

Erie Thames Powerlines Corporation (“Erie Thames”)

EB-2014-0070

Application Analysis

1. Ref: Sheet 4 – Current Tariff Schedule

- a) Residential, General Service less than 50 kW, General Service 50 to 999 kW, General Service 1,000 to 4,999 kW, Large Use, Unmetered Scattered Load and Embedded Distributor Service Classification**

Board staff notes that Service Charge (per customer) does not match Erie Thames’ current Tariff of Rates and Charges. Staff believes the correct description is “Service Charge”. Please confirm and staff will make the necessary corrections.

- ***Erie Thames confirms that the description should be changed as noted above.***

- b) Residential, General Service less than 50 kW, General Service 50 to 999 kW, General Service 1,000 to 4,999 kW, Large Use, Street Lighting, Sentinel Lighting, Unmetered Scattered Load and Embedded Distributor Service classification**

Board staff notes that the “Rate Rider for Global Adjustment Sub-Account (2014) effective until April 30, 2016 Applicable only for Non-RPP Customers” does not match Erie Thames’ current tariff of Rates and Charges. Staff believes the correct description is “Rate Rider for Disposition of Global Adjustment Account (2014) – effective until April 30, 2016 Applicable only for Non-RPP Customers”. Please confirm and staff will make the necessary corrections.

- ***Erie Thames confirms that the description should be changed as noted above.***

c) Residential, General Service less than 50 kW, General Service 50 to 999 kW, Street Lighting and Sentinel Lighting Service Classification

i) Board staff notes that Erie Thames did not enter “One-time payment for Deferred PILs Variance Account 1562 Disposition – effective May 1, 2014 Applicable for each customer or connection in the former service area of Clinton Power” as in Erie Thames’ current tariff of Rates and Charges. Please confirm and staff will make the necessary corrections.

- ***Erie Thames did not enter the one-time payment since it was not an ongoing monthly charge applicable to all customers and the IRM rate generator model would treat it as such.***
- ***Effectively the noted one-time payment expired after the first billing following the rate approval.***
- ***By including it the rate the model would assume it was a refund applied to all customers on a monthly basis and calculate the associated bill impacts with a monthly rebate included.***

ii) Board staff notes that Erie Thames did not enter “One-time payment for Deferred PILs Variance Account 1562 Disposition – effective May 1, 2014 Applicable for each customer or connection in the former service area of West Perth Power” as in Erie Thames’ current Tariff of Rates and Charges. Please confirm and staff will make the necessary corrections.

- ***Erie Thames did not enter the one-time payment since it was not an ongoing monthly charge applicable to all customers and the IRM rate generator model would treat it as such.***
- ***Effectively the noted one-time payment expired after the first billing following the rate approval.***
- ***By including it the rate the model would assume it was a refund applied to all customers on a monthly basis and calculate the associated bill impacts with a monthly rebate included.***

d) General Service Less Than 50 kW Service Classification

Board staff notes that the units are missing for:

- i) Rate Rider for the Disposition of Deferred PILs Variance account 1562 effective until April 30 2015 applicable in the service area excluding the former service areas of Clinton Power and West Perth Power – (0.0016). Staff believes the correct unit is “\$/kWh”. If this is an error, Board staff will make the necessary correction.
 - ***Erie Thames confirms that the correct unit is \$/kWh.***
- ii) Rate Rider for Global Adjustment Account (2014) effective until April 30, 2016 Applicable only for Non-RPP Customers – 0.0015. Staff believes the correct unit is “\$/kWh”. If this is an error, Board staff will make the necessary correction.
 - ***Erie Thames confirms that the correct unit is \$/kWh.***
- iii) Rate Rider for Deferral/Variance Account Disposition (2014) effective until April 30, 2016 – (0.0037). Staff believes the correct unit is “\$/kWh”. If this is an error, Board staff will make the necessary correction.
 - ***Erie Thames confirms that the correct unit is \$/kWh.***

e) General Service 1,000 to 4,999 kW Service Classification

Board staff notes that the units are missing for:

- i) Rate Rider for the Disposition of Deferred PILs Variance account 1562 effective until April 30 2015 applicable in the service area excluding the former service areas of Clinton Power and West Perth Power – (0.1650). Staff believes the correct unit is “\$/kW”. If this is an error, Board staff will make the necessary correction.
 - ***Erie Thames confirms that the correct unit is \$/kW.***
- ii) Rate Rider for Global Adjustment Account (2014) effective until April 30, 2016 Applicable only for Non-RPP Customers – 1.0980. Staff believes the correct unit is “\$/kW”. If this is an error, Board staff will make the necessary correction.
 - ***Erie Thames confirms that the correct unit is \$/kW.***
- iii) Rate Rider for Deferral/Variance Account Disposition (2014) effective until April 30, 2016 – (2.6210). Staff believes the correct unit is “\$/kW”. If this is an error, Board staff will make the necessary correction.

- ***Erie Thames confirms that the correct unit is \$/kW.***

f) Street Lighting and Sentinel Lighting Service Classification

Board staff notes that “Service Charge (per customer)” does not match Erie Thames’ current Tariff of Rates and Charges. Staff believes the correct description is “Service Charge (per connection)”. Please confirm and staff will make the necessary corrections.

- ***Erie Thames confirms that the correct description is Service Charge (per connection) as indicated above.***

g) Unmetered Scattered Load Service Classification

i) Board staff notes that Erie Thames did not enter “One-time payment for Deferred PILs Variance Account 1562 Disposition – effective May 1, 2014 Applicable for customers or connections in the former service area of West Perth Power” as in Erie Thames’ current Tariff of Rates and Charges. Please confirm and staff will make the necessary corrections.

- ***Erie Thames did not enter the one-time payment since it was not an ongoing monthly charge applicable to all customers and the IRM rate generator model would treat it as such.***
- ***By including the rate the model would assume it was a refund applied to all customers monthly and calculate the associated bill impacts with a monthly rebate included.***

ii) Board staff notes that the “Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until December 31, 2014 and applicable in the service area excluding the former service areas of Clinton and West Perth Power” does not match Erie Thames’ current tariff of Rates and Charges. Staff believes the correct description is “Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until December 31, 2014 and applicable in the service area excluding the former service area of Clinton Power”. Please confirm and staff will make the necessary corrections.

- ***Erie Thames confirms the description should be updated as indicated above.***

2. Ref: Sheet 5 – 2014 Continuity Schedule

a) Part of Sheet 5 shows amounts in account 1590 “Recovery of Regulatory Asset Balances”. Please state why these amounts were included under Account 1590, which has been discontinued, rather than in Account 1595.

- ***The balance remaining in 1590 “Recovery of Regulatory Asset Balances” is the residual balance after the 2013 approval for disposition in 2014. Erie Thames only moved the approved disposition balance to 1595. The residual balance was reported in the 2015 IRM Rate Generator under account 1590 to balance to the 2013 2.1.7 balance.***

b) Please reconcile the amount with the equivalent amount in Reporting and Record-keeping Requirements (RRR) Report 2.1.7 Trial Balance.

- ***Erie Thames found an error in column AM in row # 30 (1590 – Recovery of Regulatory Asset Balances) to account for the unreconciled amount of \$65. The amount of \$45,377 should be \$45,311.***

3. Account 1595 – Disposition and Recovery/Refund of Regulatory Balances

		2014			
Account Descriptions	Account Number	Principal Disposition during 2014 - instructed by Board	Interest Disposition during 2014 - instructed by Board	Closing Principal Balances as of Dec 31-13 Adjusted for Dispositions during 2014	Closing Interest Balances as of Dec 31-13 Adjusted for Dispositions during 2014
Group 1 Accounts					
LV Variance Account	1550	(398,823)	(34,085)	255,353	4,698
Smart Metering Entity Charge Variance	1551			11,484	260
RSVA - Wholesale Market Service Charge	1580	(1,125,198)	(23,563)	(290,782)	5,247
RSVA - Retail Transmission Network Charge	1584	(2,372,931)	(64,192)	210,100	15,836
RSVA - Retail Transmission Connection Charge	1586	(112,299)	39,908	565,641	3,162
RSVA - Power (excluding Global Adjustment)	1588	287,447	37,534	1,262,852	42,830
RSVA - Global Adjustment	1589	821,612	67,198	(732,081)	17,154
Recovery of Regulatory Asset Balances	1590	(8,214)	(41,882)	45,376	174
Disposition and Recovery/Refund of Regulatory Balances (2008) ⁴	1595			0	0
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁴	1595			0	0
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁴	1595			0	0
Disposition and Recovery/Refund of Regulatory Balances (2011) ⁴	1595	400,904	19,281	0	(7,858)
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁴	1595			0	0
RSVA - Global Adjustment	1589	821,612	67,198	(732,081)	17,154
Total Group 1 Balance excluding Account 1589 - Global Adjustment		(3,329,114)	(66,999)	2,060,024	64,349
Total Group 1 Balance		(2,507,502)	199	1,327,943	81,503
LRAM Variance Account	1568	0	0	0	0
Total including Account 1568		(2,507,502)	199	1,327,943	81,503

The above portion of Sheet 5 “2014 Continuity Schedule” shows amount of \$400,904 and \$19,281 being recovered in 2011.

Table below from Erie Thames’ 2014 IRM Decision and Rate Order (EB-2013-0126) which identifies the principal and interest amounts approved for disposition shows these amounts as related to 2010. Please explain why they are included in 2011 in Sheet 5 above.

- ***Erie Thames confirms that the amounts shown in 2011 – Disposition and Recovery of \$400,904 and \$19,281 should be included in the 2010 row not the 2011 row.***

Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance A	Interest Balance B	Total Claim C = A + B
LV Variance Account	1550	-\$398,823	-\$34,085	-\$432,908
RSVA - Wholesale Market Service Charge	1580	-\$1,125,198	-\$23,564	-\$1,148,761
RSVA - Retail Transmission Network Charge	1584	-\$2,372,931	-\$64,192	-\$2,437,123
RSVA - Retail Transmission Connection Charge	1586	-\$112,299	\$39,908	-\$72,391
RSVA - Power	1588	\$287,447	\$37,534	\$324,981
RSVA - Global Adjustment	1589	\$821,612	\$67,198	\$888,810
Recovery of Regulatory Asset Balances	1590	-\$8,214	-\$41,882	-\$50,096
Disposition and Recovery of Regulatory Balances (2010)	1595	\$400,904	\$19,281	\$420,185
Total Group 1 Excluding Global Adjustment – Account 1589		-\$3,329,113	-\$67,000	-\$3,396,113
Total Group 1		-\$2,507,501	\$198	-\$2,507,303

4. Class A Consumers/Market Participants

Chapter 3 of the Filing Requirements notes that “distributors must establish separate rate riders to recover the balances in the RSVAs from Market Participants (“MPs”) who must not be allocated the RSVA account balances related to charges for which the MPs settle directly with the IESO (e.g. wholesale energy, wholesale market services).”

Chapter 3 of the Filing Requirements also note that “distributors who serve Class A customers per O.Reg 429/04 (i.e. customers greater than 5 MW) must propose an appropriate allocation for the recovery of the global adjustment variance balance based on their settlement process with the IESO.

- a) Please confirm whether or not Erie Thames serves any consumers that are Wholesale Market Participants (“WMPs”).
- i. If yes:
 - i. Have these consumers been WMPs throughout the entire time over which variances accumulated in the RSVA accounts proposed for disposition?
 - ii. Please confirm that RSVA account balances have not been allocated to WMP customers as they settle these charges directly with the IESO.
 - ***Erie Thames does not serve any customers that are Wholesale Market Participants.***
- b) Please confirm whether or not Erie Thames serves any class A consumers that settle energy charges directly with Erie Thames. If yes, please explain how balances in account 1589 (Global Adjustment) have been allocated to these consumers.
- ***Erie Thames does serve one Class A consumer that settles energy charges directly with Erie Thames.***
 - ***Balances of 1589 GA have been allocated to these customers based upon values derived from ETPL’s last agreed to Cost of Service application, EB-2012-0121.***
 - ***According to the settlement agreement appendix P the balances of account 1589 GA were allocated based upon non RPP kWh’s.***
 - ***The model directs ETPL to use its most recent board approved volumetric forecast which is what ETPL has used in this filing.***