effective January 1, 2023 based on 2022 rates adjusted by the
10 Board's Price Cap Index Adjustment Mechanism formula;
- 11 b. The clearance of the 2021 balances recorded in Group 1 deferral and variance
12 accounts by means of class-specific rate riders effective January 1, 2023 to
13 December 31, 2023;
- 14 c. The clearance of the balance in the 1589 Account RSVA - Global Adjustment and
15 1580 Account RSVA Wholesale Market Service Charge – Sub Account CBR B
16 attributed to new Class A and new Class B customers as of July 1, 2021, by means
17 of customer-specific bill adjustments for each new Class A and new Class B
18 customer;
- 19 d. An adjustment to the retail transmission service rates effective January 1, 2023;
- 20 e. Recovery of RGCRP funding;
- 21 f. Disposition of LRAMVA amounts related to CDM activities in 2020 and 2021 over a
22 one-year period; and
- 23 g. Current (i.e., 2022) rates provided in Attachment 2 be declared interim effective
24 January 1, 2023, as necessary, if the preceding approvals cannot be issued by the
25 OEB in time to implement final rates effective January 1, 2023.

26 **PowerStream RZ**

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

- 1 a. 2023 distribution rates effective January 1, 2023 based on 2022 rates adjusted by the
2 Board's Price Cap Index Adjustment Mechanism formula;
- 3 b. The clearance of the 2021 balances recorded in Group 1 deferral and variance
4 accounts by means of class-specific rate riders effective January 1, 2023 to December
5 31, 2023;
- 6 c. The clearance of the balance in the 1589 Account RSVA - Global Adjustment and
7 1580 Account RSVA Wholesale Market Service Charge – Sub Account CBR B
8 attributed to new Class A and new Class B customers as of July 1, 2021, by means of
9 customer-specific bill adjustments for each new Class A and new Class B customer;
- 10 d. An adjustment to the retail transmission service rates effective January 1, 2023;
- 11 e. Recovery of RGCRP funding;
- 12 f. Disposition of LRAMVA amounts related to CDM activities in 2020 and 2021 over a
13 one-year period; and
- 14 g. Current (i.e., 2022) rates provided in Attachment 3 be declared interim effective
15 January 1, 2023, as necessary, if the preceding approvals cannot be issued by the
16 OEB in time to implement final rates effective January 1, 2023.

17 **Enersource RZ**

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

- 19 a. 2023 distribution rates effective January 1, 2023 based on 2022 rates adjusted by the
20 Board's Price Cap Index Adjustment Mechanism formula;
- 21 b. The clearance of the 2021 balances recorded in Group 1 deferral and variance
22 accounts by means of class-specific rate riders effective January 1, 2023 to December
23 31, 2023;
- 24 c. The clearance of the balance in the 1589 Account RSVA - Global Adjustment and
25 1580 Account RSVA Wholesale Market Service Charge – Sub Account CBR B
26 attributed to new Class A and new Class B customers as of July 1, 2021, by means of
27 customer-specific bill adjustments for each new Class A and new Class B customer;

- 1 d. An adjustment to the retail transmission service rates effective January 1, 2023;
- 2 e. Recovery of RGCRP funding;
- 3 f. Disposition of LRAMVA amounts related to CDM activities in 2020 and 2021 over a
4 one-year period; and
- 5 g. Current (i.e., 2022) rates provided in Attachment 4 be declared interim effective
6 January 1, 2023, as necessary, if the preceding approvals cannot be issued by the
7 OEB in time to implement final rates effective January 1, 2023.

8 **Guelph Hydro RZ**

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

- 10 a. 2023 distribution rates effective January 1, 2023 based on 2022 rates adjusted by the
11 Board's Price Cap Index Adjustment Mechanism formula;
- 12 b. The clearance of the 2021 balances recorded in Group 1 deferral and variance
13 accounts by means of class-specific rate riders effective January 1, 2023 to December
14 31, 2023;
- 15 c. The clearance of the balance in the 1589 Account RSVA - Global Adjustment and
16 1580 Account RSVA Wholesale Market Service Charge – Sub Account CBR B
17 attributed to new Class A and new Class B customers as of July 1, 2021, by means of
18 customer-specific bill adjustments for each new Class A and new Class B customer;
- 19 d. An adjustment to the retail transmission service rates effective January 1, 2023;
- 20 e. Disposition of LRAMVA amounts related to CDM activities in 2020 and 2021 over a
21 one-year period; and
- 22 f. Current (i.e., 2022) rates provided in Attachment 5 be declared interim effective
23 January 1, 2023, as necessary, if the preceding approvals cannot be issued by the
24 OEB in time to implement final rates effective January 1, 2023.

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, 2021 for the Enersource, Brampton, Horizon Utilities and Guelph Hydro 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 2021. 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 34.

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

Accounting Changes between Rebasing Years Enersource Rate Zone					
	2017	2018	2019	2020	2021
	Actual	Actual	Actual	Actual	Actual
Opening net PP&E	-	1,819	3,441	4,805	6,132
Net Additions	1,866	1,712	1,490	1,491	1,601
Net Depreciation	(47)	(89)	(127)	(164)	(204)
Closing net PP&E	1,819	3,441	4,805	6,132	7,529

15

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

Accounting Changes between Rebasing Years Brampton Rate Zone					
	2017	2018	2019	2020	2021
	Actual	Actual	Actual	Actual	Actual
Opening net PP&E	-	(1,785)	(3,308)	(5,149)	(7,239)
Net Additions	(1,831)	(1,610)	(1,976)	(2,283)	(3,293)
Net Depreciation	46	86	135	192	275
Closing net PP&E	(1,785)	(3,308)	(5,149)	(7,239)	(10,258)

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

Accounting Changes between Rebasing Years Horizon Utilities Rate Zone					
	2017	2018	2019	2020	2021
	Actual	Actual	Actual	Actual	Actual
Opening net PP&E	-	-	-	-	6,349
Net Additions	-	-	-	6,512	6,092
Net Depreciation	-	-	-	(163)	(315)
Closing net PP&E	-	-	-	6,349	12,126

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

Accounting Changes between Rebasing Years Guelph Rate Zone					
	2017	2018	2019	2020	2021
	Actual	Actual	Actual	Actual	Actual
Opening net PP&E	-	-	-	-	422
Net Additions	-	-	-	432	367
Net Depreciation	-	-	-	(11)	(20)
Closing net PP&E	-	-	-	422	768

10 Alectra Utilities identified an error in the calculation of the 2020 capitalization policy impact for the
11 Guelph Hydro RZ. As identified above, the first entry recorded for the Guelph Hydro RZ was
12 effective January 1, 2020. To facilitate the month end reporting of the capitalization policy impact
13 for the Guelph Hydro RZ, Alectra Utilities developed a report to automate the calculation of the
14 impact. The report was intended to capture the difference between Guelph Hydro’s pre-merger
15 capitalization policy and Alectra Utilities’ capitalization policy. The capitalization policy change

1 impacted the following burden pool categories: direct labour, benefit costs and material handling
2 costs. Instead of capturing the difference or impact of the capitalization policy change for the direct
3 labour burden pool category, the report inadvertently included all costs in the direct labour pool,
4 thereby overstating the impact. The restated 2020 impact is provided in Table 5, below.

5 Alectra Utilities’ Guelph Hydro RZ migrated to Alectra Utilities’ Enterprise Resource Planning
6 (“ERP”) system in May 2022. Therefore, consistent with the allocation methodology accepted by
7 the OEB and used for the Enersource, Brampton and Horizon Utilities RZs, the calculation of the
8 impact for the Guelph Hydro RZ will be consistent with the approved allocation methodology.
9 Specifically, Alectra Utilities will rely on the actual impacts derived prior to the ERP convergence
10 to determine the actual impacts of the capitalization policy change for Guelph Hydro in 2022, and
11 the remainder of the rebasing deferral period.

12 **Table 5 – Revised Guelph RZ 2020 Capitalization Policy Impact**

Accounting Changes between Rebasing Years Guelph Rate Zone 2020 Revision			
	2020	2020	2020
	Actual	Revised Actual	Change
Opening net PP&E	-	-	-
Net Additions	739	432	(307)
Net Depreciation	(18)	(11)	7
Closing net PP&E	721	422	(299)

13

14 As identified above, to determine the capitalization impact (i.e., net additions amount), the
15 allocation percentages were applied to distribution plant capital for each RZ. In order to assess
16 the reasonability of the allocation methodology, Alectra Utilities compared the change in
17 distribution plant capital in the Enersource, Brampton, and Horizon Utilities RZs from 2020 to
18 2021, as provided in Table 6, below. In 2020 and 2021 the capitalization policy impact for the
19 Guelph RZ was determined based on its legacy system, so it has been excluded from the analysis
20 below.

1 **Table 6 – Allocation Methodology Analysis – Year Over Year**

Allocation Analysis (\$MM)	2020 Actuals	2021 Actuals	% Change
ERZ - Net PP&E Change	1.5	1.6	7.4%
ERZ - Distribution Plant Capital	44.1	47.3	7.4%
BRZ - Net PP&E Change	(2.3)	(3.3)	44.3%
BRZ - Distribution Plant Capital	28.5	41.1	44.3%
HRZ - Net PP&E Change	6.5	6.1	-6.5%
HRZ - Distribution Plant Capital	56.3	52.7	-6.5%

2
3 The increase in the capitalization policy impact in the Enersource RZ was due to increased
4 System Access (system expansion work driven by customers) capital in 2021. The increase in
5 the impact from \$1.5MM in 2020 to \$1.6MM in 2021 of 7.4%, is consistent with the increase in
6 distribution plant capital over the 2020 to 2021 period.

7 The increase in the capitalization policy impact in the Brampton RZ was due to increased System
8 Access (customer connections, subdivisions) and System Renewal capital (cable renewal) in
9 2021. The increase in the impact from (\$2.3MM) in 2020 to (\$3.3MM) in 2021 of 44.3%, is
10 consistent with the increase in distribution plant capital over the 2020 to 2021 period.

11 The decrease in the capitalization policy impact in the Horizon Utilities RZ was due to decreased
12 System Access capital (system expansion work driven by customers) in 2021. The decrease in
13 the impact from \$6.5MM in 2020 to \$6.1MM in 2021 of (6.5%), is consistent with the decrease in
14 distribution plant capital over the 2020 to 2021 period.

15 Further, as directed by the OEB in Alectra Utilities' 2021 EDR Application, Alectra Utilities has
16 also quantified the differences between actual to forecast allocations which were driven by
17 differences between actual to forecast distribution plant capital⁶, as provided in Table 7.

⁶ The forecast impacts were provided in Alectra Utilities' 2020 EDR Application (EB-2019-0018) Capitalization Policy Interrogatory G-Staff-3.

1 **Table 7 – Allocation Methodology Analysis – Actuals vs. Forecast**

	2021 (\$MM)	ERZ	BRZ	HRZ
Forecast Distribution Plant Capital as per 2020 DSP (EB-2019-0018)		60.0	28.5	50.7
Actual Distribution Plant		47.3	41.1	52.7
Actual to Forecast Difference		(12.7)	12.6	2.0
Allocation % per 2020 IRM (EB-2019-0018)		3.38%	-8.01%	11.56%
Actual to Forecast Difference in Capitalization Policy Impacts		(0.4)	(1.0)	0.2

2

3 The decrease in the Enersource RZ of (\$12.7MM) is mainly due to lower investment in
4 underground asset renewal.

5 The increase in the Brampton RZ of \$12.6MM is due to higher volume of customer connections
6 and increased underground asset renewal.

7 The increase in the Horizon RZ of \$2.0MM is due to an increase in the volume of reactive capital
8 work in 2021.

9 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 2023 IRM filers were issued by the Board on July 18, 2022.
13 Alectra Utilities has used a Stretch Factor of 0.3% in this Application, in accordance with the most
14 recent PEG Report. The July 2022 Report placed Alectra Utilities in Group III for the purpose of
15 calculating stretch factors for 2023.

16 *Inflation Factor*

17 The Industry Specific Inflation Factor for 2023 filers has not yet been updated by the Board.
18 Alectra Utilities has used the Industry Specific Inflation Factor published for 2022 IRM filers, i.e.,
19 3.3%, as a proxy for 2023.

20 Alectra Utilities will update the RGM with the 2023 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 3.0%, as identified
23 in Table 8, below.

1 **Table 8 – Calculation of Price Cap Index**

Factor	%
Inflation Factor	3.30%
Less: Productivity Factor	0.00%
Less: Stretch Factor	0.30%
Price Cap Index	3.00%

2 The Price Cap Index of 3.0% has been applied to Alectra Utilities' 2022 Service Charges and
3 Distribution Volumetric Rates by rate class to determine the 2023 Service Charges and
4 Distribution Volumetric Rates. Alectra Utilities' 2023 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 16, 2021, the OEB issued
4 its Decision and Order in respect of the 2022 Uniform Transmission Rates ("UTRs") (EB-2021-
5 0276). On April 7, 2022, the OEB issued a Decision and Order to update the 2022 UTRs effective
6 April 1, 2022 (EB-2022-0084). On December 14, 2021, the OEB issued its Decision and Order in
7 respect of Hydro One Networks Inc. ("HONI") application for electricity distribution rates and other
8 charges beginning January 1, 2022, which contain HONI's sub transmission rates ("STRs") (EB-
9 2021-0032). The most recent UTRs and STRs are identified in Table 9 below.

10 **Table 9 – Current Board-Approved UTRs and STRs**

UTRs	\$
Network Service Rate	\$5.46
Line Connection Service Rate	\$0.88
Transformation Connection Service Rate	\$2.81

STRs	\$
Network Service Rate	\$4.3473
Line Connection Service Rate	\$0.6788
Transformation Connection Service Rate	\$2.3267

11

12 Alectra Utilities has updated Tabs 11-15 of the RGM, filed as Attachments 7 to 11, to incorporate:
13 i) the most recent UTRs and STRs approved by the Board; and ii) an update to Alectra Utilities
14 demand in the Horizon Utilities, Brampton, PowerStream, Enersource and Guelph Hydro RZs
15 from 2020 to 2021 actual values. The RTSRs are calculated in Tab 15 of the RGM.

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

19 In Alectra Utilities' 2022 EDR Application, the calculation of the RTSRs were based on the 2021
20 UTRs as approved by the OEB in its Decision and Order issued June 24, 2021 (EB-2021-0176).
21 Table 10, below provides a comparison of the UTRs used to calculate the RTSRs in Alectra
22 Utilities' 2022 and 2023 EDR Applications. As shown in the table below, the network, line

1 connection and transformation service rates used in the RTSR calculation increased by 11.4%,
2 8.6%, and 6.0%, respectively.

3 **Table 10 – UTRs Comparison**

UTRs	2022 EDR	2023 EDR	Change
Network Service Rate	\$4.90	\$5.46	11.4%
Line Connection Service Rate	\$0.81	\$0.88	8.6%
Transformation Connection Service Rate	\$2.65	\$2.81	6.0%

4

5 Alectra Utilities will update the RTSRs for all rate zones, should the actual 2023 UTRs and STRs
6 be 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 In the 2022 EDR Application Decision, the OEB approved disposition of the Group 1 accounts
11 balances as of December 31, 2020 on a final basis for the Horizon Utilities, Brampton,
12 PowerStream, Enersource and Guelph Hydro RZs. For the Horizon Utilities RZ, the OEB also
13 approved the final disposition of the December 31, 2019 balances in accounts 1588 and 1589.

14 In this Annual Filing, Alectra Utilities requests disposition of Group 1 account balances for all rate
15 zones as of December 31, 2021, including interest projected to December 31, 2022 on a final
16 basis.

17 Group 1 accounts consist of the following Uniform System of Accounts ("USoA"):

- 18 • 1550 - Low Voltage Account;
- 19 • 1551 - Smart Metering Entity Charge Variance;
- 20 • 1580 - RSVA Wholesale Market Service Charge Account;
- 21 • 1584 - RSVA Retail Transmission Network Charge Account;
- 22 • 1586 - RSVA Retail Transmission Connection Charge Account;
- 23 • 1588 - RSVA Power Account;
- 24 • 1589 - RSVA Global Adjustment Account; and
- 25 • 1595 - Disposition and Recovery/Refund of Regulatory Balances Account.

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

1 **Horizon Utilities RZ**

2 The Group 1 balances as of December 31, 2021, in the amount of \$6,157,562 have been adjusted
3 for the following items to determine the amount for disposition of \$11,332,615 as identified in
4 Table 11, below:

- 5 • Group 1 balances approved for disposition in the 2022 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, 2022); and
- 13 • Only eligible residual balances in Account 1595 for which rate riders have expired are
14 included.

15 **Table 11 – Group 1 Balances for Disposition – Horizon Utilities RZ**

Description	Amount
Group 1 Account Balances as of December 31, 2021	\$6,157,562
Subtract 2022 Annual Filing Disposition (EB-2021-0005) - Recovery from Customers	(\$6,866,320)
Add Principal Adjustments	(\$1,447,602)
Add Projected Carrying Charges	\$175,019
Deduct 1595 Residual Balances to be disposed in a future rate proceeding	\$418,684
Adjusted Group 1 Account Balances for Disposition - Recovery from Customers	\$11,332,615

16
17 Alectra Utilities has computed the disposition threshold for the Horizon Utilities RZ, based on the
18 adjusted Group 1 balances to be (\$0.0022/kWh), as identified in Table 12, below.

1 **Table 12 - Calculation of Disposition Threshold – Horizon Utilities RZ**

Description	Account	Amount
Low Voltage	1550	\$2,032,608
Smart Meter Entity Charge	1551	(\$165,842)
RSVA - Wholesale Market Service Charge excluding CBR	1580	\$914,343
RSVA - Wholesale Market Service Charge - Capacity Based Recovery ("CBR") Class B	1580	(\$644,212)
RSVA - Retail Transmission Network Charge	1584	\$8,898,479
RSVA - Retail Transmission Connection Charge	1586	\$1,101,541
RSVA - Power	1588	(\$1,562,146)
RSVA - Global Adjustment	1589	(\$5,257,555)
Disposition and Recovery/Refund of Regulatory Balances	1595	\$840,346
Group 1 Account Balances as of December 31, 2021		\$6,157,562
Subtract 2022 Annual Filing Disposition (EB-2021-0005) - Recovery from Customers		(\$6,866,320)
Add Principal Adjustments		(\$1,447,602)
Add Projected Carrying Charges		\$175,019
Deduct 1595 Residual Balances to be disposed in a future rate proceeding		\$418,684
Adjusted Group 1 Account Balances for Disposition - Recovery from Customers		\$11,332,615
2021 kWhs		5,230,045,229
Threshold Test \$/kWh		\$0.0022

2

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

4 Alectra Utilities has reconciled the Group 1 balances filed in the 2021 RRR, section 2.1.7 for the

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

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

7 provided in Table 13, below. Alectra Utilities confirms that the last Board approved balance of

8 (\$6,866,320) for the Horizon Utilities RZ has been transferred to Account 1595, and that residual

9 balances in Account 1595 Sub-accounts for each vintage year have only been disposed once.

10 Further, Alectra Utilities has confirmed the accuracy of the billing determinants to the 2021 RRR,

11 section 2.1.5.4. Alectra Utilities relied upon the Board’s prescribed interest rates to calculate

12 carrying charges on the deferral and variance account balances. The prescribed interest rates of

13 0.57% for 2022 Q1, 1.02% for Q2 2022, and 2.20% for 2022 Q3-Q4 2022 were used to calculate

14 forecasted interest for 2022. No adjustments have been made to any deferral and variance

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

1 **Table 13 – Deferral and Variance Account Reconciliation – Horizon Utilities RZ**

Account Description	Account	Principal Amounts as of Dec 31, 2021	Carrying Charges to Dec 31, 2021	Principal Disposition during 2022	Interest Disposition during 2022	Projected Carrying Charges to Dec 31, 2022	Total Disposition before Principal Adjustment	Principal Adjustment	Projected Carrying Charges to December 31, 2022	1595 Balances Not Claimed in 2022	Total Disposition
Group 1 Accounts:											
Low Voltage	1550	\$2,019,453	\$13,155	(1,074,814)	(10,328)	\$14,146	\$961,612	-	-	-	\$961,612
Smart Meter Entity Charge	1551	(\$165,435)	(\$407)	29,584	203	(\$2,034)	(\$138,089)	-	-	-	(\$138,089)
RSVA - Wholesale Market Service Charge excluding CBR	1580	\$932,194	(\$17,851)	2,713,437	25,789	\$54,593	\$3,708,162	-	-	-	\$3,708,162
RSVA - Wholesale Market Service Charge - CBR B	1580	(\$641,064)	(\$3,148)	161,331	2,175	(\$7,184)	(\$487,890)	-	-	-	(\$487,890)
RSVA - Retail Transmission Network Charge	1584	\$8,883,351	\$15,128	298,021	7,734	\$137,491	\$9,341,726	-	-	-	\$9,341,726
RSVA - Retail Transmission Connection Charge	1586	\$1,106,975	(\$5,434)	750,079	9,923	\$27,809	\$1,889,353	-	-	-	\$1,889,353
RSVA - Power	1588	(\$1,505,200)	(\$56,947)	399,370	34,387	(\$16,560)	(\$1,144,949)	\$94,142	\$1,410	-	(\$1,049,397)
Sub-total not including RSVA Power Global Adjustment		\$10,630,274	(\$55,503)	3,277,009	69,884	\$208,262	\$14,129,926	\$94,142	\$1,410	-	\$14,225,478
RSVA - Power Global Adjustment	1589	(\$5,271,558)	\$14,002	3,530,683	(11,256)	(\$26,070)	(\$1,764,198)	(\$1,541,744)	(\$23,088)	-	(\$3,329,029)
Total including RSVA Power Global Adjustment		\$5,358,717	(\$41,501)	6,807,693	58,628	\$182,192	\$12,365,728	(\$1,447,602)	(\$21,678)	-	\$10,896,449
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	\$405,481	(\$113,798)	-	-	\$6,072	\$297,756	-	-	-	\$297,756
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	\$225,768	(\$90,738)	-	-	\$3,381	\$138,411	-	-	-	\$138,411
Disposition and Recovery/Refund of Regulatory Balances (2020)	1595	(\$116,885)	\$93,796	-	-	(\$1,750)	(\$24,840)	-	-	(\$24,840)	-
Disposition and Recovery/Refund of Regulatory Balances (2021)	1595	\$454,268	(\$17,546)	-	-	\$6,803	\$443,524	-	-	\$443,524	-
Total 1595		\$968,632	(\$128,287)	-	-	\$14,505	\$854,851	-	-	\$418,684	436,166.62
Total Group 1		\$6,327,349	(\$169,787)	6,807,693	58,628	\$196,697	\$13,220,580	(\$1,447,602)	(\$21,678)	\$418,684	\$11,332,615
Total Amount for Disposition		\$6,327,349	(\$169,787)	6,807,693	58,628	\$196,697	\$13,220,580	(\$1,447,602)	(\$21,678)	\$418,684	\$11,332,615

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 13 Alectra Utilities customers in the Horizon Utilities RZ that transitioned between
18 Class A and Class B during 2021, under the IESO’s Industrial Conservation Initiative (“ICI”).
19 These transition customers paid GA and CBR during the period they were Class B customers. As
20 such, these customers will only be allocated the portion of the GA and CBR account balance
21 which 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 14 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 (\$3,329,029), of which (\$3,138,957)
28 will be disposed of via rate rider; and (\$190,072) will be disposed of via specific bill adjustments,
29 as discussed above. Alectra Utilities requests disposition of its total CBR balance of (\$487,890),

1 of which (\$478,837) will be disposed of via rate rider; and (\$9,053) 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 14 –Disposition of GA Balances – Horizon Utilities RZ**

Description	Amount
Global Adjustment - Non-RPP Class B Customers	(\$3,138,957)
Global Adjustment - Transition Customers	(\$190,072)
Class B Non-RPP Customers only - GA Rate Rider/Bill Adjustment	(\$3,329,029)
<hr/>	
Capacity Based Recovery - Non-RPP Class B Customers	(\$478,837)
Capacity Based Recovery - Transition Customers	(\$9,053)
Class B Non-RPP Customers only - CBR Rate Rider/Bill Adjustment	(\$487,890)

5
6 A summary of the rate riders applicable to each group of customers is identified in Table 15 below.

7 **Table 15 – 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

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

1 The Group 1 DVAs disposition by customer group is identified in Table 16, below.

2 **Table 16 – Group 1 DVAs Disposition by Customer Group – Horizon Utilities RZ**

Description	Account	Amount
Low Voltage	1550	\$961,612
Smart Meter Entity Charge (Residential and GS<50kW Classes Only)	1551	(\$138,089)
Retail Transmission Network Charge	1584	\$9,341,726
Retail Transmission Connection Charge	1586	\$1,889,353
Disposition and Recovery/Refund of Regulatory Balances	1595	\$436,167
All Customers - DVA Rate Rider 1		\$12,490,769
Power	1588	(\$1,049,397)
Wholesale Market Service Charge excluding CBR	1580	\$3,708,162
All Customers ex WMPs - DVA Rate Rider 2		\$2,658,765
Wholesale Market Service Charge - CBR Class B	1580	(\$478,837)
Capacity Based Recovery - Transition Customers	1580	(\$9,053)
All Class B Customers ex WMPs - CBR B Rate Rider/Bill Adjustment		(\$487,890)
Global Adjustment - Non-RPP Class B Customers	1589	(\$3,138,957)
Global Adjustment - Transition Customers	1589	(\$190,072)
Class B Non-RPP Customers only - GA Rate Rider/Bill Adjustment		(\$3,329,029)
Total (Repayment to)/Recovery from Customers		\$11,332,615
Disposition via Rate Rider		\$11,531,741
Global Adjustment - Transition Customers		(\$190,072)
Capacity Based Recovery - Transition Customers		(\$9,053)

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 2021 actuals reported in Alectra Utilities
6 2021 RRRs have been used to calculate the rate riders as per the Chapter 3 Filing Requirements
7 issued by the OEB on May 24, 2022.

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 17,
11 below.

1 **Table 17 – Deferral and Variance Account Riders – Horizon Utilities 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	0.0029				(0.0029)		(0.0001)	
General Service Less Than 50 kW	0.0030				(0.0029)		(0.0001)	
General Service 50 To 4,999 Kw		0.8974		0.2198	(0.0029)			(0.0492)
Large Use		1.5322						
Large Use Service With Dedicated Assets		1.2918		0.2445				
Unmetered Scattered Load	0.0030				(0.0029)		(0.0001)	
Sentinel Lighting		1.1196			(0.0029)			(0.0512)
Street Lighting		1.0605			(0.0029)			(0.0485)

2
3 **GA Analysis Workform**

4 The GA Analysis Workform (“GA Workform”) for the Horizon Utilities RZ is filed as Attachment 17.
5 The GA Workform compares the principal activity in the general ledger for Account 1589, Global
6 Adjustment to the expected principal balance based on monthly GA volumes, revenue and costs.
7 The GA Workform provides a tool to assess if the principal activity in Account 1589 for a specific
8 year is reasonable. Distributors are required to submit a GA Workform for each year that has not
9 previously been approved by the OEB for disposition. Alectra Utilities has completed the GA
10 Workform for 2021 for the Horizon Utilities RZ.

11 **GA 2021**

12 The principal activity in Account 1589 recorded in 2021 was (\$1,740,874) as identified in Table
13 18 below. The principal activity balance, after known adjustments of (\$1,668,882) was
14 (\$3,409,756). This is compared to the expected principal balance in Account 1589 of (\$3,145,881)
15 calculated in Attachment 17, which results in an unreconciled difference of (\$263,876). This
16 represents 0.28% of Alectra Utilities 2021 IESO purchases in the Horizon Utilities RZ, which is
17 within the OEB’s threshold (+/- 1% of IESO purchases).

18 **Table 18 – GA Workform Summary**

Description	Amount
Principal Activity in RSVA(GA)	(\$1,740,874)
Add Known Adjustments	(\$1,668,882)
Adjusted Principal Activity in RSVA(GA)	(\$3,409,756)
Expected Principal Activity in RSVA(GA)	(\$3,145,881)
Variance \$	(\$263,876)
Total 2021 IESO Purchases	\$95,462,609
Absolute Variance as a % of IESO Purchases	0.28%

19

1 **Account 1588**

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

6 The transactions in Account 1588 recorded in 2021 was (\$1,105,829) as identified in Table 19
7 below. The transactions, after principal adjustments of \$94,142 was (\$1,011,688). This is
8 compared to the power purchased of \$306,549,083, which represents 0.33% of purchases, which
9 is within the OEB's threshold of +/- 1%.

10 **Table 19 – 2020 Account 1588 Power Summary**

Description	Amount
Principal Activity in RSVA(Power)	(\$1,105,829)
Add Known Adjustments	\$94,142
Total Activity in 2021	(\$1,011,688)
Account 4705 - Power Purchased	\$306,549,083
Absolute Variance as a % of Power Purchased	0.33%

11

1 **Brampton RZ**

2 The Group 1 balances as of December 31, 2021, in the amount of \$6,569,130 have been adjusted
3 for the following items to determine the amount for disposition of \$10,799,219 as identified in
4 Table 20, below:

- 5 • Group 1 balances approved for disposition in the 2022 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, 2022); and
- 13 • Only eligible residual balances in Account 1595 for which rate riders have expired are
14 included.

15 **Table 20 – Group 1 Balances for Disposition – Brampton RZ**

Description	Amount
Group 1 Account Balances as of December 31, 2021	\$6,569,130
Subtract 2022 Annual Filing Disposition (EB-2021-0005) - Recovery from Customers	(\$3,313,332)
Add Principal Adjustments	\$529,231
Add Projected Carrying Charges	\$159,260
Deduct 1595 Residual Balances to be disposed in a future rate proceeding	(\$228,266)
Adjusted Group 1 Account Balances for Disposition - Recovery from Customers	\$10,799,219

16
17 Alectra Utilities has computed the disposition threshold for the Brampton RZ, based on the
18 adjusted Group 1 balances to be \$0.0026/kWh as identified in Table 21, below.

1 **Table 21 - Calculation of Disposition Threshold – Brampton RZ**

Description	Account	Amount
Low Voltage	1550	\$856,563
Smart Meter Entity Charge	1551	(\$112,702)
RSVA - Wholesale Market Service Charge excluding CBR	1580	\$1,103,756
RSVA - Wholesale Market Service Charge - Capacity Based Recovery ("CBR") Class B	1580	(\$456,853)
RSVA - Retail Transmission Network Charge	1584	\$8,638,809
RSVA - Retail Transmission Connection Charge	1586	\$652,089
RSVA - Power	1588	(\$2,572,746)
RSVA - Global Adjustment	1589	(\$1,257,964)
Disposition and Recovery/Refund of Regulatory Balances	1595	(\$281,821)
Group 1 Account Balances as of December 31, 2021		\$6,569,130
Subtract 2022 Annual Filing Disposition (EB-2021-0005) - Recovery from Customers		(\$3,313,332)
Add Principal Adjustments		\$529,231
Add Projected Carrying Charges		\$159,260
Deduct 1595 Residual Balances to be disposed in a future rate proceeding		(\$228,266)
Adjusted Group 1 Account Balances for Disposition - Recovery from Customers		\$10,799,219
2021 kWhs		4,109,777,652
Threshold Test \$/kWh		\$0.0026

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 2021 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 22, below. Alectra Utilities confirms that the last Board approved balance of (\$3,313,332) for the

8 Brampton RZ has been transferred to Account 1595, and that residual balances in Account 1595

9 Sub-accounts for each vintage year have only been disposed once. Further, Alectra Utilities has

10 confirmed the accuracy of the billing determinants to the 2021 RRR, section 2.1.5.4. Alectra

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

12 deferral and variance account balances. The prescribed interest rates of 0.57% for 2022 Q1,

13 1.02% for Q2 2022, and 2.20% for 2022 Q3-Q4 were used to calculate forecasted interest for

14 2022. No adjustments have been made to any deferral and variance account balances previously

15 approved by the Board on a final basis.

1 **Table 22 – Deferral and Variance Account Reconciliation – Brampton RZ**

Account Description	Account	Principal Amounts as of Dec 31, 2021	Carrying Charges to Dec 31, 2021	Principal Disposition during 2022	Interest Disposition during 2022	Projected Carrying Charges to Dec 31, 2022	Total Disposition before Principal Adjustment	Principal Adjustment	Projected Carrying Charges to December 31, 2022	1595 Balances Not Claimed in 2022	Total Disposition
Group 1 Accounts:											
Low Voltage	1550	\$851,609	\$4,954	(344,783)	(3,420)	\$7,590	\$515,949	-	-	-	\$515,949
Smart Meter Entity Charge	1551	(\$112,418)	(\$284)	19,980	127	(\$1,384)	(\$93,980)	-	-	-	(\$93,980)
RSVA - Wholesale Market Service Charge excluding CBR	1580	\$1,113,544	(\$9,789)	1,944,998	17,015	\$45,802	\$3,111,571	-	-	-	\$3,111,571
RSVA - Wholesale Market Service Charge - CBR B	1580	(\$452,974)	(\$3,879)	130,394	3,260	(\$4,831)	(\$328,030)	-	-	-	(\$328,030)
RSVA - Retail Transmission Network Charge	1584	\$8,619,009	\$19,800	(542,670)	319	\$120,943	\$8,217,400	-	-	-	\$8,217,400
RSVA - Retail Transmission Connection Charge	1586	\$652,813	(\$723)	(54,847)	2,234	\$8,955	\$608,431	-	-	-	\$608,431
RSVA - Power	1588	(\$2,509,295)	(\$63,451)	2,443,995	63,693	(\$978)	(\$66,036)	\$1,707,781	\$25,574	-	\$1,667,319
Sub-total not including RSVA Power Global Adjustment		\$8,162,288	(\$53,373)	3,597,066	83,228	\$176,096	\$11,965,305	\$1,707,781	\$25,574	-	\$13,698,660
RSVA - Power Global Adjustment	1589	(\$1,314,965)	\$57,002	(294,375)	(72,587)	(\$24,100)	(\$1,649,026)	(\$1,178,550)	(\$17,649)	-	(\$2,845,224)
Total including RSVA Power Global Adjustment		\$6,847,322	\$3,629	3,302,690	10,642	\$151,996	\$10,316,279	\$529,231	\$7,925	-	\$10,853,435
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	\$0	\$37	-	-	\$0	\$37	-	-	37	-
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	\$240,251	(\$269,036)	-	-	\$3,598	(\$25,186)	-	-	-	(\$25,186)
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	(\$18,123)	(\$10,636)	-	-	(\$271)	(\$29,030)	-	-	-	(\$29,030)
Disposition and Recovery/Refund of Regulatory Balances (2020)	1595	(\$115,624)	\$62,567	-	-	(\$1,731)	(\$54,789)	-	-	(\$54,789)	-
Disposition and Recovery/Refund of Regulatory Balances (2021)	1595	(\$150,700)	(\$20,558)	-	-	(\$2,257)	(\$173,515)	-	-	(\$173,515)	-
Total 1595		(\$44,196)	(\$237,625)	-	-	(\$662)	(\$282,483)	-	-	(\$228,266)	54,216.31
Total Group 1		\$6,803,126	(\$233,996)	3,302,690	10,642	\$151,335	\$10,033,796	\$529,231	\$7,925	(\$228,266)	\$10,799,219
Total Amount for Disposition		\$6,803,126	(\$233,996)	3,302,690	10,642	\$151,335	\$10,033,796	\$529,231	\$7,925	(\$228,266)	\$10,799,219

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 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 18 Alectra Utilities customers in the Brampton RZ that transitioned between Class A
17 and Class B during 2021 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 23 below identifies the GA and CBR balances disposed of through rate riders and specific
25 bill adjustments.

26 Alectra Utilities requests disposition of its total GA balance of (\$2,845,224), of which (\$2,724,999)
27 will be disposed of via rate rider; and (120,226) will be disposed of via specific bill adjustments,
28 as discussed above. Alectra Utilities requests disposition of its total CBR balance of (\$328,030),
29 of which (\$322,846) will be disposed of via rate rider; and (\$5,185) will be disposed of via specific

1 bill adjustments, as discussed above. Tab “6.1a GA Allocation” and “6.2a CBR B Allocation” in
2 the RGM identifies the detailed calculation of the bill adjustments.

3 **Table 23 –Disposition of GA Balances – Brampton RZ**

Description	Amount
Global Adjustment - Non-RPP Class B Customers	(\$2,724,999)
Global Adjustment - Transition Customers	(\$120,226)
Class B Non-RPP Customers only - GA Rate Rider/Bill Adjustment	(\$2,845,224)
Capacity Based Recovery - Non-RPP Class B Customers	(\$322,846)
Capacity Based Recovery - Transition Customers	(\$5,185)
Class B Non-RPP Customers only - CBR Rate Rider/Bill Adjustment	(\$328,030)

4
5
6 A summary of the rate riders applicable to each group of customers is identified in Table 24 below.

7 **Table 24 – 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, and 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 CBR Rate
2 Rider.

3 The Group 1 DVAs disposition by customer group is identified in Table 25, below.

4 **Table 25 – Group 1 DVAs Disposition by Customer Group – Brampton RZ**

Description	Account	Amount
Low Voltage	1550	\$515,949
Smart Meter Entity Charge (Residential and GS<50kW Classes Only)	1551	(\$93,980)
Retail Transmission Network Charge	1584	\$8,217,400
Retail Transmission Connection Charge	1586	\$608,431
Disposition and Recovery/Refund of Regulatory Balances	1595	(\$54,216)
All Customers - DVA Rate Rider 1		\$9,193,584
Power	1588	\$1,667,319
Wholesale Market Service Charge excluding CBR	1580	\$3,111,571
All Customers ex WMPs - DVA Rate Rider 2		\$4,778,890
Wholesale Market Service Charge - CBR Class B	1580	(\$322,846)
Capacity Based Recovery - Transition Customers	1580	(\$5,185)
All Class B Customers ex WMPs - CBR B Rate Rider/Bill Adjustment		(\$328,030)
Global Adjustment - Non-RPP Class B Customers	1589	(\$2,724,999)
Global Adjustment - Transition Customers	1589	(\$120,226)
Class B Non-RPP Customers only - GA Rate Rider/Bill Adjustment		(\$2,845,224)
Total (Repayment to)/Recovery from Customers		\$10,799,219
Disposition via Rate Rider		\$10,924,629
Global Adjustment - Transition Customers		(\$120,226)
Capacity Based Recovery - Transition Customers		(\$5,185)

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 2021 actuals reported in Alectra Utilities
8 2021 RRRs have been used to calculate the rate riders as per the Chapter 3 Filing Requirements
9 issued by the OEB on May 24, 2022.

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 8. Alectra Utilities requests disposition of the
12 Brampton RZ adjusted Group 1 balances, through the rate riders identified in Table 26, below.

1 **Table 26 – Deferral and Variance Account Riders – Brampton 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	0.0034				(0.0026)		(0.0001)	
General Service Less Than 50 kW	0.0034				(0.0026)		(0.0001)	
General Service 50 To 699 kW		0.7811		0.4105	(0.0026)			(0.0377)
General Service 700 To 4,999 kW		0.9633		0.4922	(0.0026)			(0.0272)
Large Use		1.7975						
Unmetered Scattered Load	0.0034				(0.0026)		(0.0001)	
Street Lighting		1.2187			(0.0026)			(0.0391)
Embedded Distributor	0.0035				(0.0026)		(0.0001)	
Distributed Generation	0.0034				(0.0026)		(0.0001)	

3

4 **GA Analysis Workform**

5 The GA Analysis Workform (“GA Workform”) for the Brampton RZ is filed as Attachment 18. The
6 GA Workform compares the principal activity in the general ledger for Account 1589, Global
7 Adjustment to the expected principal balance based on monthly GA volumes, revenue and costs.
8 The GA workform provides a tool to assess if the principal activity in Account 1589 for a specific
9 year is reasonable. Distributors are required to submit a GA Workform for each year that has not
10 previously been approved by the OEB for disposition. Alectra Utilities has completed the GA
11 Workform for 2021 for the Brampton RZ.

12 **GA 2021**

13 The principal activity in Account 1589 recorded in 2021 was (\$1,609,341) as identified in Table
14 27 below. The principal activity balance, after known adjustments of (\$1,573,179) was
15 (\$3,182,519). This is compared to the expected principal balance in Account 1589 of (\$3,121,536)
16 calculated in Attachment 18, which results in an unreconciled difference of (\$60,984). This
17 represents 0.07% of Alectra Utilities 2021 IESO purchases in the Brampton RZ, which is within
18 the OEB’s threshold (+/- 1% of IESO purchases).

1 **Table 27 – GA Workform Summary**

Description	Amount
Principal Activity in RSVA(GA)	(\$1,609,341)
Add Known Adjustments	(\$1,573,179)
Adjusted Principal Activity in RSVA(GA)	(\$3,182,519)
Expected Principal Activity in RSVA(GA)	(\$3,121,536)
Variance \$	(\$60,984)
Total 2021 IESO Purchases	\$90,778,008
Absolute Variance as a % of IESO Purchases	0.07%

3 **Account 1588**

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

8 The transactions in Account 1588 recorded in 2021 was (\$65,300) as identified in Table 28 below.
 9 The transactions, after principal adjustments of \$1,707,781 was \$1,642,481. This is compared to
 10 the power purchased of \$250,662,476, which represents 0.66% of purchases, which is within the
 11 OEB's threshold of +/- 1%.

12 **Table 28 – Account 1588 Power Summary**

Description	Amount
Principal Activity in RSVA(Power)	(\$65,300)
Add Known Adjustments	\$1,707,781
Total Activity in 2021	\$1,642,481
Account 4705 - Power Purchased	\$250,662,476
Absolute Variance as a % of Power Purchased	0.66%

13

1 **PowerStream RZ**

2 The Group 1 balances as of December 31, 2021, in the amount of \$20,012,149 have been
3 adjusted for the following items to determine the amount for disposition of \$18,565,840 as
4 identified in Table 29, below:

- 5 • Group 1 balances approved for disposition in the 2022 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, 2022); and
- 13 • Only eligible residual balances in Account 1595 for which rate riders have expired are
14 included.

15 **Table 29 – Group 1 Balances for Disposition – PowerStream RZ**

Description	Amount
Group 1 Account Balances as of December 31, 2021	\$20,012,149
Subtract 2022 Annual Filing Disposition (EB-2021-0005) - Recovery from Customers	\$3,225,393
Add Principal Adjustments	\$1,066,109
Add Projected Carrying Charges	\$278,366
Deduct 1595 Residual Balances to be disposed in a future rate proceeding	(\$434,609)
Adjusted Group 1 Account Balances for Disposition - Recovery from Customers	\$18,565,840

16
17 Alectra Utilities has computed the disposition threshold for the PowerStream RZ, based on the
18 adjusted Group 1 balances to be \$0.0022/kWh, as identified in Table 30, below.

1 **Table 30 - Calculation of Disposition Threshold – PowerStream RZ**

Description	Account	Amount
Low Voltage	1550	\$8,727,513
Smart Meter Entity Charge	1551	(\$252,263)
RSVA - Wholesale Market Service Charge excluding CBR	1580	\$2,923,355
RSVA - Wholesale Market Service Charge - Capacity Based Recovery ("CBR") Class B	1580	(\$1,336,615)
RSVA - Retail Transmission Network Charge	1584	\$16,012,202
RSVA - Retail Transmission Connection Charge	1586	(\$2,031,016)
RSVA - Power	1588	\$8,515,394
RSVA - Global Adjustment	1589	(\$11,668,927)
Disposition and Recovery/Refund of Regulatory Balances	1595	(\$877,492)
Group 1 Account Balances as of December 31, 2021		\$20,012,149
Subtract 2022 Annual Filing Disposition (EB-2021-0005) - Recovery from Customers		\$3,225,393
Add Principal Adjustments		\$1,066,109
Add Projected Carrying Charges		\$278,366
Deduct 1595 Residual Balances to be disposed in a future rate proceeding		(\$434,609)
Adjusted Group 1 Account Balances for Disposition - Recovery from Customers		\$18,565,840
2021 kWhs		8,579,628,310
Threshold Test \$/kWh		\$0.0022

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 2021 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 31, below. Alectra Utilities confirms that the last Board approved balance of

9 \$3,225,393 for the PowerStream RZ has been transferred to Account 1595, and that residual

10 balances in Account 1595 Sub-accounts for each vintage year have only been disposed once.

11 Further, Alectra Utilities has confirmed the accuracy of the billing determinants to the 2021 RRR,

12 section 2.1.5.4. Alectra Utilities relied upon the Board's prescribed interest rates to calculate

13 carrying charges on the deferral and variance account balances. The prescribed interest rates of

14 0.57% for 2022 Q1, 1.02% for Q2 2022, and 2.20% for 2022 Q3-Q4 were used to calculate

15 forecasted interest for 2022. No adjustments have been made to any deferral and variance

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

1 **Table 31 – Deferral and Variance Account Reconciliation – PowerStream RZ**

Account Description	Account	Principal Amounts as of Dec 31, 2021	Carrying Charges to Dec 31, 2021	Principal Disposition during 2022	Interest Disposition during 2022	Projected Carrying Charges to Dec 31, 2022	Total Disposition before Principal Adjustment	Principal Adjustment	Projected Carrying Charges to December 31, 2022	1595 Balances Not Claimed in 2022	Total Disposition
Group 1 Accounts:											
Low Voltage	1550	\$8,673,797	\$53,715	(4,280,794)	(41,497)	\$65,785	\$4,471,006	-	-	-	\$4,471,006
Smart Meter Entity Charge	1551	(\$251,190)	(\$1,073)	46,985	867	(\$3,058)	(\$207,470)	-	-	-	(\$207,470)
RSVA - Wholesale Market Service Charge excluding CBR	1580	\$2,949,450	(\$26,095)	4,185,737	43,191	\$106,849	\$7,259,131	-	-	-	\$7,259,131
RSVA - Wholesale Market Service Charge - CBR B	1580	(\$1,328,878)	(\$7,737)	376,862	5,749	(\$14,256)	(\$968,259)	-	-	-	(\$968,259)
RSVA - Retail Transmission Network Charge	1584	\$15,989,353	\$22,849	(78,320)	12,734	\$238,268	\$16,184,883	-	-	-	\$16,184,883
RSVA - Retail Transmission Connection Charge	1586	(\$2,012,576)	(\$18,441)	1,115,956	14,130	(\$13,427)	(\$914,358)	-	-	-	(\$914,358)
RSVA - Power	1588	\$8,505,365	\$10,029	(3,900,275)	(4,408)	\$68,961	\$4,679,672	(\$2,706,419)	(\$40,529)	-	\$1,932,724
Sub-total not including RSVA Power Global Adjustment		\$32,525,321	\$33,247	(2,533,849)	30,765	\$449,122	\$30,504,606	(\$2,706,419)	(\$40,529)	-	\$27,757,658
RSVA - Power Global Adjustment	1589	(\$11,707,152)	\$38,225	(599,065)	(67,677)	(\$184,286)	(\$12,519,955)	\$3,772,528	\$56,494	-	(\$8,690,933)
Total including RSVA Power Global Adjustment		\$20,818,169	\$71,472	(3,132,914)	(36,912)	\$264,837	\$17,984,651	\$1,066,109	\$15,965	-	\$19,066,725
Disposition and Recovery/Refund of Regulatory Balances (2016)	1595	\$44,560	\$10,542	(44,769)	(10,797)	(\$3)	(\$467)	-	-	(467)	\$0
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	\$1,131,708	(\$728,026)	-	-	\$16,947	\$420,630	-	-	-	\$420,630
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	(\$737,586)	(\$172,884)	-	-	(\$11,045)	(\$921,516)	-	-	-	(\$921,516)
Disposition and Recovery/Refund of Regulatory Balances (2020)	1595	(\$62,703)	(\$504,024)	-	-	(\$939)	(\$567,665)	-	-	(\$567,665)	-
Disposition and Recovery/Refund of Regulatory Balances (2021)	1595	(\$493,867)	\$634,787	-	-	(\$7,396)	\$133,524	-	-	\$133,524	-
Total 1595		(\$117,887)	(\$759,605)	(44,769)	(10,797)	(\$2,436)	(\$935,494)	-	-	(\$434,609)	500,885.77
Total Group 1		\$20,700,282	(\$688,133)	(3,177,684)	(47,709)	\$262,401	\$17,049,157	\$1,066,109	\$15,965	(\$434,609)	\$18,565,839
Total Amount for Disposition		\$20,700,282	(\$688,133)	(3,177,684)	(47,709)	\$262,401	\$17,049,157	\$1,066,109	\$15,965	(\$434,609)	\$18,565,839

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 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 24 Alectra Utilities customers in the PowerStream RZ that transitioned between Class
18 A and Class B during 2021 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 32 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 (\$8,690,933), of which (\$8,457,578)
28 will be disposed of via rate rider; and (\$233,355) will be disposed of via specific bill adjustments,
29 as discussed above. Alectra Utilities requests disposition of its total CBR balance of (\$968,259),

1 of which (\$957,666) will be disposed of via rate rider; and (\$10,593) 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 32 –Disposition of GA and CBR Balances – PowerStream RZ**

Description	Amount
Global Adjustment - Non-RPP Class B Customers	(\$8,457,578)
Global Adjustment - Transition Customers	(\$233,355)
Class B Non-RPP Customers only - GA Rate Rider/Bill Adjustment	(\$8,690,933)
<hr/>	
Capacity Based Recovery - Non-RPP Class B Customers	(\$957,666)
Capacity Based Recovery - Transition Customers	(\$10,593)
Class B Non-RPP Customers only - CBR Rate Rider/Bill Adjustment	(\$968,259)

5
 6 A summary of the rate riders applicable to each group of customers is identified in Table 33 below.

7 **Table 33 – 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, and 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 34, below.

4 **Table 34 – Group 1 DVAs Disposition by Customer Group – PowerStream RZ**

Description	Account	Amount
Low Voltage	1550	\$4,471,006
Smart Meter Entity Charge (Residential and GS<50kW Classes Only)	1551	(\$207,470)
Retail Transmission Network Charge	1584	\$16,184,883
Retail Transmission Connection Charge	1586	(\$914,358)
Disposition and Recovery/Refund of Regulatory Balances	1595	(\$500,886)
All Customers - DVA Rate Rider 1		\$19,033,176
Power	1588	\$1,932,724
Wholesale Market Service Charge excluding CBR	1580	\$7,259,131
All Customers ex WMPs - DVA Rate Rider 2		\$9,191,856
Wholesale Market Service Charge - CBR Class B	1580	(\$957,666)
Capacity Based Recovery - Transition Customers	1580	(\$10,593)
All Class B Customers ex WMPs - CBR B Rate Rider/Bill Adjustment		(\$968,259)
Global Adjustment - Non-RPP Class B Customers	1589	(\$8,457,578)
Global Adjustment - Transition Customers	1589	(\$233,355)
Class B Non-RPP Customers only - GA Rate Rider/Bill Adjustment		(\$8,690,933)
Total (Repayment to)/Recovery from Customers		\$18,565,839
Disposition via Rate Rider		\$18,809,787
Global Adjustment - Transition Customers		(\$233,355)
Capacity Based Recovery - Transition Customers		(\$10,593)

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 2021 actuals reported in Alectra Utilities
8 2021 RRRs have been used to calculate the rate riders as per the Chapter 3 Filing Requirements
9 issued by the OEB on May 24, 2022.

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 35, below.

1 **Table 35 – Deferral and Variance Account Riders – PowerStream 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	0.0033				(0.0031)		(0.0001)	
General Service Less Than 50 kW	0.0033				(0.0031)		(0.0001)	
General Service 50 To 4,999 Kw		0.8513		0.4083	(0.0031)			(0.0472)
Large Use		1.8738						
Unmetered Scattered Load	0.0033				(0.0031)		(0.0001)	
Sentinel Lighting		1.2089			(0.0030)			(0.0501)
Street Lighting		1.1790			(0.0031)			(0.0493)

3

4 **GA Analysis Workform**

5 The GA Analysis Workform (“GA Workform”) for the PowerStream RZ is filed as Attachment 19.
6 The GA Workform compares the principal activity in the general ledger for Account 1589, Global
7 Adjustment to the expected principal balance based on monthly GA volumes, revenue and costs.
8 The GA Workform provides a tool to assess if the principal activity in Account 1589 for a specific
9 year is reasonable. Distributors are required to submit a GA Workform for each year that has not
10 previously been approved by the OEB for disposition. Alectra Utilities has completed the GA
11 Workform for 2021 for the PowerStream RZ.

12 **GA 2021**

13 The principal activity in Account 1589 recorded in 2021 was (\$12,306,217) as identified in Table
14 36 below. The principal activity balance, after known adjustments of \$4,202,187 was
15 (\$8,104,031). This is compared to the expected principal balance in Account 1589 of (\$6,689,275)
16 calculated in Attachment 19, which results in an unreconciled difference of (\$1,414,744). This
17 represents 0.61% of Alectra Utilities 2021 IESO purchases in the PowerStream RZ, which is
18 within the OEB’s threshold (+/- 1% of IESO purchases).

1 **Table 36 – GA Workform Summary**

Description	Amount
Principal Activity in RSVA(GA)	(\$12,306,217)
Add Known Adjustments	\$4,202,187
Adjusted Principal Activity in RSVA(GA)	(\$8,104,031)
Expected Principal Activity in RSVA(GA)	(\$6,689,275)
Variance \$	(\$1,414,755)
Total 2021 IESO Purchases	\$231,636,989
Absolute Variance as a % of IESO Purchases	0.61%

2
 3 **Account 1588**

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

8 The transactions in Account 1588 recorded in 2021 was \$4,605,091 as identified in Table 37
 9 below. The transactions, after principal adjustments of (\$2,706,419) was \$1,898,671. This is
 10 compared to the power purchased of \$562,020,510, which represents 0.34% of purchases, which
 11 is within the OEB's threshold of +/- 1%.

12 **Table 37 – Account 1588 Power Summary**

Description	Amount
Principal Activity in RSVA(Power)	\$4,605,091
Add Known Adjustments	(\$2,706,419)
Total Activity in 2021	\$1,898,671
Account 4705 - Power Purchased	\$562,020,510
Absolute Variance as a % of Power Purchased	0.34%

13

1 **Enersource RZ**

2 The Group 1 balances as of December 31, 2021, in the amount of \$33,005,858 have been
3 adjusted for the following items to determine the amount for disposition of \$14,081,422 as
4 identified in Table 38, below:

- 5 • Group 1 balances approved for disposition in the 2022 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, 2022); and
- 13 • Only eligible residual balances in Account 1595 for which rate riders have expired are
14 included.

15 **Table 38 – Group 1 Balances for Disposition – Enersource RZ**

Description	Amount
Group 1 Account Balances as of December 31, 2021	\$33,005,858
Subtract 2022 Annual Filing Disposition (EB-2021-0005) - Recovery from Customers	\$6,474,589
Add Principal Adjustments	(\$12,066,512)
Add Projected Carrying Charges	\$211,966
Deduct 1595 Residual Balances to be disposed in a future rate proceeding	\$595,300
Adjusted Group 1 Account Balances for Disposition - Recovery from Customers	\$14,081,422

16
17 Alectra Utilities has computed the disposition threshold for the Enersource RZ, based on the
18 adjusted Group 1 balances to be \$0.0020/kWh, as identified in Table 39, below.

1 **Table 39 - Calculation of Disposition Threshold – Enersource RZ**

Description	Account	Amount
Low Voltage	1550	\$8,523,575
Smart Meter Entity Charge	1551	(\$112,352)
RSVA - Wholesale Market Service Charge excluding CBR	1580	\$2,884,030
RSVA - Wholesale Market Service Charge - Capacity Based Recovery ("CBR") Class B	1580	(\$568,546)
RSVA - Retail Transmission Network Charge	1584	\$10,447,737
RSVA - Retail Transmission Connection Charge	1586	\$28,004
RSVA - Power	1588	\$11,230,183
RSVA - Global Adjustment	1589	\$411,678
Disposition and Recovery/Refund of Regulatory Balances	1595	\$161,548
Group 1 Account Balances as of December 31, 2021		\$33,005,858
Subtract 2022 Annual Filing Disposition (EB-2021-0005) - Recovery from Customers		\$6,474,589
Add Principal Adjustments		(\$12,066,512)
Add Projected Carrying Charges		\$211,966
Deduct 1595 Residual Balances to be disposed in a future rate proceeding		\$595,300
Adjusted Group 1 Account Balances for Disposition - Recovery from Customers		\$14,081,422
2021 kWhs		6,908,533,625
Threshold Test \$/kWh		\$0.0020

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 2021 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 40, below. Alectra Utilities confirms that the last Board approved balance of \$6,474,589

8 for the Enersource RZ has been transferred to Account 1595, and that residual balances in

9 Account 1595 Sub-accounts for each vintage year have only been disposed once. Further,

10 Alectra Utilities has confirmed the accuracy of the billing determinants to the 2021 RRR, section

11 2.1.5.4. Alectra Utilities relied upon the Board’s prescribed interest rates to calculate carrying

12 charges on the deferral and variance account balances. The prescribed interest rates of 0.57%

13 for 2022 Q1, 1.02% for Q2 2022, and 2.20% for 2022 Q3-Q4 were used to calculate forecasted

14 interest for 2022. No adjustments have been made to any deferral and variance account balances

15 previously approved by the Board on a final basis.

1 **Table 40 – Deferral and Variance Account Reconciliation – Enersource RZ**

Account Description	Account	Principal Amounts as of Dec 31, 2021	Carrying Charges to Dec 31, 2021	Principal Disposition during 2022	Interest Disposition during 2022	Projected Carrying Charges to Dec 31, 2022	Total Disposition before Principal Adjustment	Principal Adjustment	Projected Carrying Charges to December 31, 2022	1595 Balances Not Claimed in 2022	Total Disposition
Group 1 Accounts:											
Low Voltage	1550	\$8,467,814	\$55,761	(3,945,229)	(42,712)	\$67,726	\$4,603,361	-	-	-	\$4,603,361
Smart Meter Entity Charge	1551	(\$112,000)	(\$352)	8,882	273	(\$1,544)	(\$104,741)	-	-	-	(\$104,741)
RSVA - Wholesale Market Service Charge excluding CBR	1580	\$2,894,842	(\$10,812)	3,431,116	27,989	\$94,731	\$6,437,867	-	-	-	\$6,437,867
RSVA - Wholesale Market Service Charge - CBR B	1580	(\$563,590)	(\$4,956)	(33,057)	3,331	(\$8,935)	(\$607,207)	-	-	-	(\$607,207)
RSVA - Retail Transmission Network Charge	1584	\$10,431,210	\$16,528	326,466	9,808	\$161,096	\$10,945,107	-	-	-	\$10,945,107
RSVA - Retail Transmission Connection Charge	1586	\$35,547	(\$7,543)	1,624,576	11,307	\$24,860	\$1,688,748	-	-	-	\$1,688,748
RSVA - Power	1588	\$11,285,172	(\$54,989)	(4,611,257)	37,317	\$99,942	\$6,756,184	(\$9,819,381)	(\$147,045)	-	(\$3,210,242)
Sub-total not including RSVA Power Global Adjustment		\$32,438,995	(\$6,363)	(3,198,503)	47,313	\$437,876	\$29,719,319	(\$9,819,381)	(\$147,045)	-	\$19,752,892
RSVA - Power Global Adjustment	1589	\$371,512	\$40,166	(3,262,464)	(60,936)	(\$43,292)	(\$2,955,013)	(\$2,247,131)	(\$33,651)	-	(\$5,235,795)
Total including RSVA Power Global Adjustment		\$32,810,507	\$33,803	(6,460,966)	(13,623)	\$394,584	\$26,764,305	(\$12,066,512)	(\$180,696)	-	\$14,517,097
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	(\$459,622)	(\$33,229)	-	-	(\$6,883)	(\$499,734)	-	-	-	(\$499,734)
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	\$14,798	\$49,039	-	-	\$222	\$64,059	-	-	-	\$64,059
Disposition and Recovery/Refund of Regulatory Balances (2020)	1595	(\$283,269)	(\$220,694)	-	-	(\$4,242)	(\$508,205)	-	-	(\$508,205)	-
Disposition and Recovery/Refund of Regulatory Balances (2021)	1595	\$599,694	\$494,831	-	-	\$8,980	\$1,103,506	-	-	\$1,103,506	-
Total 1595		(\$128,400)	\$289,948	-	-	(\$1,923)	\$159,625	-	-	\$595,300	(435,675)
Total Group 1		\$32,682,107	\$323,751	(6,460,966)	(13,623)	\$392,662	\$26,923,931	(\$12,066,512)	(\$180,696)	\$595,300	\$14,081,422
Total Amount for Disposition		\$32,682,107	\$323,751	(6,460,966)	(13,623)	\$392,662	\$26,923,931	(\$12,066,512)	(\$180,696)	\$595,300	\$14,081,422

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 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 28 Alectra Utilities customers in the Enersource RZ that transitioned between Class
18 A and Class B during 2021 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 41 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 (\$5,235,795), of which (\$5,053,103)
28 will be disposed of via rate rider; and (\$182,693) will be disposed of via specific bill adjustments,
29 as discussed above. Alectra Utilities requests disposition of its total CBR balance of (\$607,207),

1 of which (\$597,043) will be disposed of via rate rider; and (\$10,164) 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 41 –Disposition of GA Balances – Enersource RZ**

Description	Amount
Global Adjustment - Non-RPP Class B Customers	(\$5,053,103)
Global Adjustment - Transition Customers	(\$182,693)
Class B Non-RPP Customers only - GA Rate Rider/Bill Adjustment	(\$5,235,795)
Capacity Based Recovery - Non-RPP Class B Customers	(\$597,043)
Capacity Based Recovery - Transition Customers	(\$10,164)
Class B Non-RPP Customers only - CBR Rate Rider/Bill Adjustment	(\$607,207)

5
6 A summary of the rate riders applicable to each group of customers is identified in Table 42 below.

7 **Table 42 – 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

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

3 The Group 1 DVAs disposition by customer group is identified in Table 43, below.

4 **Table 43 – Group 1 DVAs Disposition by Customer Group – Enersource RZ**

Description	Account	Amount
Low Voltage	1550	\$4,603,361
Smart Meter Entity Charge (Residential and GS<50kW Classes Only)	1551	(\$104,741)
Retail Transmission Network Charge	1584	\$10,945,107
Retail Transmission Connection Charge	1586	\$1,688,748
Disposition and Recovery/Refund of Regulatory Balances	1595	(\$435,675)
All Customers - DVA Rate Rider 1		\$16,696,800
Power	1588	(\$3,210,242)
Wholesale Market Service Charge excluding CBR	1580	\$6,437,867
All Customers ex WMPs - DVA Rate Rider 2		\$3,227,625
Wholesale Market Service Charge - CBR Class B	1580	(\$597,043)
Capacity Based Recovery - Transition Customers	1580	(\$10,164)
All Class B Customers ex WMPs - CBR B Rate Rider/Bill Adjustment		(\$607,207)
Global Adjustment - Non-RPP Class B Customers	1589	(\$5,053,103)
Global Adjustment - Transition Customers	1589	(\$182,693)
Class B Non-RPP Customers only - GA Rate Rider/Bill Adjustment		(\$5,235,795)
Total (Repayment to)/Recovery from Customers		\$14,081,422
Disposition via Rate Rider		\$14,274,278
Global Adjustment - Transition Customers		(\$182,693)
Capacity Based Recovery - Transition Customers		(\$10,164)

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 2021 actuals reported in Alectra Utilities
8 2021 RRRs have been used to calculate the rate riders as per the Chapter 3 Filing Requirements
9 issued by the OEB on May 24, 2022.

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 10. Alectra Utilities requests disposition of the
12 Enersource RZ adjusted Group 1 balances of \$14,081,422, through the rate riders identified in
13 Table 44, below.

1 **Table 44 – 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	0.0028				(0.0022)		(0.0001)	
General Service Less Than 50 kW	0.0029				(0.0022)		(0.0001)	
General Service 50 To 499 kW		1.0221			(0.0022)			(0.0435)
General Service 500 To 4,999 kW		1.0774		0.2073	(0.0022)			(0.0490)
Large Use		1.6854						
Unmetered Scattered Load	0.0029				(0.0022)		(0.0001)	
Street Lighting		1.0419			(0.0022)			(0.0442)

2
3 **GA Analysis Workform**

4 The GA Analysis Workform (“GA Workform”) for the Enersource RZ is filed as Attachment 20.
5 The GA Workform compares the principal activity in the general ledger for Account 1589, Global
6 Adjustment to the expected principal balance based on monthly GA volumes, revenue and costs.
7 The GA Workform provides a tool to assess if the principal activity in Account 1589 for a specific
8 year is reasonable. Distributors are required to submit a GA Workform for each year that has not
9 previously been approved by the OEB for disposition. Alectra Utilities has completed the GA
10 Workform for 2021 for the Enersource RZ.

11 **GA 2021**

12 The principal activity in Account 1589 recorded in 2021 was (\$2,890,952) as identified in Table
13 45 below. The principal activity balance, after known adjustments of (\$1,884,577) was
14 (\$4,775,529). This is compared to the expected principal balance in Account 1589 of (\$5296,685)
15 calculated in Attachment 20, which results in an unreconciled difference of \$521,157. This
16 represents 0.27% of Alectra Utilities 2021 IESO purchases in the Enersource RZ, which is within
17 the OEB’s threshold (+/- 1% of IESO purchases).

18 **Table 45 – GA Workform Summary**

Description	Amount
Principal Activity in RSVA(GA)	(\$2,890,952)
Add Known Adjustments	(\$1,884,577)
Adjusted Principal Activity in RSVA(GA)	(\$4,775,529)
Expected Principal Activity in RSVA(GA)	(\$5,296,685)
Variance \$	\$521,157
Total 2021 IESO Purchases	\$193,091,475
Absolute Variance as a % of IESO Purchases	0.27%

19

1 **Account 1588**

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

6 The transactions in Account 1588 recorded in 2021 was \$6,673,915 as identified in Table 46
7 below. The transactions, after principal adjustments of (\$9,819,381) was (\$3,145,466). This is
8 compared to the power purchased of \$379,975,096, which represents 0.83% of purchases, which
9 is within the OEB's threshold of +/- 1%.

10 **Table 46 – Account 1588 Power Summary**

Description	Amount
Principal Activity in RSVA(Power)	\$6,673,915
Add Known Adjustments	(\$9,819,381)
Total Activity in 2021	(\$3,145,466)
Account 4705 - Power Purchased	\$379,975,096
Absolute Variance as a % of Power Purchased	0.83%

11

1 **Guelph Hydro RZ**

2 The Group 1 balances as of December 31, 2021, in the amount of \$4,547,433 have been adjusted
3 for the following items to determine the amount for disposition of \$6,874,781 as identified in Table
4 47, below:

- 5 • Group 1 balances approved for disposition in the 2022 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, 2022); and
- 13 • Only eligible residual balances in Account 1595 for which rate riders have expired are
14 included.

15 **Table 47 – Group 1 Balances for Disposition – Guelph Hydro RZ**

Description	Amount
Group 1 Account Balances as of December 31, 2021	\$4,547,433
Subtract 2022 Annual Filing Disposition (EB-2021-0005) - Recovery from Customers	\$8,014
Add Principal Adjustments	\$2,172,217
Add Projected Carrying Charges	\$93,370
Deduct 1595 Residual Balances to be disposed in a future rate proceeding	(\$69,775)
Adjusted Group 1 Account Balances for Disposition - Recovery from Customers	\$6,874,781

16
17 Alectra Utilities has computed the disposition threshold for the Guelph Hydro RZ, based on the
18 adjusted Group 1 balances to be \$0.0044/kWh, as identified in Table 48, below.

1 **Table 48 - Calculation of Disposition Threshold – Guelph Hydro RZ**

Description	Account	Amount
Low Voltage	1550	\$259,825
Smart Meter Entity Charge	1551	(\$75,613)
RSVA - Wholesale Market Service Charge excluding CBR	1580	\$934,238
RSVA - Wholesale Market Service Charge - Capacity Based Recovery ("CBR") Class B	1580	(\$140,539)
RSVA - Retail Transmission Network Charge	1584	\$2,887,010
RSVA - Retail Transmission Connection Charge	1586	\$766,853
RSVA - Power	1588	(\$472,127)
RSVA - Global Adjustment	1589	\$199,256
Disposition and Recovery/Refund of Regulatory Balances	1595	\$188,530
Group 1 Account Balances as of December 31, 2021		\$4,547,433
Subtract 2022 Annual Filing Disposition (EB-2021-0005) - Recovery from Customers		\$8,014
Add Principal Adjustments		\$2,172,217
Add Projected Carrying Charges		\$93,370
Deduct 1595 Residual Balances to be disposed in a future rate proceeding		(\$69,775)
Adjusted Group 1 Account Balances for Disposition - Recovery from Customers		\$6,874,781
2021 kWhs		1,572,789,739
Threshold Test \$/kWh		\$0.0044

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 2021 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 49, below.

8 Alectra Utilities confirms that the last Board approved balance of \$8,014 for the Guelph RZ has
9 been transferred to Account 1595, and that residual balances in Account 1595 Sub-accounts for
10 each vintage year have only been disposed once. Further, Alectra Utilities has confirmed the
11 accuracy of the billing determinants to the 2021 RRR, section 2.1.5.4. Alectra Utilities relied upon
12 the Board's prescribed interest rates to calculate carrying charges on the deferral and variance
13 account balances. The prescribed interest rates of 0.57% for 2022 Q1, 1.02% for Q2 2022, and
14 2.20% for 2022 Q3-Q4 were used to calculate forecasted interest for 2022. No adjustments have
15 been made to any deferral and variance account balances previously approved by the Board on
16 a final basis.

1 **Table 49 – Deferral and Variance Account Reconciliation – Guelph Hydro RZ**

Account Description	Account	Principal Amounts as of Dec 31, 2021	Carrying Charges to Dec 31, 2021	Principal Disposition during 2022	Interest Disposition during 2022	Projected Carrying Charges to Dec 31, 2022	Total Disposition before Principal Adjustment	Principal Adjustment	Projected Carrying Charges to December 31, 2022	1595 Balances Not Claimed in 2022	Total Disposition
Group 1 Accounts:											
Low Voltage	1550	\$255,097	\$4,727	(\$127,267)	(\$4,325)	\$1,914	\$130,147	-		-	\$130,147
Smart Meter Entity Charge	1551	(\$75,205)	(\$408)	\$44,190	\$343	(\$464)	(\$31,544)	-		-	(\$31,544)
RSVA - Wholesale Market Service Charge excluding CBR	1580	\$927,776	\$6,461	\$414,886	\$4,852	\$20,106	\$1,374,083	-		-	\$1,374,083
RSVA - Wholesale Market Service Charge - CBR B	1580	(\$131,806)	(\$8,733)	\$33,286	\$457	(\$1,475)	(\$108,272)	-		-	(\$108,272)
RSVA - Retail Transmission Network Charge	1584	\$2,880,748	\$6,262	(\$200,735)	\$326	\$40,133	\$2,726,734	-		-	\$2,726,734
RSVA - Retail Transmission Connection Charge	1586	\$763,500	\$3,353	(\$323,838)	(\$1,686)	\$6,584	\$447,913	-		-	\$447,913
RSVA - Power	1588	(\$399,068)	(\$73,059)	(\$474,424)	\$58,681	(\$13,081)	(\$900,951)	\$1,608,958	\$24,094	-	\$732,101
Sub-total not including RSVA Power Global Adjustment		\$4,221,043	(\$61,396)	(\$633,902)	\$58,647	\$53,717	\$3,638,110	\$1,608,958	\$24,094	-	\$5,271,162
RSVA - Power Global Adjustment	1589	\$153,234	\$46,022	\$664,292	(\$16,492)	\$12,242	\$859,298	\$563,259	\$8,435	-	\$1,430,993
Total including RSVA Power Global Adjustment		\$4,374,277	(\$15,374)	30,390	42,155	\$65,960	\$4,497,408	\$2,172,217	\$32,529	-	\$6,702,154
Disposition and Recovery/Refund of Regulatory Balances (2016)	1595	\$0	(\$2,463)	-	-	\$0	(\$2,463)	-		(\$2,463)	-
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	-	\$10,983	-	-	-	\$10,983	-		\$10,983	-
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	\$60,941	\$19,271	(\$60,941)	(\$19,618)	-	(\$347)	-		(\$347)	-
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	\$274,759	(\$106,247)	-	-	\$4,115	\$172,627	-		-	\$172,627
Disposition and Recovery/Refund of Regulatory Balances (2020)	1595	-	-	-	-	-	-	-		-	-
Disposition and Recovery/Refund of Regulatory Balances (2021)	1595	(\$616,608)	\$547,894	-	-	(\$9,234)	(\$77,948)	-		(\$77,948)	-
Total 1595		(\$280,908)	\$469,438	(\$60,941)	(\$19,618)	(\$5,119)	\$102,852	\$0	\$0	(\$69,775)	\$172,627
Total Group 1		\$4,093,369	\$454,064	(\$30,551)	\$22,537	\$60,841	\$4,600,260	\$2,172,217	\$32,529	(\$69,775)	\$6,874,781
Total Amount for Disposition		\$4,093,369	\$454,064	(\$30,551)	\$22,537	\$60,841	\$4,600,260	\$2,172,217	\$32,529	(\$69,775)	\$6,874,781

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 Disposition**

12 Alectra Utilities has also established separate rate riders to dispose of the GA and CBR account
13 balances for the Guelph Hydro 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, therefore, none of the variance in the GA account balance is attributed to
16 these customers.

17 There were 2 Alectra Utilities customers in the Guelph RZ that transitioned between Class A and
18 Class B during 2021 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 50 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 \$1,430,993, of which \$1,415,879
28 will be disposed of via rate rider; and \$15,114 will be disposed of via specific bill adjustments, as
29 discussed above. Alectra Utilities requests disposition of its total CBR balance of (\$108,272), of

1 which (\$107,874) will be disposed of via rate rider; and (\$398) will be disposed of via specific bill
2 adjustments, as discussed above. Tab “6.1a GA Allocation” and “6.2a CBR B Allocation” in the
3 RGM identifies the detailed calculation of the bill adjustments.

4 **Table 50 –Disposition of GA Balances – Guelph Hydro RZ**

Description	Amount
Global Adjustment - Non-RPP Class B Customers	\$1,415,879
Global Adjustment - Transition Customers	\$15,114
Class B Non-RPP Customers only - GA Rate Rider/Bill Adjustment	\$1,430,993
Capacity Based Recovery - Non-RPP Class B Customers	(\$107,874)
Capacity Based Recovery - Transition Customers	(\$398)
Class B Non-RPP Customers only - CBR Rate Rider/Bill Adjustment	(\$108,272)

5
6 A summary of the rate riders applicable to each group of customers is identified in Table 51 below.

7 **Table 51 – 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

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

3 The Group 1 DVAs disposition by customer group is identified in Table 52, below.

4 **Table 52 – Group 1 DVAs Disposition by Customer Group – Guelph Hydro RZ**

Description	Account	Amount
Low Voltage	1550	\$130,147
Smart Meter Entity Charge (Residential and GS<50kW Classes Only)	1551	(\$31,544)
Retail Transmission Network Charge	1584	\$2,726,734
Retail Transmission Connection Charge	1586	\$447,913
Disposition and Recovery/Refund of Regulatory Balances	1595	\$172,627
All Customers - DVA Rate Rider 1		\$3,445,877
Power	1588	\$732,101
Wholesale Market Service Charge excluding CBR	1580	\$1,374,083
All Customers ex WMPs - DVA Rate Rider 2		\$2,106,183
Wholesale Market Service Charge - CBR Class B	1580	(\$107,874)
Capacity Based Recovery - Transition Customers	1580	(\$398)
All Class B Customers ex WMPs - CBR B Rate Rider/Bill Adjustment		(\$108,272)
Global Adjustment - Non-RPP Class B Customers	1589	\$1,415,879
Global Adjustment - Transition Customers	1589	\$15,114
Class B Non-RPP Customers only - GA Rate Rider/Bill Adjustment		\$1,430,993
Total (Repayment to)/Recovery from Customers		\$6,874,781
Disposition via Rate Rider		\$6,860,065
Global Adjustment - Transition Customers		\$15,114
Capacity Based Recovery - Transition Customers		(\$398)

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 2021 actuals reported in Alectra Utilities
8 2021 RRRs have been used to calculate the rate riders as per the Chapter 3 Filing Requirements
9 issued by the OEB on May 24, 2022.

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 11. Alectra Utilities requests disposition of the
12 Guelph Hydro RZ adjusted Group 1 balances, through the rate riders identified in Table 53, below.

1 **Table 53 – 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	0.0035				0.0048		(0.0001)	
General Service Less Than 50 kW	0.0035				0.0048		(0.0001)	
General Service 50 To 999 kW		0.8206		0.4970	0.0048			(0.0467)
General Service 1,000 To 4,999 kW		1.5957			0.0048			(0.0591)
Large Use		1.7218						
Unmetered Scattered Load	0.0036				0.0048		(0.0001)	
Sentinel Lighting		1.3058						(0.0400)
Street Lighting		1.2901			0.0048			(0.0439)

2
3 **GA Analysis Workform**

4 The GA Analysis Workform (“GA Workform”) for the Guelph RZ is filed as Attachment 21. The GA
5 Workform compares the principal activity in the general ledger for Account 1589, Global
6 Adjustment to the expected principal balance based on monthly GA volumes, revenue and costs.
7 The GA Workform provides a tool to assess if the principal activity in Account 1589 for a specific
8 year is reasonable. Distributors are required to submit a GA Workform for each year that has not
9 previously been approved by the OEB for disposition. Alectra Utilities has completed the GA
10 Workform for 2021 for the Guelph Hydro RZ.

11 **GA 2021**

12 The principal activity in Account 1589 recorded in 2021 was \$817,526 as identified in Table 54
13 below. The principal activity balance, after known adjustments of \$563,259 was \$1,380,785. This
14 is compared to the expected principal balance in Account 1589 of \$1,288,390 calculated in
15 Attachment 21, which results in an unreconciled difference of \$92,396. This represents 0.38% of
16 Alectra Utilities 2021 IESO purchases in the Guelph RZ, which is within the OEB’s threshold (+/-
17 1% of IESO purchases).

18 **Table 54 – GA Workform Summary**

Description	Amount
Principal Activity in RSVA(GA)	\$817,526
Add Known Adjustments	\$563,259
Adjusted Principal Activity in RSVA(GA)	\$1,380,785
Expected Principal Activity in RSVA(GA)	\$1,288,390
Variance \$	\$92,396
Total 2021 IESO Purchases	\$24,043,493
Absolute Variance as a % of IESO Purchases	0.38%

19

1 **Account 1588**

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

6 The transactions in Account 1588 recorded in 2021 was (\$873,492) as identified in Table 55
7 below. The transactions, after principal adjustments of \$1,608,958 was \$735,465. This is
8 compared to the power purchased of \$88,253,663, which represents 0.83% of purchases, which
9 is within the OEB’s threshold of +/- 1%.

10 **Table 55 – Account 1588 Power Summary**

Description	Amount
Principal Activity in RSVA(Power)	(\$873,492)
Add Known Adjustments	\$1,608,958
Total Activity in 2021	\$735,465
Account 4705 - Power Purchased	\$88,253,663
Absolute Variance as a % of Power Purchased	0.83%

11

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.⁷ The
4 OEB approved 2022 RGCRP amounts for the Brampton, PowerStream and Enersource RZs in
5 Alectra Utilities' 2022 EDR Application. In response to OEB staff interrogatories in Alectra Utilities
6 2021 EDR Application (EB-2020-0002), OEB staff and Alectra Utilities updated the RGCRP
7 models to extend the calculations for the RGCRP payment amounts for each year between 2022
8 to 2026.⁸ Alectra Utilities' 2023 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 \$132,815 in 2023 or
17 \$11,068 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.

⁷ EB-2019-0018, Partial Decision and Interim Rate Order, dated December 12, 2019, pp.37-40

⁸ EB-2020-0002, IRR BRZ-Staff-16, PRZ-Staff-42, ERZ-Staff-30

1 Alectra Utilities is requesting to collect renewable generation funding of \$244,141 in 2023 or
2 \$20,345 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 \$141,007 or \$11,751 per month from all provincial ratepayers, as shown in Attachment 24.
15 There are no further additions over the 2022 to 2026 period, and therefore, no further true-ups
16 are required.

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 2020
4 and 2021 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 (“MENDM”) issued
21 a directive to the Independent Electricity System Operator (“IESO”) to discontinue the
22 Conservation First Framework (“CFF”) and associated Conservation and Demand Management
23 (“CDM”) activities. Pursuant to the Ministerial Directive, the IESO issued a Notice of Termination
24 of the Energy Conservation Agreement (“ECA”) to Alectra Utilities

25 On December 9, 2021, as a result of the COVID-19 pandemic, the MENDM issued a directive to
26 the IESO to extend the in-service deadlines and other contract-performance-related time periods
27 for CFF projects to August 31, 2022.

28 On December 20, 2021, the OEB issued the 2021 Conservation and Demand Management
29 Guidelines for Electricity Distributors (EB-2021-0106) (“2021 CDM Guidelines”) to replace the
30 2015 CDM Guidelines.

1 **LRAM Calculations**

2 On May 24, 2022, the OEB issued an updated version of its Chapter 3 Filing Requirements. The
3 updated filing requirements outline the OEB's expectations regarding the disposition of all
4 outstanding LRAM balances. Distributors not rebasing for 2023 rates who have complete
5 information on eligible savings (i.e., needing only to account for persistence of savings in future
6 years) may seek a rate adjustment on a prospective basis for all years until their next rebasing
7 application. Distributors that have CDM projects that have not come into service at the time of
8 filing due to the CFF extension, may delay the disposition of the LRAM balance for 2022 and
9 future years, but must dispose of the balances for all previous years.

10 Alectra Utilities has CDM projects which are subject to the CFF extension that have yet to come
11 into service. Currently, CDM activities remain under review and have not been finalized for several
12 CDM programs including, Retrofit, Save on Energy High Performance New Construction
13 Program, and Save on Energy Process & Systems Upgrade Program. In addition, the Save on
14 Energy Retrofit Program is operated under the Pay-For-Performance mechanism where actual
15 2022 savings are expected to be finalized and received from the IESO in 2023. As a result of
16 these factors, Alectra Utilities is only requesting the disposition of 2020 and 2021 LRAMVA
17 balances in this application. Alectra Utilities will request the disposition of LRAM balances for
18 2022 to 2026 in a future rate application.

19 Alectra Utilities is requesting approval for the recovery of lost revenues of \$19,292,631, including
20 carrying charges across its five RZs, which is above the materiality threshold for Alectra Utilities.
21 The materiality threshold, as defined by the OEB, is \$1 million for a distributor with a distribution
22 revenue requirement of more than \$200 million.

23 Alectra Utilities has determined the LRAMVA amount in accordance with the Board's 2012 CDM
24 Guidelines, 2015 CDM Guidelines, its 2016 Updated Policy in respect of peak demand savings,
25 2021 CDM Guidelines and the Chapter 3 Filing Requirements. Alectra Utilities has completed the
26 2023 LRAMVA work form provided by the OEB to calculate the variance between actual CDM
27 savings and forecast CDM savings. The LRAMVA work form is filed as a working Microsoft Excel
28 file as directed by the Board in the Chapter 3 Filing Requirements and is provided in Attachments
29 25 to 29. Alectra Utilities has not included peak demand (kW) savings from Demand Response

1 programs in its lost revenue calculation in accordance with Board's 2016 Updated Policy on the
2 calculation of peak demand savings.

3 Alectra Utilities engaged IndEco Strategic Consulting Inc. ("IndEco") to review and verify the
4 process and related calculations used for determining 2020 and 2021 CDM savings, including the
5 allocation of savings across rate zones and rate classes. IndEco confirmed the accuracy of the
6 amounts included in the LRAMVA workforms, and that the process of allocation the CDM savings
7 was appropriate. The IndEco letter is provided as Attachment 30.

8 In accordance with the Chapter 3 Filing Requirements, Alectra Utilities provides the following
9 information:

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

12 (ii) Alectra Utilities relied on its internal CDM-Information System ("CDM-IS") reports in
13 support of its LRAMVA claim from 2020 and 2021 programs. The CDM-IS reports,
14 provided as Attachment 31 and Attachment 32, contain energy savings for projects
15 completed and verified in 2020 and 2021. The CDM-IS reports include personal and
16 commercially sensitive information. In accordance with the Chapter 3 filing requirements,
17 Alectra Utilities has removed all personal information and commercially sensitive
18 information from the CDM-IS report;

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

1 Table 56, below provides a complete list of data sources for the 2020 and 2021 program
2 savings.

3 **Table 56: Data source for 2020 and 2021 program savings**

Program	Data Source	RZ
Save on Energy Retrofit Program – FCR	IESO online CDM Data Portal	ALL
Save on Energy Retrofit Program - P4P	IESO online CDM Data Portal	ALL
Save on Energy Residential New Construction Program	IESO measures list	PRZ
Save on Energy High Performance New Construction Program	Alectra Post Project Review Report	HRZ, PRZ, GRZ
Monitoring & Targeting Program	IESO Technical Reviewer ReportApplication	ERZ, GRZ
Save on Energy Energy Manager Program	IESO Technical Reviewer Report and Alectra Post Project Review Report	GRZ

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

9 (v) Alectra Utilities derived the allocation of the total program savings by rate zone and rate
10 class based on participant-specific information in the CDM-IS reports, which includes the
11 project location and rate class for each project;

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 2017 Final Verified Result Project List. A detailed
19 breakdown of the type of bulbs replaced and average demand per bulb (pre and post
20 upgrade) is provided in Tab 8 of the LRAMVA Workform. Alectra Utilities has relied on
21 reports from participating municipalities or third-party reports, where applicable, to validate
22 the number and type of bulbs replaced or retrofitted through the IESO program.

23 Alectra Utilities confirms that street light upgrades represent incremental savings
24 attributable to participation in the IESO’s CDM program. Alectra Utilities also confirms that

1 the associated street light energy savings have been inputted separately in 2020 and 2021
2 and the energy savings removed from the overall Retrofit program; and

3 (vii)The prior year program savings persisting in 2020 and 2021 are based on the IESO
4 Persistence Savings Reports and the Final Verified 2017 CDM Program Results Report.
5 These reports (2011-2014 Persistence Savings Reports; 2015 Annual Persistence
6 Reports; 2017 Final Verified CDM Program Results; and Participation and Cost Reports)
7 were filed in Alectra Utilities' 2021 EDR Application. The detailed calculation for prior year
8 savings persisting in 2020 and 2021, which is based on Tab "LDC Savings Persistence"
9 in the Final Verified 2017 CDM Program Results, is provided in Attachement 33.

10 Following a further review of the 2019 savings filed in the 2022 EDR Application (EB-2021-0005),
11 Alectra Utilities reported additional true up savings in 2019, based on the most up-to-date
12 information in the CDM-IS report, which included the 2019 projects with incentive paid to March
13 31, 2022. These projects were not previously included in the 2022 EDR Application for disposition.
14 The resulting persistence of the savings adjustments are included on a go-forward basis as part
15 of the 2020 and 2021 LRAMVA claims.

16 Alectra Utilities proposes to dispose of its 2022 to 2026 LRAMVA balance in a future rate
17 proceeding. Alectra Utilities identifies that the balance in Account 1568, LRAMVA, in Tab "3.
18 Continuity Schedule" does not match the amount being requested for disposition due to the
19 exclusion of the 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, 2020 to December
23 31, 2021 resulting from the following:

24 (i) 2014 to 2019 CDM persistence savings in 2020 and 2021; and

25 (ii) Incremental savings from IESO-funded CDM programs implemented in 2020 and 2021.

26 The total amount requested for disposition in the Horizon Utilities RZ is a debit of \$1,421,273
27 including forecasted carrying charges of \$29,601 through to December 31, 2022. Actual savings

1 from CDM activities for 2020 and 2021 was above the estimated projections used in the load
2 forecast resulting in an under-collection from customers during this period. Alectra Utilities’ most
3 recent application for the recovery of lost revenues due to CDM activities was filed in Alectra
4 Utilities 2022 EDR Application (EB-2021-0005). In that proceeding, the Board approved Alectra
5 Utilities’ request to recover lost revenues from CDM activities in 2019 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 57 identified
9 below.

10 **Table 57 – 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
2020	\$0.0000	\$0.0111	\$2.6595	\$1.4569	\$0.3454	\$5.2632	\$0.0136
2021	\$0.0000	\$0.0113	\$2.7100	\$1.4846	\$0.3520	\$5.3632	\$0.0139

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 2020 and 2021. The LRAMVA thresholds are provided in Tab “2. LRAMVA
15 Threshold” of the LRAMVA work form and in Table 58 identified below.

16 **Table 58 – LRAMVA Thresholds – Horizon Utilities RZ**

Year	Residential	GS<50 KW	General Service 50 To 4,999 KW
	kWh	kWh	kW
2020	25,640,593	8,037,776	207,346
2021	25,640,593	8,037,776	207,346

17
18 Alectra Utilities has calculated carrying charges on the LRAM amounts from January 1, 2020 to
19 December 31, 2022 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

1 for disposition is a recovery of \$1,421,273 representing a principal balance of \$1,391,672 and
2 carrying charges of \$29,601.

3 Alectra Utilities has provided a summary of its lost revenue calculations by year for each rate
4 class in Tables 59 and 60 below for, which is also provided in Tab “1. LRAMVA Summary” of the
5 LRAMVA work form.

6 **Table 59 – LRAMVA Totals by Rate Class – Horizon Utilities RZ**

Customer Class	Billing Unit	Principal (\$)	Carrying Charges (\$)	Total LRAMVA (\$)
Residential	kWh	\$0	\$0	\$0
GS<50 kW	kWh	\$898,594	\$19,133	\$917,728
General Service 50 To 4,999 KW	kW	(\$116,011)	(\$2,463)	(\$118,474)
Large Use	kW	\$60,055	\$1,276	\$61,331
Large Use Dedicated Assets	kW	\$64,524	\$1,363	\$65,887
Street Lighting	kW	\$387,284	\$8,226	\$395,511
Unmetered Scattered Load	kWh	\$97,225	\$2,065	\$99,290
Total		\$1,391,672	\$29,601	\$1,421,273

8 **Table 60 – 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	
2020 Actuals	\$0	\$540,538	\$494,173	\$29,824	\$30,875	\$191,820	\$48,082	\$1,335,314
2020 Forecast	\$0	(\$89,219)	(\$551,437)	\$0	\$0	\$0	\$0	(\$640,656)
2020 LRAM Balance	\$0	\$451,319	(\$57,263)	\$29,824	\$30,875	\$191,820	\$48,082	\$694,658
2021 Actuals	\$0	\$538,102	\$503,160	\$30,230	\$33,649	\$195,464	\$49,143	\$1,349,749
2021 Forecast	\$0	(\$90,827)	(\$561,908)	\$0	\$0	\$0	\$0	(\$652,735)
2021 LRAM Balance	\$0	\$447,275	(\$58,747)	\$30,230	\$33,649	\$195,464	\$49,143	\$697,015
Carrying Charges	\$0	\$19,133	(\$2,463)	\$1,276	\$1,363	\$8,226	\$2,065	\$29,601
Total LRAMVA Balance	\$0	\$917,728	(\$118,474)	\$61,331	\$65,887	\$395,511	\$99,290	\$1,421,273

9
10 The proposed rate riders that result from the disposition of Account 1568, LRAMVA, are identified
11 in Table 61 below and included in Tab “7. Calculation of Def-Var RR” in the RGM.

1 **Table 61 – LRAMVA Rate Riders – Horizon Utilities RZ**

Rate Class	Volumetric Rate Rider	Unit
Residential	\$0.0000	kWh
GS<50 kW	\$0.0017	kWh
General Service 50 To 4,999 KW	(\$0.0248)	kW
Large Use	\$0.1960	kW
Large Use Dedicated Assets	\$0.0359	kW
Unmetered Scattered Load	\$0.0092	kWh
Street Lighting	\$8.2719	kW

2
3 **Brampton RZ**

4 Alectra Utilities is seeking recovery of lost revenues for the period January 1, 2020 to December
5 31, 2021 resulting from the following:

6 (i) 2013 to 2019 CDM persistence savings in 2020 and 2021; and

7 (ii) Incremental savings from IESO-funded CDM programs implemented in 2020 and 2021.

8 The total amount requested for disposition in the Brampton RZ is a debit of \$3,258,083 including
9 forecasted carrying charges of \$67,842 through to December 31, 2022. Actual savings from CDM
10 activities for 2020 and 2021 was above the estimated projections used in the load forecast
11 resulting in an under-collection from customers during this period. Alectra Utilities' most recent
12 application for the recovery of lost revenues due to CDM activities was filed in Alectra Utilities'
13 2022 EDR Application (EB-2021-0005). In that proceeding, the Board approved Alectra Utilities'
14 request to recover lost revenues from CDM activities in 2019 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 62 identified
18 below.

1 **Table 62 – 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	Unmetered Scattered Load
	kWh	kWh	kW	kW	kW	kW	kWh
2020	\$0.0000	\$0.0174	\$2.9479	\$3.4221	\$2.5909	\$11.9826	\$0.0205
2021	\$0.0000	\$0.0177	\$3.0039	\$3.4871	\$2.6401	\$12.2103	\$0.0209

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 2020 and 2021. The LRAMVA thresholds are provided in Tab “2. LRAMVA
6 Threshold” of the LRAMVA work form and in Table 63 identified below.

7 **Table 63 – 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
2020	12,486,005	1,448,724	64,526	35,242
2021	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, 2020 to
10 December 31, 2022 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 \$3,258,083, representing a principal balance of \$3,190,241 and
13 carrying charges of \$67,842.

14 Alectra Utilities has provided a summary of its lost revenue calculations by year for each rate
15 class in Tables 64 and 65 below for, which is also provided in Tab “1. LRAMVA Summary” of the
16 LRAMVA work form.

1 **Table 64 – LRAMVA Totals by Rate Class – Brampton RZ**

Customer Class	Billing Unit	Principal (\$)	Carrying Charges (\$)	Total LRAMVA (\$)
Residential	kWh	\$0	\$0	\$0
GS<50 kW	kWh	\$1,029,942	\$21,909	\$1,051,852
General Service 50 To 699 KW	kW	\$748,363	\$15,925	\$764,288
General Service 700 To 4,999 KW	kW	\$388,753	\$8,272	\$397,025
Large Use	kW	\$128,397	\$2,729	\$131,126
Street Lighting	kW	\$863,712	\$18,346	\$882,058
Unmetered Scattered Load	kWh	\$31,075	\$660	\$31,735
Total		\$3,190,241	\$67,842	\$3,258,083

3 **Table 65 – 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	Unmetered Scattered Load	Total
	kWh	kWh	kW	kW	kW	kW	kWh	
2020 Actuals	-	\$539,662	\$564,779	\$315,137	\$63,804	\$427,791	\$15,387	\$1,926,561
2020 Forecast	-	(\$25,208)	(\$190,216)	(\$120,602)	-	-	-	(\$336,025)
2020 LRAM Balance	-	\$514,454	\$374,564	\$194,535	\$63,804	\$427,791	\$15,387	\$1,590,536
2021 Actuals	-	\$541,131	\$567,628	\$317,111	\$64,592	\$435,920	\$15,688	\$1,942,070
2021 Forecast	-	(\$25,642)	(\$193,829)	(\$122,893)	-	-	-	(\$342,364)
2021 LRAM Balance	-	\$515,489	\$373,799	\$194,218	\$64,592	\$435,920	\$15,688	\$1,599,706
Carrying Charges	-	\$21,909	\$15,925	\$8,272	\$2,729	\$18,346	\$660	\$67,842
Total LRAMVA Balance	-	\$1,051,852	\$764,288	\$397,025	\$131,126	\$882,058	\$31,735	\$3,258,083

5 The proposed rate riders that result from the disposition of Account 1568, LRAMVA, are identified
6 in Table 66 below and included in Tab “7. Calculation of Def-Var RR” in the RGM.

7 **Table 66 – LRAMVA Rate Riders – Brampton RZ**

Rate Class	Volumetric Rate Rider	Unit
Residential	\$0.0000	kWh
GS<50 kW	\$0.0033	kWh
General Service 50 To 699 KW	\$0.2410	kW
General Service 700 To 4,999 KW	\$0.2002	kW
Large Use	\$0.2148	kW
Unmetered Scattered Load	\$0.0053	kWh
Street Lighting	\$13.8462	kW

8

1 **PowerStream RZ**

2 Alectra Utilities is seeking recovery of lost revenues for the period January 1, 2020 to December
3 31, 2021 resulting from the following:

4 (i) 2015 to 2019 CDM persistence savings in 2020 and 2021; and

5 (ii) Incremental savings from IESO-funded CDM programs implemented in 2020 and 2021.

6 The total amount requested for disposition in the PowerStream RZ is a debit of \$6,596,984
7 including forecasted carrying charges of \$137,280 through to December 31, 2022. Actual savings
8 from CDM activities for 2020 and 2021 was above the estimated projections used in the load
9 forecast resulting in an under-collection from customers during this period. Alectra Utilities' most
10 recent application for the recovery of lost revenues due to CDM activities was filed in Alectra
11 Utilities 2022 EDR Application (EB-2021-0005). In that proceeding, the Board approved Alectra
12 Utilities' request to recover lost revenues from CDM activities in 2019 in the PowerStream RZ.

13 In calculating the lost revenue amounts by rate class, CDM verified savings (in kWh and kW) were
14 multiplied by the appropriate Board-approved variable distribution rates for the respective period
15 as provided in Tab "3. Distribution Rates" of the LRAMVA work form and in Table 67 identified
16 below.

17 **Table 67 – 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	kW	kW	kWh
2020	\$0.0000	\$0.0190	\$4.3654	\$2.3283	\$0.0202	\$10.2490	\$6.5653
2021	\$0.0000	\$0.0194	\$4.4483	\$2.3725	\$0.0206	\$10.4437	\$6.6900

18
19 PowerStream's LRAMVA threshold approved in its 2017 Custom of Service Application (EB-2015-
20 0003, Supplementary Exhibit H, Tab 2 and Interrogatory Response III-VECC-25) is used as the
21 comparator against actual savings for the lost revenue calculation for 2020 and 2021. The
22 LRAMVA thresholds are provided in Tab "2. LRAMVA Threshold" of the LRAMVA work form and
23 in Table 68 identified below.

1 **Table 68 – LRAMVA Thresholds – PowerStream RZ**

Year	Residential	GS<50 KW	General Service 50 To 4,999 KW	Street Lighting
	kWh	kWh	kW	kW
2020	32,226,368	26,548,154	264,157	40,558
2021	32,226,368	26,548,154	264,157	40,558

2
3 Alectra Utilities has calculated carrying charges on the LRAM amounts from January 1, 2020 to
4 December 31, 2022 in the LRAMVA work form using the OEB’s annual prescribed interest rates
5 as provided in Tab “6. Carrying Charges” of the LRAMVA work form. The total amount requested
6 for disposition is a recovery of \$6,596,984, representing a principal balance of \$6,459,704 and
7 carrying charges of \$137,280.

8 Alectra Utilities has provided a summary of its lost revenue calculations by year for each rate
9 class in Tables 69 and 70 below for, which is also provided in Tab “1. LRAMVA Summary” of the
10 LRAMVA work form.

11 **Table 69 – LRAMVA Totals by Rate Class – PowerStream RZ**

Customer Class	Billing Unit	Principal (\$)	Carrying Charges (\$)	Total LRAMVA (\$)
Residential	kWh	\$0	\$0	\$0
GS<50 kW	kWh	\$1,173,022	\$24,940	\$1,197,962
General Service 50 To 4,999 KW	kW	\$4,577,245	\$97,271	\$4,674,516
Large Use	kW	\$65,010	\$1,381	\$66,391
Unmetered Scattered Load	kWh	\$15,803	\$336	\$16,139
Sentinel Lighting	kW	\$1,527	\$32	\$1,560
Street Lighting	kW	\$627,096	\$13,320	\$640,416
Total		\$6,459,704	\$137,280	\$6,596,984

12

1 **Table 70 – 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	kW	kW	kWh	
2020 Actuals	\$0	\$1,088,626	\$3,426,181	\$32,199	\$7,824	\$756	\$576,873	\$5,132,459
2020 Forecast	\$0	(\$504,415)	(\$1,153,153)	\$0	\$0	\$0	(\$266,274)	(\$1,923,842)
2020 LRAM Balance	\$0	\$584,211	\$2,273,028	\$32,199	\$7,824	\$756	\$310,598	\$3,208,617
2021 Actuals	\$0	\$1,103,846	\$3,479,269	\$32,811	\$7,979	\$771	\$587,830	\$5,212,505
2021 Forecast	\$0	(\$515,034)	(\$1,175,052)	\$0	\$0	\$0	(\$271,332)	(\$1,961,418)
2021 LRAM Balance	\$0	\$588,812	\$2,304,218	\$32,811	\$7,979	\$771	\$316,498	\$3,251,087
Carrying Charges	\$0	\$24,940	\$97,271	\$1,381	\$336	\$32	\$13,320	\$137,280
Total LRAMVA Balance	\$0	\$1,197,962	\$4,674,516	\$66,391	\$16,139	\$1,560	\$640,416	\$6,596,984

2
 3 The proposed rate riders that result from the disposition of Account 1568, LRAMVA, are identified
 4 in Table 71 below and included in Tab “7. Calculation of Def-Var RR” in the RGM.

5 **Table 71 – LRAMVA Rate Riders – PowerStream RZ**

Rate Class	Volumetric Rate Rider	Unit
Residential	\$0.0000	kWh
GS<50 kW	\$0.0013	kWh
General Service 50 To 4,999 KW	\$0.3930	kW
Large Use	\$0.4052	kW
Unmetered Scattered Load	\$0.0012	kWh
Sentinel Lighting	\$2.1693	kW
Street Lighting	\$4.7760	kW

6
 7 **Enersource RZ**

8 Alectra Utilities is seeking recovery of lost revenues for the period January 1, 2020 to December
 9 31, 2021 resulting from the following:

10 (i) 2011 to 2019 CDM persistence savings in 2020 and 2021; and

11 (ii) Incremental savings from IESO-funded CDM programs implemented in 2020 and 2021.

12 The total amount requested for disposition in the Enersource RZ is a debit of \$6,126,127 including
 13 forecasted carrying charges of \$128,197 through to December 31, 2022. Actual savings from
 14 CDM activities for 2020 and 2021 was above the estimated projections used in the load forecast

1 resulting in an under-collection from customers during this period. Alectra Utilities’ most recent
2 application for the recovery of lost revenues due to CDM activities was filed in Alectra Utilities
3 2022 EDR Application (EB-2021-0005). In that proceeding, the Board approved Alectra Utilities’
4 request to recover lost revenues from CDM activities in 2019 in the Enersource RZ.

5 In calculating the lost revenue amounts by rate class, CDM verified savings (in kWh and kW) were
6 multiplied by the appropriate Board-approved variable distribution rates for the respective period
7 as provided in Tab “3. Distribution Rates” of the LRAMVA work form and in Table 72 identified
8 below.

9 **Table 72 – 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
2020	\$0.0000	\$0.0132	\$4.7991	\$2.4695	\$3.0651	\$11.9906	\$0.0170
2021	\$0.0000	\$0.0135	\$4.8903	\$2.5164	\$3.1233	\$12.2184	\$0.0173

10

11 Enersource’s LRAMVA threshold approved in its 2013 Custom of Service Application (EB-2012-
12 0033, Decision and Order, p.53) is used as the comparator against actual savings for the lost
13 revenue calculation for 2020 and 2021. The LRAMVA thresholds are provided in Tab “2. LRAMVA
14 Threshold” of the LRAMVA work form and in Table 73 identified below.

15 **Table 73 – 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	kWh	kW
2020	35,842,920	39,519,293	19,284	16,135	15,417	61,001
2021	35,842,920	39,519,293	19,284	16,135	15,417	61,001

16

17 Alectra Utilities has calculated carrying charges on the LRAM amounts from January 1, 2020 to
18 December 31, 2022 in the LRAMVA work form using the OEB’s annual prescribed interest rates
19 as provided in Tab “6. Carrying Charges” of the LRAMVA work form. The total amount requested
20 for disposition is a recovery of \$6,126,127, representing a principal balance of \$5,997,930 and
21 carrying charges of \$128,197.

1 Alectra Utilities has provided a summary of its lost revenue calculations by year for each rate
2 class in Tables 74 and 75 below for, which is also provided in Tab “1. LRAMVA Summary” of the
3 LRAMVA work form.

4 **Table 74 – LRAMVA Totals by Rate Class – Enersource RZ**

Customer Class	Billing Unit	Principal (\$)	Carrying Charges (\$)	Total LRAMVA (\$)
Residential	kWh	\$0	\$0	\$0
GS<50 kW	kWh	\$513,472	\$11,081	\$524,553
General Service 50 To 499 KW	kW	\$3,874,213	\$82,783	\$3,956,996
General Service 500 To 4,999 KW	kW	\$1,355,120	\$28,895	\$1,384,015
Large Use	kW	\$418,947	\$8,917	\$427,864
Street Lighting	kW	(\$209,952)	(\$4,460)	(\$214,412)
Unmetered Scattered Load	kWh	\$46,130	\$980	\$47,110
Total		\$5,997,930	\$128,197	\$6,126,127

6 **Table 75 – 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	
2020 Actuals	\$0	\$799,628	\$2,077,814	\$725,947	\$257,210	\$627,450	\$22,872	\$4,510,922
2020 Forecast	\$0	(\$521,655)	(\$92,546)	(\$39,845)	(\$47,255)	(\$731,439)	\$0	(\$1,432,739)
2020 LRAM Balance	\$0	\$277,973	\$1,985,268	\$686,102	\$209,955	(\$103,988)	\$22,872	\$3,078,183
2021 Actuals	\$0	\$769,009	\$1,983,250	\$709,620	\$257,144	\$639,371	\$23,258	\$4,381,651
2021 Forecast	\$0	(\$533,510)	(\$94,305)	(\$40,602)	(\$48,152)	(\$745,335)	\$0	(\$1,461,904)
2021 LRAM Balance	\$0	\$235,499	\$1,888,945	\$669,018	\$208,992	(\$105,964)	\$23,258	\$2,919,748
Carrying Charges	\$0	\$11,081	\$82,783	\$28,895	\$8,917	(\$4,460)	\$980	\$128,197
Total LRAMVA Balance	\$0	\$524,553	\$3,956,996	\$1,384,015	\$427,864	(\$214,412)	\$47,110	\$6,126,127

7
8 The proposed rate riders that result from the disposition of Account 1568, LRAMVA, are identified
9 in Table 76 below and included in Tab “7. Calculation of Def-Var RR” in the RGM.

1 **Table 76 – LRAMVA Rate Riders – Enersource RZ**

Rate Class	Volumetric Rate Rider	Unit
Residential	\$0.0000	kWh
GS<50 kW	\$0.0008	kWh
General Service 50 To 499 KW	\$0.7748	kW
General Service 500 To 4,999 KW	\$0.3215	kW
Large Use	\$0.2585	kW
Unmetered Scattered Load	\$0.0040	kWh
Street Lighting	(\$5.1592)	kW

3 **Guelph Hydro RZ**

4 Alectra Utilities is seeking recovery of lost revenues for the period January 1, 2020 to December
5 31, 2021 resulting from the following:

6 (i) 2014 to 2019 CDM persistence savings in 2020 and 2021; and

7 (ii) Incremental savings from IESO-funded CDM programs implemented in 2020 and 2021.

8 The total amount requested for disposition in the Guelph Hydro RZ is a debit of \$1,906,836
9 including forecasted carrying charges of \$39,556 through to December 31, 2022. Actual savings
10 from CDM activities for 2020 and 2021 was above the estimated projections used in the load
11 forecast resulting in an under-collection from customers during this period. Alectra Utilities’
12 predecessor, Guelph Hydro’s most recent application for the recovery of lost revenues due to
13 CDM activities was filed in Alectra Utilities’ 2022 EDR Application (EB-2021-0005). In that
14 proceeding, the Board approved Guelph Hydro’s request to recover lost revenues from CDM
15 activities in 2019.

16 In calculating the lost revenue amounts by rate class, CDM verified savings (in kWh and kW) were
17 multiplied by the appropriate Board-approved variable distribution rates for the respective period
18 as provided in Tab “3. Distribution Rates” of the LRAMVA work form and in Table 77 identified
19 below.

1 **Table 77 – Distribution Volumetric Rates – Guelph Hydro RZ**

Year	Residential	General GS<50 kW	General Service 50 to 999 kW	General Service 1,000 to 4,999 kW	Large Use	Unmetered Scattered Load	Street Lighting
	kWh	kWh	kW	kW	kW	kW	kWh
2020	\$0.0000	\$0.0144	\$2.8458	\$3.1591	\$2.8382	\$0.0230	\$10.5849
2021	\$0.0000	\$0.0147	\$2.8999	\$3.2191	\$2.8921	\$0.0234	\$10.7860

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 2020 and 2021. The LRAMVA thresholds are provided in Tab
6 “2. LRAMVA Threshold” of the LRAMVA work form and in Table 78 identified below.

7 **Table 78 – 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	kWh	kW
2020	4,365,766	1,133,691	8,871	1,546	40,432	2,344
2021	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, 2020 to
10 December 31, 2022 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 \$1,906,836, representing a principal balance of \$1,867,280 and
13 carrying charges of \$39,556.

14 Alectra Utilities has provided a summary of its lost revenue calculations by year for each rate
15 class in Tables 79 and 80 below for, which is also provided in Tab “1. LRAMVA Summary” of the
16 LRAMVA work form.

1 **Table 79 – LRAMVA Totals by Rate Class – Guelph Hydro RZ**

2

Customer Class	Billing Unit	Principal (\$)	Carrying Charges (\$)	Total LRAMVA (\$)
Residential	kWh	\$0	\$0	\$0
GS<50 kW	kWh	\$167,593	\$3,548	\$171,141
General Service 50 To 999 KW	kW	\$300,900	\$6,390	\$307,291
General Service 1,000 To 4,999 KW	kW	\$368,234	\$7,751	\$375,985
Large Use	kW	\$677,519	\$14,368	\$691,887
Street Lighting	kW	\$353,034	\$7,499	\$360,533
Sentinel Lighting	kW	\$0	\$0	\$0
Unmetered Scattered Load	kWh	\$0	\$0	\$0
Total		\$1,867,280	\$39,556	\$1,906,836

3

4 **Table 80 – 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	kWh	
2020 Actuals	\$0	\$97,692	\$174,128	\$177,741	\$447,116	\$199,664	\$1,096,340
2020 Forecast	\$0	(\$16,325)	(\$25,246)	(\$4,883)	(\$114,754)	(\$24,809)	(\$186,017)
2020 LRAM Balance	\$0	\$81,367	\$148,882	\$172,858	\$332,362	\$174,856	\$910,324
2021 Actuals	\$0	\$102,892	\$177,745	\$200,352	\$462,090	\$203,458	\$1,146,536
2021 Forecast	\$0	(\$16,665)	(\$25,726)	(\$4,976)	(\$116,933)	(\$25,280)	(\$189,580)
2021 LRAM Balance	\$0	\$86,227	\$152,019	\$195,376	\$345,157	\$178,178	\$956,956
Carrying Charges	\$0	\$3,548	\$6,390	\$7,751	\$14,368	\$7,499	\$39,556
Total LRAMVA Balance	\$0	\$171,141	\$307,291	\$375,985	\$691,887	\$360,533	\$1,906,836

5

6 The proposed rate riders that result from the disposition of Account 1568, LRAMVA, are identified
7 in Table 81 below and included in Tab “7. Calculation of Def-Var RR” in the IRM Model.

8 **Table 81 – LRAMVA Rate Riders – Guelph Hydro RZ**

Rate Class	Volumetric Rate Rider	Unit
Residential	\$0.0000	kWh
GS<50 kW	\$0.0013	kWh
General Service 50 To 999 KW	\$0.3107	kW
General Service 1,000 To 4,999 KW	\$0.3582	kW
Large Use	\$1.6413	kW
Street Lighting	\$35.5275	kW

9

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 82 to 91
 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 2023.

5 **Table 82 – Distribution Bill Impacts by Rate Class – Horizon Utilities RZ**

Distribution Bill Impacts				
Customer Class	Billing Units	Average Monthly Volume	2023 vs. 2022	
			\$	%
Residential	kWh	750	\$ 0.86	3.0%
GS<50	kWh	2,000	\$ 3.75	5.4%
GS>50	kW	250	\$ 31.04	2.8%
Large User	kW	5,000	\$ 1,532.98	4.5%
Large User with Dedicated Asset	kW	20,000	\$ 818.32	6.0%
Street Lighting	kW	4,974	\$ 24,730.33	20.3%

6 Table excludes the impact of HST & OER

7 **Table 83 – 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	\$ 5.04	4.0%
GS<50	kWh	2,000	\$ 14.27	4.4%
GS>50	kW	250	\$ 540.82	4.0%
Large User	kW	5,000	\$ 15,058.48	4.6%
Large User with Dedicated Asset	kW	20,000	\$ 53,272.32	4.5%
Street Lighting	kW	4,974	\$ 33,825.76	10.1%

8 Table excludes the impact of HST & OER

1 **Table 84 – Distribution Bill Impacts by Rate Class – Brampton RZ**

Distribution Bill Impacts				
Customer Class	Billing Units	Average Monthly Volume	2023 vs. 2022	
			\$	%
Residential	kWh	750	\$ 0.78	3.0%
GS<50	kWh	2,000	\$ 5.22	7.6%
GS>50 to 699	kW	500	\$ 107.35	6.0%
GS 700 to 4,999	kW	1,432	\$ 341.71	5.2%
Large User	kW	20,000	\$ 4,025.87	6.4%
Street Lighting	kW	7,922	\$ 74,901.48	38.7%

2 Table excludes the impact of HST & OER

3 **Table 85 – Total Bill Impacts by Rate Class – Brampton RZ**

Total Bill Impacts				
Customer Class	Billing Units	Average Monthly Volume	2023 vs. 2022	
			\$	%
Residential	kWh	750	\$ 5.02	4.1%
GS<50	kWh	2,000	\$ 16.10	5.1%
GS>50 to 699	kW	500	\$ 564.30	2.4%
GS 700 to 4,999	kW	1,432	\$ 1,895.43	2.4%
Large User	kW	20,000	\$ 62,287.87	5.0%
Street Lighting	kW	7,922	\$ 82,011.31	15.6%

4 Table excludes the impact of HST & OER

5 **Table 86 – Distribution Bill Impacts by Rate Class – PowerStream RZ**

Distribution Bill Impacts				
Customer Class	Billing Units	Average Monthly Volume	2023 vs. 2022	
			\$	%
Residential	kWh	750	\$ 0.83	2.7%
GS<50	kWh	2,000	\$ 3.91	5.3%
GS>50	kW	250	\$ 100.51	7.4%
Large User	kW	7,350	\$ 1,898.53	7.1%
Street Lighting	kW	1	\$ 4.20	46.0%

6 Table excludes the impact of HST & OER

1 **Table 87 – Total Bill Impacts by Rate Class – PowerStream RZ**

Total Bill Impacts				
Customer Class	Billing Units	Average Monthly Volume	2023 vs. 2022	
			\$	%
Residential	kWh	750	\$ 4.33	3.5%
GS<50	kWh	2,000	\$ 12.81	4.0%
GS>50	kW	250	\$ 250.83	2.3%
Large User	kW	7,350	\$ 19,027.70	5.4%
Street Lighting	kW	1	\$ 4.87	11.1%

2 Table excludes the impact of HST & OER

3 **Table 88 – Distribution Bill Impacts by Rate Class – Enersource RZ**

Distribution Bill Impacts				
Customer Class	Billing Units	Average Monthly Volume	2023 vs. 2022	
			\$	%
Residential	kWh	750	\$ 0.91	3.4%
GS<50	kWh	2,000	\$ 3.27	4.1%
GS>50 to 499	kW	230	\$ 132.41	9.6%
GS>500 to 4,999	kW	2,250	\$ 638.34	7.6%
Large User	kW	5,000	\$ 1,740.68	5.3%
Street Lighting	kW	0.10	\$ (0.14)	(5.0)%

4 Table excludes the impact of HST & OER

5 **Table 89 – Total Bill Impacts by Rate Class – Enersource RZ**

Total Bill Impacts				
Customer Class	Billing Units	Average Monthly Volume	2023 vs. 2022	
			\$	%
Residential	kWh	750	\$ 3.83	3.1%
GS<50	kWh	2,000	\$ 11.07	3.3%
GS>50 to 499	kW	230	\$ 109.63	0.8%
GS>500 to 4,999	kW	2,250	\$ 2,887.61	4.4%
Large User	kW	5,000	\$ 11,986.68	3.2%
Street Lighting	kW	0.10	\$ (0.13)	(1.8)%

6 Table excludes the impact of HST & OER

1 **Table 90 – Distribution Bill Impacts by Rate Class – Guelph Hydro RZ**

Distribution Bill Impacts				
Customer Class	Billing Units	Average Monthly Volume	2023 vs. 2022	
			\$	%
Residential	kWh	750	\$ 0.94	3.0%
GS<50	kWh	2,000	\$ 2.94	6.0%
GS>50 to 999	kW	500	\$ 136.38	7.8%
GS 1000 to 4,999	kW	1,000	\$ 333.90	8.3%
Large User	kW	7,500	\$ 7,648.26	26.6%
Street Lighting	kW	2,200	\$ 82,598.20	305.0%

2 Table excludes the impact of HST & OER

3 **Table 91 – Total Bill Impacts by Rate Class – Guelph Hydro RZ**

Total Bill Impacts				
Customer Class	Billing Units	Average Monthly Volume	2023 vs. 2022	
			\$	%
Residential	kWh	750	\$ 4.27	3.4%
GS<50	kWh	2,000	\$ 11.61	3.9%
GS>50 to 999	kW	500	\$ 2,257.60	9.4%
GS 1000 to 4,999	kW	1,000	\$ 5,580.59	9.3%
Large User	kW	7,500	\$ 23,788.26	4.6%
Street Lighting	kW	2,200	\$ 91,503.78	73.9%

Table excludes the impact of HST & OER

1 **ANALYSIS OF BILL IMPACTS OVER 10%**

2 Section 3.2.3 in the Chapter 3 filing Requirements states that “distributors are reminded that they
 3 must file a mitigation plan if total bill increases for any customer class exceed 10%”. This section
 4 addresses the need for a mitigation plan for customer classes with bill increases above the 10%
 5 threshold.

Table 92 – Summary Table of Impacts Above 10%

Rate Zone	Customer Class	Total Bill % Increase
Horizon RZ	Street Lighting	10.1%
Brampton RZ	Street Lighting	15.6%
PowerStream RZ	Street Lighting	11.1%
Guelph RZ	Street Lighting	73.9%

6
 7 As shown in Table 92 above, Alectra Utilities’ total bill impact in the Street Lighting rate class for
 8 the Horizon, Brampton, PowerStream and Guelph Hydro RZs exceed the OEB’s 10% threshold,
 9 primarily due to the disposition of LRAMVA balances from its CDM activities in 2020 and 2021.
 10 Alectra Utilities is clearing two years of balances, to align with the most recent guidance for the
 11 disposition of LRAMVA balances.

12 **Table 93 – Summary of LRAMVA Balances**

	2020 Balance	2021 Balance	Total (excluding carrying charge)
Horizon RZ	\$694,658	\$697,015	\$1,391,672
Brampton RZ	\$1,590,536	\$1,599,706	\$3,190,241
PowerStream RZ	\$3,208,617	\$3,251,087	\$6,459,704
Guelph RZ	\$910,324	\$956,956	\$1,867,280

13
 14 Table 93 above summarizes the total LRAMVA balances for each of the rate zones which have
 15 exceeded the 10% bill impact threshold. Alectra Utilities notes that the RGM calculated bill
 16 impacts are not reflective of the true bill impact the end customer will receive, as the RGM bill
 17 impact model only considers rate changes and does not contemplate changes in consumption
 18 and demand resulting from CDM initiatives. Therefore, the RGM bill impacts do not capture the
 19 benefit the customer will receive by paying lower electricity costs due to lower consumption and
 20 demand.

21 It is important to note when the latest Street Light LED conversion programs commenced and
 22 were completed. The latest Horizon RZ Street Lighting CDM Retrofit program commenced in
 23 January 2019, and ended in November 2019. The latest Brampton RZ Street Lighting CDM

1 Retrofit program commenced in April 2019, and ended in September 2020. The latest
2 PowerStream RZ Street Lighting CDM Retrofit program commenced in January 2019, and ended
3 in November 2020. The latest Guelph RZ Street Lighting CDM Retrofit program commenced in
4 October 2019, and ended in November 2020.

5 Alectra Utilities has completed an alternative bill impact analysis for the Horizon, Brampton,
6 PowerStream, and Guelph RZ Street Lighting class, submitted as Attachment 35. For this impact
7 analysis, Alectra Utilities has updated the billing determinants in the “Current OEB-Approved
8 Rates” columns based on 2017 or 2018 RRR values, and the billing determinants in the “Proposed
9 2023 Rates” columns based on the 2021 RRR values. The Horizon RZ commenced Street Light
10 CDM programs in 2018, which ended in 2019. The 2017 RRR and 2021 RRR data most accurately
11 reflects the usage before and after the implementation of these CDM programs. The Brampton,
12 PowerStream, and Guelph RZs commenced Street Light CDM programs in 2019, which ended in
13 2020. The 2018 RRR and 2021 RRR data most accurately reflects the usage before and after the
14 implementation of these CDM programs. The resulting impacts are broken out into rate and
15 volume variance columns to illustrate the impact of both rate changes and the decrease in load
16 from CDM initiatives. This analysis demonstrates that when changes to load are considered, the
17 Horizon, Brampton, PowerStream, and Guelph Hydro RZ Street Lighting classes will see total bill
18 increases which are less than 10%. The results of the analysis in Attachment 35 are summarized
19 in Table 94 below, which provides a comparison of the bill impact for the Street Lighting rate class,
20 pre and post the Retrofit program. Column ‘Total Bill Pre-Retrofit Program’ presents 2017/2018
21 RRR billing determinants at current rates; Column ‘Total Bill Post-Retrofit Program’ presents 2021
22 RRR billing determinants at the proposed 2023 rates.

23 **Table 94 – Summary of Alternative Bill Impacts**

	Total Bill Pre-Retrofit Program	Total Bill Post-Retrofit Program	Impact	% Impact
HRZ	\$551,200.00	\$397,415.71	(\$153,784.29)	-27.9%
BRZ	\$612,997.38	\$454,368.61	(\$158,628.77)	-25.9%
PRZ	\$820,327.71	\$855,091.43	\$34,763.73	4.2%
GRZ	\$148,880.65	\$97,982.89	(\$50,897.76)	-34.2%

24
25 Alectra Utilities submits no mitigation plan is necessary for the Horizon, Brampton, PowerStream,
26 and Guelph Hydro RZ Street Lighting Customer Class.