

Essex Powerlines Corporation (EB-2014-0301 & EB-2014-0072)

Compendium

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TAB 1

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April 7, 2015

VIA COURIER, EMAIL AND RESS

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Essex Powerlines Corporation
Response to Interrogatories
Board File No. EB-2014-0072 & EB-2014-0301**

We are co-counsel to the Applicant, Essex Powerlines Corporation ("EPL"), in the above noted proceeding.

Please find attached EPL's Responses to Interrogatories pursuant to the Partial Decision and Procedural Order No. 3 dated March 25, 2015. Please note, the response to SEC Question #4 has been filed under separate cover pursuant to the Board's Practice Direction on Confidential filings.

If there are any questions, please contact the undersigned.

Yours very truly,

AIRD & BERLIS LLP



Scott Stoll

SAS/bm

cc: Case Manager, Georgette Vlahos (via email)
Board Counsel, Richrad Lanni (via email)
All Intervenors (via email)
Co-Counsel, George Vegh

Encl.

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Responses to Board Staff Supplemental Questions

With respect to the deferral and variance account (DVA) continuity schedule:

1. Please provide an updated DVA continuity schedule beginning from January 1, 2010 for the requested disposition of 2013 Group 1 DVAs reflecting this Partial Decision:
 - a. With no adjustments to the 2011 and 2012 balances of Accounts 1588 and 1589;

Response:

Please refer to Rate Generator file (Exhibit 1). As requested, there are no adjustments to the 2011 and 2012 balances of Accounts 1588 and 1589 in the updated Tab 5. 2014 Continuity Schedule.

- b. With correcting adjustments to the 2013 balances of Accounts 1588 and 1589 made in the Other Adjustment column;

Response:

Please refer to the updated Tab 5. 2014 Continuity Schedule (Exhibit 1 - cells AR29 and AR30 respectively) for the correcting adjustments to the 2013 balances of Accounts 1588 and 1589.

- c. With the inclusion of the credit balance in Account 1590, to be disposed over a one-year period commencing May 1, 2015; and

Response:

Please refer to the updated Tab 5. 2014 Continuity Schedule (Exhibit 1 –cell BE31) which indicates the credit balance in Account 1590 to be disposed of over a one-year period commencing May 1, 2015.

- d. With the inclusion of any true-up of the residual balance in Account 1595 (2012) (i.e. for the rate riders which have already expired).

Response:

Please refer to the updated Tab 5. 2014 Continuity Schedule (Exhibit 1 – cells AM36 and AU36) which indicates the true-up of the residual balance in Account 1595 (2012).

2. If there any differences between the 2013 RRR balances and the DVA continuity schedule balances, please explain.

Response:

Yes, there are differences between the 2013 RRR balances and the DVA continuity schedule balances. Essex Powerlines Corporation ("EPLC") has identified three issues that cause these difference and the reasons are identified in Table 1 and explained below:

Table 1

Account Number	DEC 31/13 2.1.7 RRR	DVA Continuity Schedule	Variance	Explanation
1550	1,338,519	1,359,168	20,649	The OEB approved 2012 disposition was not moved into 1595 until 2014. Please refer to item i).
1551	46,735	46,737	2	
1580	(4,490,491)	(3,489,832)	1,000,659	The OEB approved 2012 disposition was not moved into 1595 until 2014. Please refer to item i).
1584	187,817	(1,000,422)	(1,188,239)	The OEB approved 2012 disposition was not moved into 1595 until 2014. Please refer to item i).
1586	(2,650,884)	(2,317,001)	333,883	The OEB approved 2012 disposition was not moved into 1595 until 2014. Please refer to item i).
1588	15,548,194	7,488,461	(8,059,733)	The OEB approved 2012 disposition was not moved into 1595 until 2014. Variance also includes a correction for RPP/Non-RPP allocation. Please refer to item i) & ii).
1589	(14,209,341)	(4,479,934)	9,729,407	The OEB approved 2012 disposition was not moved into 1595 until 2014. Variance also includes a correction for RPP/Non-RPP allocation. Please refer to item i) & ii).
1590	0	(1,477,327)	(1,477,327)	Account balances in 1590 were not used in the calculation of rate riders and therefore not refunded to customers. Please refer to item iii).
1595	1,215,169	(231,191)	(1,446,360)	Account balances for 1590 were reported in Account 1595 for RRR 2.1.7 reporting purposes. Also the OEB approved 2012 disposition was not moved to 1595 until 2014. Please refer to items i) & iii).

- i) **1595 Allocation:** The 2012 OEB approved disposition amounts that were subsequently moved into the 1595 account and resulted in overstated/understated amounts in accounts 1550, 1580, 1584, 1586, 1588, 1589, 1590 and 1595.
- ii) **RPP & Non-RPP Global Adjustment Allocation:** As per OEB Appendix A question 1 b), a correcting adjustment of \$6,419,261 was made in cells AR29 and AR30 respectively in order to correct for the RPP and non-RPP allocation differences in Accounts 1588 and 1589.
- iii) **1590 Disposition:** A rate rider was not created for the disposition of approved 2012 balances in account 1590. Therefore the approved amount was not refunded to customers. As instructed in OEB Appendix A 1 c), EPLC has brought the 1590 balance forward to be disposed of in one year effective May 1st, 2015.

3. If there are any differences between the Board approved December 31, 2012 principal and interest balances in EB-2013-0128 and the balances in the DVA continuity schedule, please explain.

Response:

Yes, there are differences between the Board approved December 31, 2012 principal and interest balances in EB-2013-0128 and the balances in the OEB DVA continuity schedule. These differences relate to the 1595 Allocation (as described in 2 i) above) and are identified and explained in Table 2 below:

Table 2

Account Number	EB-2013-0128	DVA Continuity Schedule	Variance	Explanation
1550	714,909	735,558	(20,649)	The OEB approved 2012 disposition was not moved into 1595 until 2014. Please refer to Table 1, item i).
1580	(3,655,463)	(2,657,175)	(998,288)	The OEB approved 2012 disposition was not moved into 1595 until 2014. Please refer to Table 1, item i).
1584	372,455	(815,784)	1,188,239	The OEB approved 2012 disposition was not moved into 1595 until 2014. Please refer to Table 1, item i).
1586	(1,289,358)	(955,474)	(333,884)	The OEB approved 2012 disposition was not moved into 1595 until 2014. Please refer to Table 1, item i).
1588	9,428,584	7,738,112	1,690,472	The OEB approved 2012 disposition was not moved into 1595 until 2014. Please refer to Table 1, item i). Also included in this difference is a subsequently identified \$50k adjustment.
1589	(8,626,407)	(5,316,260)	(3,310,147)	The OEB approved 2012 disposition was not moved into 1595 until 2014. Please refer to Table 1, item i).
1590	(1,452,494)	(1,452,494)	0	The OEB approved 2012 disposition was not moved into 1595 until 2014. Please refer to Table 1, item i).

4. Provide a summary consumption report by customer class supporting the correct allocation between RPP and non-RPP for 2011, 2012 and 2013.

Response:

Tables 3-5 below provide a summary consumption report by customer class supporting the correct allocation between RPP and non-RPP for 2011, 2012 and 2013.

Table 3

2011	Billed Consumption	RPP	Non-RPP	RPP %	Non-RPP %
January	46,067,388.39	25,799,334.33	20,268,054.06	56.00%	44.00%
February	55,202,119.48	32,496,423.51	22,705,695.97	58.87%	41.13%
March	47,978,186.78	28,169,925.21	19,808,261.57	58.71%	41.29%
April	41,428,763.41	22,008,832.84	19,419,930.57	53.12%	46.88%
May	40,499,858.57	22,070,482.07	18,429,376.50	54.50%	45.50%
June	42,204,299.54	22,374,656.91	19,829,642.63	53.02%	46.98%
July	44,231,884.35	24,493,714.93	19,738,169.42	55.38%	44.62%
August	63,856,684.08	38,188,533.03	25,668,151.05	59.80%	40.20%
September	66,522,682.57	42,647,643.89	23,875,038.68	64.11%	35.89%
October	49,684,116.62	24,905,077.06	24,779,039.56	50.13%	49.87%
November	38,264,112.32	17,720,325.89	20,543,786.43	46.31%	53.69%
December	31,997,664.89	16,632,246.20	15,365,418.69	51.98%	48.02%
Total	567,937,761.00	317,507,195.87	250,430,565.13	55.91%	44.09%

Table 4

2012	Billed Consumption	RPP	Non-RPP	RPP %	Non-RPP %
January	52,750,108.55	32,421,100.47	20,329,008.08	61.46%	38.54%
February	49,619,002.75	30,169,266.19	19,449,736.56	60.80%	39.20%
March	40,108,335.22	22,998,273.51	17,110,061.71	57.34%	42.66%
April	33,441,380.23	17,501,181.79	15,940,198.44	52.33%	47.67%
May	47,101,848.04	29,308,041.95	17,793,806.09	62.22%	37.78%
June	38,470,606.56	20,613,446.19	17,857,160.37	53.58%	46.42%
July	55,076,364.45	34,213,509.50	20,862,854.95	62.12%	37.88%
August	64,274,550.42	41,756,810.19	22,517,740.23	64.97%	35.03%
September	51,624,934.00	30,064,589.94	21,560,344.06	58.24%	41.76%
October	50,336,603.34	29,358,537.46	20,978,065.88	58.32%	41.68%
November	39,774,126.33	21,940,860.57	17,833,265.76	55.16%	44.84%
December	41,620,857.64	23,285,597.58	18,335,260.06	55.95%	44.05%
Total	564,198,717.53	333,631,215.34	230,567,502.19	59.13%	40.87%

Table 5

2013	Billed Consumption	RPP	Non-RPP	RPP %	Non-RPP %
January	49,529,549.32	32,128,083.96	17,401,465.36	64.87%	35.13%
February	44,335,514.04	26,567,530.02	17,767,984.02	59.92%	40.08%
March	44,911,511.38	26,217,765.35	18,693,746.03	58.38%	41.62%
April	40,432,858.92	22,770,951.89	17,661,907.03	56.32%	43.68%
May	39,105,575.49	22,522,833.69	16,582,741.80	57.59%	42.41%
June	38,321,811.88	22,173,268.10	16,148,543.78	57.86%	42.14%
July	47,582,839.11	28,631,787.67	18,951,051.44	60.17%	39.83%
August	56,250,242.72	34,724,124.69	21,526,118.03	61.73%	38.27%
September	52,563,891.53	31,775,075.53	20,788,816.00	60.45%	39.55%
October	49,318,539.68	28,296,623.25	21,021,916.43	57.38%	42.62%
November	40,677,366.34	21,994,596.88	18,682,769.46	54.07%	45.93%
December	37,238,417.11	19,701,657.43	17,536,759.68	52.91%	47.09%
Total	540,268,117.52	317,504,298.46	222,763,819.06	58.77%	41.23%

With respect to Account 1595 (2014), which is not included in the DVA continuity schedule:

- Please provide the residual balance in Account 1595 (2014) (i.e. the remainder after the 2014 DVA rate riders were stopped in February 2015).

Response:

Please see the residual balance in Account 1595 (2014) outlined in Table 6 below.

Table 6

Account Number	Total Approved Disposition	Actual Recovery - May 1 2014 to Jan 31 2015	Residual Amounts
1550	727,886	518,509	209,377
1580	(3,720,954)	(2,650,620)	(1,070,334)
1584	378,816	269,849	108,967
1586	(1,312,577)	(935,014)	(377,563)
1588	9,603,767	6,841,167	2,762,600
1589	(8,786,415)	(6,132,938)	(2,653,477)
Total 1595 Balances	(3,109,477)	(2,089,045)	(1,020,432)
1590	(1,483,365)	-	(1,483,365)
Total Approved Balances	(4,592,842)	(2,089,045)	(2,503,797)

6. Confirm the credit balance in Account 1590 is excluded from Account 1595 (2014) (i.e.: as it is already included in the DVA continuity schedule referenced above).

Response:

EPLC confirms the credit balance in Account 1590 is excluded from Account 1595 (2014). Please refer to Table 6 above for additional information.

7. Provide the proposed correction of the RPP and non-RPP misallocation to the residual balance in Account 1595 (2014) and explain how the proposed correction was calculated.

Response:

Please see Tables 7-9 below for the proposed correction (related to the RPP and non-RPP misallocation) to the residual balance in Accounts 1595 (2014). These values were determined by first calculating the difference between the OEB approved 2014 disposition and the amounts actually collected/paid between May 1st, 2014 to January 31st, 2015. Table 7 outlines this calculation. The amount collected represents approximately 71% (1588) and 70% (1589) of the total approved respectively.

Based on the corrected allocations between RPP and non-RPP outlined in the response to question 4 above, EPLC determined the corrected allocations would have resulted in a reduction in the OEB approved 2014 disposition in the amount of \$5,178,750 in account 1588 and a corresponding increase of \$5,178,750 in account 1589. Applying the same 71% and 70% proportionate share values determined above, EPLC was able to determine the misallocation figures described in Table 8 below. Table 9 subtracts the amounts that were a result of the misallocation (Table 8) from the approved amounts (Table 7) and shows the corrected values that will carry forward to the next rate disposition period.

Table 6

Account	Approved Disposition incl Principal & Interest	Actual Recovery - May 1 2014 to Jan 31 2015	Residual Amounts
Cost of Power - 1588	9,603,767	6,841,167	2,762,600
Global Adjustment - 1589	(8,786,415)	(6,132,938)	(2,653,477)

Table 7

Account	Misallocation Incl in Approved Amt	Misallocation Recovered in Rates - May 1 2014 to Jan 31 2015	Estimated Remaining Misallocation
Cost of Power - 1588	5,178,750	3,689,041	1,489,709
Global Adjustment - 1589	(5,178,750)	(3,614,779)	(1,563,971)

Table 9

Account	Corrected Principal & Interest	Corrected Recovered in Rates - May 1 2014 to January 31 2015	Corrected Residual Amounts
Cost of Power - 1588	4,425,017	3,152,126	1,272,891
Global Adjustment - 1589	(3,607,665)	(2,518,159)	(1,089,506)

With respect to the potential new rate riders and bill impacts:

8. Please provide a one-page summary of the calculated rate riders for each of the following:
 - a. Disposition of the 2013 Group 1 DVA balances by customer class, excluding Accounts 1588 and 1589. Please provide rate riders based on a one-year period effective May 1, 2015;

Response:

Rate riders based on disposition of the 2013 Group 1 DVA balances by customer class, excluding Accounts 1588 and 1589 for a one-year period effective May 1st, 2015 are provided in Table 10.

Table 10

Please indicate the Rate Rider Recovery Period (in years)

Rate Class	Unit	Billed kWh or kVA	Balance of Accounts Allocated by kWh/kW (RPP) or Distribution Revenue	Variance Account Rate Rider	Allocation of Balance in Account 1589	Billed kWh or Estimated kW for Non-RPP Customers	Global Adjustment Rate Rider	Allocation of Account 1588	Account 1588 Rate Rider
RESIDENTIAL	\$/kWh	251,655,122	(1,563,673)	(0.0062)	0	49,171,885	0.0000		
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	65,841,765	(420,640)	(0.0064)	0	11,417,536	0.0000		
GENERAL SERVICE 50 TO 2,999 KW	\$/kW	170,033,148	445,345	(1,125,909)	(2.5282)	0	427,102	0.0000	
GENERAL SERVICE 3,000 TO 4,999 KW	\$/kW		(111,760)	0.0000	0	0	0.0000		
UNMETERED SCATTERED LOAD	\$/kWh	1,581,327	(9,721)	(0.0061)	0	309,879	0.0000		
SENTINEL LIGHTING	\$/kW	323,368	903	(2,249)	(2.4911)	0	128	0.0000	
STREET LIGHTING	\$/kW	6,259,173	18,995	(37,441)	(1.9711)	0	6,792	0.0000	
microFIT									
Total		495,693,903	465,243	(3,271,393)	0	61,333,323		0	

- b. Disposition of the 2013 Account 1588 balance (only) by customer class. Please provide rate riders based on a one to four year disposition period, effective May, 2015;

Response:

Rate riders based on disposition of the 2013 Account 1588 balance (only) by customer class based on a one to four year period effective May 1st, 2015 are provided in Tables 11-14 below.

Table 11

Please indicate the Rate Rider Recovery Period (in years)

1

Rate Class	Unit	Billed kWh or kVA	Accounts Allocated by kWh/kW (RPP) or Distribution	Deferral/Variance Account Rate Rider	Allocation of Balance in Account 1589	Billed kWh or Estimated kW for Non-RPP Customers	Global Adjustment Rate Rider	Allocation of Account 1588	Account 1588 Rate Rider
RESIDENTIAL	\$/kWh	251,655,122	(1,092,249)	(0.0043)	0	49,171,885	0.0000		
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	65,841,765	(285,770)	(0.0043)	0	11,417,536	0.0000		
GENERAL SERVICE 50 TO 2,999 KW	\$/kW	170,033,148	445,345	(737,988)	(1.6571)	0	427,102	0.0000	
GENERAL SERVICE 3,000 TO 4,999 KW	\$/kW		0	0.0000	0	0	0.0000		
UNMETERED SCATTERED LOAD	\$/kWh	1,581,327	(6,863)	(0.0043)	0	309,879	0.0000		
SENTINEL LIGHTING	\$/kW	323,368	903	(1,404)	(1.5543)	0	128	0.0000	
STREET LIGHTING	\$/kW	6,259,173	18,995	(27,166)	(1.4302)	0	6,792	0.0000	
microFIT									
Total		495,693,903	465,243	(2,151,441)	0	61,333,323		0	

Table 12

Please indicate the Rate Rider Recovery Period (in years)

2

Rate Class	Unit	Billed kWh or kVA	Accounts Allocated by kWh/kW (RPP) or Distribution	Deferral/Variance Account Rate Rider	Allocation of Balance in Account 1589	Billed kWh or Estimated kW for Non-RPP Customers	Global Adjustment Rate Rider	Allocation of Account 1588	Account 1588 Rate Rider
RESIDENTIAL	\$/kWh	251,655,122	(1,092,249)	(0.0022)	0	49,171,885	0.0000		
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	65,841,765	(285,770)	(0.0022)	0	11,417,536	0.0000		
GENERAL SERVICE 50 TO 2,999 KW	\$/kW	170,033,148	445,345	(737,988)	(0.8286)	0	427,102	0.0000	
GENERAL SERVICE 3,000 TO 4,999 KW	\$/kW		0	0.0000	0	0	0.0000		
UNMETERED SCATTERED LOAD	\$/kWh	1,581,327	(6,863)	(0.0022)	0	309,879	0.0000		
SENTINEL LIGHTING	\$/kW	323,368	903	(1,404)	(0.7771)	0	128	0.0000	
STREET LIGHTING	\$/kW	6,259,173	18,995	(27,166)	(0.7151)	0	6,792	0.0000	
microFIT									
Total		495,693,903	465,243	(2,151,441)	0	61,333,323		0	

Table 13

Please indicate the Rate Rider Recovery Period (in years)

3

Rate Class	Unit	Billed kWh or kVA	Accounts Allocated by kWh/kW (RPP) or Distribution	Deferral/Variance Account Rate Rider	Allocation of Balance in Account 1589	Billed kWh or Estimated kW for Non-RPP Customers	Global Adjustment Rate Rider	Allocation of Account 1588	Account 1588 Rate Rider
RESIDENTIAL	\$/kWh	251,655,122	(1,092,249)	(0.0014)	0	49,171,885	0.0000		
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	65,841,765	(285,770)	(0.0014)	0	11,417,536	0.0000		
GENERAL SERVICE 50 TO 2,999 KW	\$/kW	170,033,148	445,345	(737,988)	(0.5524)	0	427,102	0.0000	
GENERAL SERVICE 3,000 TO 4,999 KW	\$/kW		0	0.0000	0	0	0.0000		
UNMETERED SCATTERED LOAD	\$/kWh	1,581,327	(6,863)	(0.0014)	0	309,879	0.0000		
SENTINEL LIGHTING	\$/kW	323,368	903	(1,404)	(0.5181)	0	128	0.0000	
STREET LIGHTING	\$/kW	6,259,173	18,995	(27,166)	(0.4767)	0	6,792	0.0000	
microFIT									
Total		495,693,903	465,243	(2,151,441)	0	61,333,323		0	

Table 14

Please indicate the Rate Rider Recovery Period (in years)

4

Rate Class	Unit	Billed kWh	Billed kW or kVA	Accounts Allocated by kWh/kW (RPP) or Distribution	Deferral/Variance Account Rate Rider	Allocation of Balance in Account 1589	Billed kWh or Estimated kW for Non-RPP Customers	Global Adjustment Rate Rider	Allocation of Account 1588	Account 1588 Rate Rider
RESIDENTIAL	\$/kWh	251,655,122		(1,092,249)	(0.0011)	0	49,171,885	0.0000		
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	65,841,765		(285,770)	(0.0011)	0	11,417,536	0.0000		
GENERAL SERVICE 50 TO 2,999 KW	\$/kW	170,033,148	445,345	(737,988)	(0.4143)	0	427,102	0.0000		
GENERAL SERVICE 3,000 TO 4,999 KW	\$/kW			0	0.0000	0	0	0.0000		
UNMETERED SCATTERED LOAD	\$/kWh	1,581,327		(6,863)	(0.0011)	0	309,879	0.0000		
SENTINEL LIGHTING	\$/kW	323,368	903	(1,404)	(0.3886)	0	128	0.0000		
STREET LIGHTING	\$/kW	6,259,173	18,995	(27,166)	(0.3575)	0	6,792	0.0000		
microFIT										
Total		495,693,903	465,243	(2,151,441)		0	61,333,323		0	

- c. Disposition of the 2013 Account 1589 balance (only) by customer class. Please provide rate riders based on a one to four year disposition period, effective May 1, 2015.

Response:

Rate riders based on disposition of the 2013 Account 1589 balance (only) by customer class based on a one to four year period effective May 1st, 2015 are provided in Tables 15-18 below.

Table 15

Please indicate the Rate Rider Recovery Period (in years)

1

Rate Class	Unit	Billed kWh	Billed kW or kVA	Accounts Allocated by kWh/kW (RPP) or Distribution	Deferral/Variance Account Rate Rider	Allocation of Balance in Account 1589	Billed kWh or Estimated kW for Non-RPP Customers	Global Adjustment Rate Rider	Allocation of Account 1588	Account 1588 Rate Rider
RESIDENTIAL	\$/kWh	251,655,122		0	0.0000	952,553	49,171,885	0.0194		
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	65,841,765		0	0.0000	221,180	11,417,536	0.0194		
GENERAL SERVICE 50 TO 2,999 KW	\$/kW	170,033,148	445,345	0	0.0000	3,158,941	427,102	7.3962		
GENERAL SERVICE 3,000 TO 4,999 KW	\$/kW			0	0.0000	0	0	0.0000		
UNMETERED SCATTERED LOAD	\$/kWh	1,581,327		0	0.0000	6,003	309,879	0.0194		
SENTINEL LIGHTING	\$/kW	323,368	903	0	0.0000	888	128	6.9372		
STREET LIGHTING	\$/kW	6,259,173	18,995	0	0.0000	43,358	6,792	6.3834		
microFIT										
Total		495,693,903	465,243	0		4,382,923	61,333,323		0	

Table 16

Please indicate the Rate Rider Recovery Period (in years)

2

Rate Class	Unit	Billed kWh	Billed kW or kVA	Accounts Allocated by kWh/kW (RPP) or Distribution Revenue	Deferral/Variance Account Rate Rider	Allocation of Balance in Account 1589	Billed kWh or Estimated kW for Non-RPP Customers	Global Adjustment Rate Rider	Allocation of Account 1588	Account 1588 Rate Rider
RESIDENTIAL	\$/kWh	251,655,122		0	0.0000	952,553	49,171,885	0.0097		
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	65,841,765		0	0.0000	221,180	11,417,536	0.0097		
GENERAL SERVICE 50 TO 2,999 KW	\$/kW	170,033,148	445,345	0	0.0000	3,158,941	427,102	3.6981		
GENERAL SERVICE 3,000 TO 4,999 KW	\$/kW			0	0.0000	0	0	0.0000		
UNMETERED SCATTERED LOAD	\$/kWh	1,581,327		0	0.0000	6,003	309,879	0.0097		
SENTINEL LIGHTING	\$/kW	323,368	903	0	0.0000	888	128	3.4686		
STREET LIGHTING	\$/kW	6,259,173	18,995	0	0.0000	43,358	6,792	3.1917		
microFIT										
Total		495,693,903	465,243	0		4,382,923	61,333,323		0	

Table 17

Please indicate the Rate Rider Recovery Period (in years)

3

Rate Class	Unit	Billed kWh	Billed kW or kVA	Accounts Allocated by kWh/kW (RPP) or Distribution	Deferral/Variance Account Rate Rider	Allocation of Balance In Account 1589	Billed kWh or Estimated kW for Non-RPP Customers	Global Adjustment Rate Rider	Allocation of Account 1588	Account 1588 Rate Rider
RESIDENTIAL	\$/kWh	251,655,122		0	0.0000	952,553	49,171,885	0.0065		
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	65,841,765		0	0.0000	221,180	11,417,536	0.0065		
GENERAL SERVICE 50 TO 2,999 KW	\$/kW	170,033,148	445,345	0	0.0000	3,158,941	427,102	2.4654		
GENERAL SERVICE 3,000 TO 4,999 KW	\$/kW			0	0.0000	0	0	0.0000		
UNMETERED SCATTERED LOAD	\$/kWh	1,581,327		0	0.0000	6,003	309,879	0.0065		
SENTINEL LIGHTING	\$/kW	323,368	903	0	0.0000	888	128	2.3124		
STREET LIGHTING	\$/kW	6,259,173	18,995	0	0.0000	43,358	6,792	2.1278		
microFIT										
Total		495,693,903	465,243	0		4,382,923	61,333,323		0	

Table 18

Please indicate the Rate Rider Recovery Period (in years)

4

Rate Class	Unit	Billed kWh	Billed kW	Accounts Allocated by kWh/kW (RPP) or Distribution	Deferral/Variance Account Rate Rider	Allocation of Balance In Account 1589	Estimated kW for Non-RPP Customers	Global Adjustment Rate Rider	Allocation of Account 1588	Account 1588 Rate Rider
RESIDENTIAL	\$/kWh	251,655,122		0	0.0000	952,553	49,171,885	0.0048		
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	65,841,765		0	0.0000	221,180	11,417,536	0.0048		
GENERAL SERVICE 50 TO 2,999 KW	\$/kW	170,033,148	445,345	0	0.0000	3,158,941	427,102	1.8491		
GENERAL SERVICE 3,000 TO 4,999 KW	\$/kW			0	0.0000	0	0	0.0000		
UNMETERED SCATTERED LOAD	\$/kWh	1,581,327		0	0.0000	6,003	309,879	0.0048		
SENTINEL LIGHTING	\$/kW	323,368	903	0	0.0000	888	128	1.7343		
STREET LIGHTING	\$/kW	6,259,173	18,995	0	0.0000	43,358	6,792	1.5958		
microFIT										
Total		495,693,903	465,243	0		4,382,923	61,333,323		0	

9. Please provide a summary of the overall bill impacts by customer class for the rate riders with the two and four year disposition periods proposed by Essex Powerlines for Accounts 1588 and 1589 respectively. The bill impacts must take into account the proposed price cap adjustment and the approximate SMDR and SMIRR based on what Essex Powerlines filed in its reply submission. The bill impacts should show the dollar and percentage change from rates as of January 31, 2015 to May 1, 2015 and the change from rates as of April 30, 2015 (after the rate riders were stayed) to May 1, 2015. Essex Powerlines should not make any annual adjustments to the models or DVA continuity schedule as proposed in its reply submission of January 19, 2015.

Response:

Please see Tables 19 & 20 below that show the RPP and non-RPP bill impacts for the rate riders with the two and four year disposition periods for Accounts 1588 and 1589 as compared to 2014 Approved Rates. It is important to note that these impacts will not be directly experienced by customers as a one-time time impact, since customer bills have already changed to reflect the removal of the 2014 rate riders effective February 1st, 2015.

Table 19

2015 RPP BILL IMPACTS compared to 2014 Approved Rates

Rate Class	kWh	kW	Distribution Bill Impact		Total Bill Impact	
			\$	%	\$	%
Residential	800	0	(13.34)	-34.59%	(15.21)	-11.85%
GS<50	2,000	0	(25.25)	-27.94%	(29.13)	-9.35%
GS 50 - 2,999	1,198,113	2,968	(22,561.86)	-85.98%	(28,319.94)	-15.86%
UMSL	2,000	0	(35.47)	-36.31%	(43.91)	-12.39%
Sentinel Lights	36	0.1	(0.62)	-12.92%	(0.76)	-7.45%
Street Lights	36	0.1	(0.53)	-11.88%	(0.66)	-6.60%

Table 20

2015 Non-RPP BILL IMPACTS compared to 2014 Approved Rates

Rate Class	kWh	kW	Distribution Bill Impact		Total Bill Impact	
			\$	%	\$	%
Residential	800	0	18.42	175.81%	17.10	16.85%
GS<50	2,000	0	54.54	401.23%	52.02	21.81%
GS 50 - 2,999	1,198,113	2,968	26,693.29	124.37%	27,338.38	21.36%
UMSL	2,000	0	44.33	211.87%	46.26	16.93%
Sentinel Lights	36	0.1	0.83	24.36%	0.87	10.22%
Street Lights	36	0.1	0.79	23.83%	0.83	9.80%

Please see Tables 21 & 22 below that show the RPP and non-RPP bill impacts for the rate riders with the two and four year disposition periods for Accounts 1588 and 1589 as compared to 2015 Stayed Rates. Please note that these rate impacts more accurately reflect the actual impacts that customers will experience in rates effective May 1st, 2015 since the Board approved the removal of rate riders effective February 1st, 2015. As compared to Stayed Rates, it is also important to note that almost all customers will experience a net decrease in rates effective May 1st, 2015.

Table 21

2015 RPP BILL IMPACTS compared to 2015 Stayed Rates

Rate Class	kWh	kW	Distribution Bill Impact		Total Bill Impact	
			\$	%	\$	%
Residential	800	0	(5.42)	-17.68%	(7.15)	-5.95%
GS<50	2,000	0	(5.45)	-7.72%	(8.99)	-3.09%
GS 50 - 2,999	1,198,113	2,968	(10,195.39)	-73.49%	(14,345.83)	-8.72%
UMSL	2,000	0	(15.67)	-20.12%	(21.54)	-6.49%
Sentinel Lights	36	0.1	(0.26)	-5.85%	(0.36)	-3.61%
Street Lights	36	0.1	(0.20)	-5.60%	(0.29)	-3.02%

Table 22

2015 Non-RPP BILL IMPACTS compared to 2015 Stayed Rates

Rate Class	kWh	kW	Distribution Bill Impact		Total Bill Impact	
			\$	%	\$	%
Residential	800	0	(1.74)	-5.68%	(3.41)	-2.79%
GS<50	2,000	0	4.14	6.47%	0.76	0.26%
GS 50 - 2,999	1,198,113	2,968	(4,707.26)	-47.37%	(8,144.24)	-4.98%
UMSL	2,000	0	(6.07)	-8.51%	(10.69)	-3.24%
Sentinel Lights	36	0.1	(0.09)	-1.99%	(0.16)	-1.66%
Street Lights	36	0.1	(0.04)	-1.03%	(0.11)	-1.17%

Responses to VECC Supplemental Questions

1. Please provide a detailed description of how the error was detected internally.

Response:

In early December 2014, during the IRM process the VP Regulatory Affairs continued to review the application and was concerned with the magnitude of the 1588 and 1589 accounts. There was a review of the rate generator model and the entire process relating to the 1588 and 1589 accounts at which time the error was detected. During the course of this review, EPL received an interrogatory from Board Staff with respect to the 1589 Account. EPL then informally contacted Board Staff and advised that there was an issue with both 1588 and 1589 Accounts and that EPL was conducting further review. On January 19th, 2015, EPL formally filed this information with the OEB and described how the accounting error occurred and proposed how the error could be mitigated.

2. Please explain in detail how Essex monitors the task of clearing its Deferral and Variance accounts to ensure accuracy and discuss how long this process has been in place.

Response:

Energy sales by class and the energy purchases are manually entered into an Excel file from the general ledger. The energy sales are broken down by TOU bands by customer class, global adjustment sales, retailer sales, wholesale market services, network, connection and low voltage. The energy purchases include cost of power purchases from the IESO and Hydro One. Also included on the sheet are the costs for wholesale market services, network, connection and low voltage charges. These amounts are taken from the general ledger and are inputted by the Business Process Analyst.

The journal entries completed by the Business Process Analyst to move the energy sales and purchases to the variance accounts are verified, authorized and approved by the Operations and Regulatory Accounting Analyst. This verification, authorization and approval process undertaken by the Operations and Regulatory Accounting Analyst includes, but is not limited to, month to month and year to year variance account comparisons and compliance with the OEB accounting handbook.

During the IRM rate setting process, the general ledger balances are entered into the continuity schedule (Tab 5) by the Operations and Regulatory Accounting Analyst. The continuity total variance account balances are populated in the rate generator model Tab 6, Billing Determinants for Deferred Variances, cells C31 to 33, where a calculation is automatically performed to determine if the grand total of all variance accounts exceed the predetermined OEB threshold test. If this threshold test is exceeded, then all of the variance accounts are required by the OEB to be disposed and settled with customers.

The input to the model is completed by the Operations and Regulatory Accounting Analyst and the completed model is reviewed by the VP Regulatory Affairs. This process has been in place as long as the OEB has had the authority to approve the disposition of variance accounts and was completed in the context of actively fluctuating Global Adjustment (GA) over the subject matter period.

This review by the VP of Regulatory affairs includes, but is not limited to, month to month and year to year variance account comparisons of the balance sheet statements, comparison to annual LDC levels from the OEB statistical reports and compliance with the OEB accounting handbook. The aforementioned processes undertaken by various levels of management are also audited annually by an external third party. This has been the process since the variance accounts were a requirement.

3. What oversight and checks and balances are in place? What is the process to audit this function?

Response:

All Business Process Analyst variance account work is verified, authorized and approved by the Operations and Regulatory Accounting Analyst. The VP Regulatory Affairs reviews and confirms the Operations and Regulatory Accounting Analyst's work at the financial statement level. The external auditors review the general ledger accounts on an annual basis. The external auditors report to the corporate audit committee. In addition, the OEB periodically audits deferral and variances accounts.

4. Please provide any internal documents that detail Essex's internal monitoring processes.

Response:

The Operations and Regulatory Accounting Analyst utilizes a monthly checklist in order to ensure that all month-end tasks, including variance accounts, are completed.

Both the Business Process and Operations and Regulatory Accounting Analyst utilize the OEB Accounting Handbook when completing work on variance accounts. Furthermore, the VP Regulatory Affairs frequently communicates to the Business Process and Operations and Regulatory Accounting Analyst responses to frequently asked questions from the OEB in relation to, amongst other things, variance accounts.

Financial Statements for comparison purposes are also used by the VP Regulatory Affairs when reviewing variance accounts.

5. Please provide the amount 100 basis points of Return on Equity is worth for the years 2011 to 2014 and forecast for 2015.

Response:

Return on Equity 100 basis points impact

Year	ROE 100 basis point impact
2011	\$ (168,838)
2012	\$ (179,729)
2013	\$ (184,969)
2014	\$ (194,452)
Projected 2015	\$ (214,663)

6. Please provide Essex's weather normalized rate of return for the years 2011 to 2014 and forecast for 2015.

Response:

Essex Powerlines is unable to weather normalize the rate of return. The normal rate of return for the years 2011 to 2014 and projected for 2015 are in the table below.

Rate of Return

Year	Regulated Return on Deemed Equity
2011	10.4%
2012	8.3%
2013	11.2%
2014	8.8%
Projected 2015	9.3%

Responses to School Energy Coalition Supplemental Questions

1. Please provide a detailed step-by-step explanation of how Essex Powerlines records information in Accounts 1588 and 1589. The answer should include, but in no way be limited by, responses to the following specific questions:
 - a. How often do the entries take place?
 - b. What accounting system is used?
 - c. Which member of Essex Powerlines staff makes the entry?
 - d. What type of relevant of qualification and training does that person have?
 - e. What type of verification process is conducted, if any?
 - f. Are there any materials that Essex Powerlines uses for training and/or on-going guidance on how to records amounts in deferral or variance accounts? If so, please provide copies.

Response:

Account 1588 and 1589 entries are made monthly using Microsoft Dynamics GP (Great Plains) by the Business Process Analyst. The Business Process Analyst has a CPA, CMA accounting designation with nine (9) years of experience in the industry. The Operations and Regulatory Accounting Analyst attended a Sept. 20, 2009 OEB session regarding Regulatory Accounting as part of her on-going training. The EPL verification process is detailed in VECC IR #2. Ongoing guidance comes from the OEB frequently asked questions and the *Accounting Procedure Handbook –e.g. Article 490* and any other information made available by the Board such as webinars and bulletins. In addition Essex Powerlines frequently seeks direct guidance from the OEB by e-mailing questions to IndustryRelations@ontarioenergyboard.ca.

2. [Reference: Response to Procedural Order #2 February 6, 2015, Submission of New Evidence, Response No. 2]:

“The source of the error occurred in the use of forms to arrive at the RPP and non RPP split. The data input error was not detected initially as the nature of the 1588 and 1589 as well as all the other variance accounts in total were being monitored and overall they were not changing drastically. The continued increases in the global adjustment amounts appeared to be the reason for the accumulating amounts in the 1588 and 1589 accounts.”

- a. Please provide copies of the forms Essex Powerlines uses to arrive at the RPP and non-RPP split.

Response:

See Summary Forms - Appendix A

- b. Essex Powerlines says that the variance accounts “were being monitored” Please explain in detail the process of monitoring these accounts.

Response:

The Business Process Analyst position is monitored by the Operations and Regulatory Accounting Analyst and this position is monitored by the VP Regulatory. The VP Regulatory monitors the overall balances of the variance accounts on the EPL internal monthly financial statements. The VP Regulatory would also compare the overall variance account balances with other LDC's through the OEB statistical reports annually. See VECC IR #2 for more detailed response.

3. As part of Essex Powerlines annual external financial audit process, are the balance of deferral and variance accounts audited? If so, why were the errors not detected during that process?

Response:

Yes. The balances of the deferral and variance accounts are audited annually by a third party. EPL is not in a position to advise why the errors were not detected during the aforementioned process.

4. When was the last time the Ontario Energy Board Staff audited Essex Powerlines deferral and variance accounts? Please provide copies of any relevant audit reports.

Response:

The Ontario Energy Board staff audited selected deferral and variance accounts during the period of January 2013 to March 2013. A confidential version of the audit report has been filed separately.

5. Please explain Essex Powerlines process for prepared IRM applications, specifically the disposition of deferral and variance accounts. Does Essex Powerlines do any verification at that stage regarding the balances in those accounts?

Response:

See VECC IR #2.

6. Please provide Essex Powerlines actual regulatory return on equity (both as a percentage and in dollars) including all supporting calculations for 2013 and 2014. Please provide the same information on a forecast basis for 2015.

Response:

UTILITY NAME: Essex Powerlines Corporation YEAR END DATE: December 31, 2013			
Regulatory Net Income Calculation:			
Regulated net income, as per RRR 2.1.13 reconciliation		\$ 2,795,766	
Remove:			
Future/deferred taxes		\$ 0	
Non rate regulated items		\$ 319,941	
Adjustment to interest expense - for deemed debt		\$ 401,575	
Adjusted regulated net income		<u>\$ 2,074,651</u>	
Deemed Equity Calculation:			
Rate Base:			
Cost of power	\$ 51,542,202		
Operating expenses	\$ 6,047,571		
Total	\$ 57,589,773		
Working capital allowance %	15%		
Total working capital allowance	\$ 8,638,466		
Fixed Assets			
Opening balance - regulated fixed assets (NBV)	\$ 37,269,585		
Closing balance - regulated fixed assets (NBV)	\$ 38,170,814		
Average regulated fixed assets	\$ 37,720,250		
Total rate base	\$ 46,358,715		
Regulated deemed short-term debt	4.00%	\$ 1,854,349	
Regulated deemed long-term debt	56.00%	\$ 25,960,881	
Regulated deemed equity	40.00%	\$ 18,543,486	
		<u>\$ 46,358,715</u>	
Regulated Rate of Return on Deemed Equity			
		11.5%	
ROE% from most recent cost of service application last approved ROE	9.85%		
Difference - maximum deadband 3%		1.34%	
Interest adjustment on deemed debt:			
Regulated deemed short-term debt - as above	\$ 1,854,349	6.67%	
Regulated deemed long-term debt - as above	\$ 25,960,881	93.33%	
	\$ 27,815,229	100.00%	
Short-term debt rate	2.07%	0.14%	
Long-term debt rate	5.40%	5.04%	
Average debt rate		5.18%	
Regulated deemed debt - as above	\$ 27,815,229		
Weighted average interest rate	5.18%		
Deemed interest	\$ 1,440,829		
Interest expense as per the OEB trial balance	\$ 896,321		
Difference	\$ 544,508		
Utility tax rate	26.25%		
Tax effect on interest expense	\$ (142,933)		
Interest adjustment on deemed debt:	\$ 401,575		

UTILITY NAME: Essex Powerlines Corporation YEAR END DATE: December 31, 2014			
Regulatory Net Income Calculation:			
Regulated net income, as per RRR 2.1.13 reconciliation		\$ 1,936,280	
Remove:			
Future/deferred taxes		\$ 0	
Non rate regulated items		\$ 25,730	
Adjustment to interest expense - for deemed debt		\$ 197,519	
Adjusted regulated net income		<u>\$ 1,713,011</u>	
Deemed Equity Calculation:			
Rate Base:			
Cost of power	\$ 50,648,398		
Operating expenses	\$ 6,783,594		
Total	\$ 57,432,992		
Working capital allowance %	15%		
Total working capital allowance	\$ 8,614,489		
Fixed Assets			
Opening balance - regulated fixed assets (NBV)	\$ 38,171,214		
Closing balance - regulated fixed assets (NBV)	\$ 41,825,651		
Average regulated fixed assets	\$ 39,998,433		
Total rate base	\$ 48,612,831		
Regulated deemed short-term debt	4.00%	\$ 1,944,617	
Regulated deemed long-term debt	56.00%	\$ 27,223,242	
Regulated deemed equity	40.00%	\$ 19,445,173	
		<u>\$ 48,612,831</u>	
Regulated Rate of Return on Deemed Equity			
		9.8%	
ROE% from most recent cost of service application last approved ROE	9.85%		
Difference - maximum deadband 3%		-1.04%	
Interest adjustment on deemed debt:			
Regulated deemed short-term debt - as above	\$ 1,944,617	6.67%	
Regulated deemed long-term debt - as above	\$ 27,223,242	93.33%	
	\$ 29,167,759	100.00%	
Short-term debt rate	2.07%	0.14%	
Long-term debt rate	5.40%	5.04%	
Average debt rate		5.18%	
Regulated deemed debt - as above	\$ 29,167,759		
Weighted average interest rate	5.18%		
Deemed interest	\$ 1,510,890		
Interest expense as per the OEB trial balance	\$ 1,243,067		
Difference	\$ 267,823		
Utility tax rate	26.25%		
Tax effect on interest expense	\$ (70,304)		
Interest adjustment on deemed debt:	\$ 197,519		

UTILITY NAME: Essex Powerlines Corporation YEAR END DATE: December 31, 2015 Projected			
Regulatory Net Income Calculation:			
Regulated net income, as per RRR 2.1.13 reconciliation		\$ 2,331,608	
Remove:			
Future/deferred taxes		\$ 0	
Non rate regulated items		\$ 108,811	
Adjustment to interest expense - for deemed debt		\$ 225,238	
Adjusted regulated net income		<u>\$ 1,997,559</u>	
Deemed Equity Calculation:			
Rate Base:			
Cost of power	\$ 50,648,398		
Operating expenses	\$ 6,876,777		
Total	\$ 57,525,175		
Working capital allowance %	15%		
Total working capital allowance	\$ 8,598,475		
Fixed Assets			
Opening balance - regulated fixed assets (NBV)	\$ 41,825,651		
Closing balance - regulated fixed assets (NBV)	\$ 45,308,736		
Average regulated fixed assets	\$ 45,067,194		
Total rate base	\$ 53,665,670		
Regulated deemed short-term debt	4.00%	\$ 2,146,627	
Regulated deemed long-term debt	56.00%	\$ 30,052,775	
Regulated deemed equity	40.00%	\$ 21,466,268	
		<u>\$ 53,665,670</u>	
Regulated Rate of Return on Deemed Equity			
		9.3%	
ROE% from most recent cost of service application last approved ROE	9.85%		
Difference - maximum deadband 3%		-0.54%	
Interest adjustment on deemed debt:			
Regulated deemed short-term debt - as above	\$ 2,146,627	6.67%	
Regulated deemed long-term debt - as above	\$ 30,052,775	93.33%	
	\$ 32,199,402	100.00%	
Short-term debt rate	2.07%	0.14%	
Long-term debt rate	5.40%	5.04%	
Average debt rate		5.18%	
Regulated deemed debt - as above	\$ 32,199,402		
Weighted average interest rate	5.18%		
Deemed interest	\$ 1,687,929		
Interest expense as per the OEB trial balance	\$ 1,382,621		
Difference	\$ 305,308		
Utility tax rate	26.25%		
Tax effect on interest expense	\$ (80,170)		
Interest adjustment on deemed debt:	\$ 225,238		

7. Please provide details on the impact to Essex Powerlines if it was required to refund to RPP customers:

- a. The full amount that was over-collected.
- b. 50% of the amount that was over-collected.
- c. 10% of the amount that was over-collected.

Response:

All of the requested refund amounts are over EPLC's materiality limit of \$60,000 and will impact the regulated return.

- a. The full amount that was over-collected.

Response:

The impact to refund the full amount that was over-collected of \$3.8 million would mean the loss of approximately 200% of annual regulated return and over 63x materiality. The rate of return projected for 2015 would be -3.8%. The loss of the \$3.8 million of cash would result in additional loans with an estimated interest rate of 4% would create an additional interest expense of \$399,000 over the next 5 years. The debt service coverage ratio currently in place with our lenders would be exceeded resulting in a default of the loan covenants.

The additional borrowing to replace the cash would increase our debt to equity ratio by 5% and with the anticipated loan requirements for the new Leamington Transformer Station; this will jeopardize our ability to borrow funds for that project.

- b. 50% of the amount that was over-collected.

Response:

The impact to refund 50% of the amount that was over-collected which would be \$1.9 million would mean the loss of approximately 100% of annual regulated return and over 31x materiality. The rate of return projected for 2015 would be 2.8% well below the approved level of 9.85%. The loss of the \$1.9 million of cash would require additional loans with an estimated interest rate of 4% that will create an additional interest expense of \$199,000 over the next five years. The debt service coverage ratio currently in place with our lenders would be exceeded resulting in a default of the loan covenants.

The additional borrowing to replace the cash would increase our debt to equity ratio by 2.5% and with the anticipated loan requirements for the new Leamington Transformer Station; this could jeopardize our ability to borrow funds for that project and the loan interest rate would be higher due to the higher debt to equity ratio.

- c. 10% of the amount that was over-collected.

Response:

The impact to refund 10% of the amount that was over-collected which would be \$380,000 would mean the loss of approximately 20% of annual regulated return and over 6x materiality. The rate of return projected for 2015 would be 8% compared to the approved rate of return of 9.85%.

	Designated Units	Utilisrsmart kWh's First Block	Utilisrsmart kWh's Second Block	0 First Block	0 Second Block	Cost @ Spot
	82			\$0.00	\$0.00	
	1			\$0.00	\$0.00	
Sub Totals		0.00	0.00	\$0.00	\$0.00	\$0.00
		0.00		\$0.00		

Global Adj.			per kwh
WAP Fixed Rate	WAP Spot	First Block WAP	Second Block WAP
		\$0.00	\$0.00
		\$0.00	\$0.00
		\$0.00	\$0.00

Load		kWh's (With Losses)	Cost @ First Block	Cost @ Second Block	Total @ Fixed Rate	Cost @ Spot w GA	Variance
Intervals @ First Block		0	\$0.00		\$0.00	\$0.00	\$0.00
Intervals @ Second Block		0.00		\$0.00		\$0.00	\$0.00
Retail Total (From Download)							
Street Light (From Download)							\$0.00
Less Street Lights on Spot Price or With Retailer		0					
Street Light on fixed price		0					
SL @ First Block		0	\$0.00		\$0.00	\$0.00	\$0.00
SL @ Second Block		0		\$0.00		\$0.00	\$0.00
NSL (From Download)				\$0.00			\$0.00
Adjustment to NSL (RCB Customers)		0					
Adjustment to NSL (Non Designated Loads)							
Adjustment to NSL (Contract Designated)							
NSL Adjusted for (RCB & Non Designated)	%	0			\$0.00	\$0.00	
NSL (First Block)		0	\$0.00			\$0.00	\$0.00
NSL (Second Block)		0		\$0.00		\$0.00	\$0.00
Totals		0	\$0.00		\$0.00	\$0.00	\$0.00
		0		\$0.00		\$0.00	\$0.00

		WAP	Statutory Price	Block 1	
				Block 2	
			To IESO (Box 1)	To EPLC (Box 2)	Regulated Customers
Block 1	\$	\$	-	-	(Box 3)
	kWh		-	-	
					343
Block 2	\$	\$	-	-	
	kWh		-	-	
			To IESO (Box 17)	To EPLC (Box 18)	Regulated Customers
Retailers	\$	\$	-	-	(Box 19)
using DCB	kWh		-	-	

Wholesale Total (From Download)							
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RPP Portion 0%

1598 SUMMARY

#2

POST MONTH		Enter the post month, this will refresh all the queries automatically			
SSS CUSTOMERS ON RPP					
	Dollars	Cons	Spot in dollars	POSTED GA	Difference
RPP BLOCK 1				\$ -	\$ -
RPP BLOCK 2				\$ -	\$ -
SUM BLOCKS		-			
Actual Cost of Power					

IESO FORM			
TO IESO		FROM IESO	
\$	-	\$	-
\$	-	\$	-

RPP CUSTOMER COUNT:

SSS CUSTOMERS ON TOU					
	Dollars	Cons	Spot in dollars	POSTED GA 0.05473	Difference
ON PEAK				\$ -	\$ -
OFF PEAK				\$ -	\$ -
MID PEAK				\$ -	\$ -
SUM BLOCKS					
Actual Cost of Power					

\$	-	\$	-
\$	-	\$	-
\$	-	\$	-

TOU CUSTOMER COUNT:

FINAL VARIANCE SETTLEMENT			
SUM RPPV STATS			
CUSTOMER COUNT	0		%

\$	-	\$	-
----	---	----	---

1598 SUMMARY

#3

POST MONTH Enter the post month, this will refresh all the queries automatically

SSS CUSTOMERS ON RPP

	Dollars	Cons	Spot in dollars	POSTED GA	Difference
RPP BLOCK 1				\$ -	
RPP BLOCK 2				\$ -	
SUM BLOCKS					

Actual Cost of Power

RPP CUSTOMER COUNT:

SSS CUSTOMERS ON TOU

	Dollars	Cons	Spot in dollars	POSTED GA 0.00000	Difference
ON PEAK				\$ -	
OFF PEAK				\$ -	
MID PEAK				\$ -	
SUM BLOCKS					

Actual Cost of Power

TOU CUSTOMER COUNT:

FINAL VARIANCE SETTLEMENT

SUM RPPV STATS	
CUSTOMER COUNT	

GA Split % RPP portion

IESO FORM

TO IESO	FROM IESO
	\$ -

	\$ -
--	------

\$ -	\$ -
\$ -	\$ -
\$ -	\$ -

\$ -	\$ -
------	------

TAB 2

Tab 2

Board staff Calculation: Proposed Correction of the RPP and non-RPP Misallocation in Account 1595 (2014)

Table 1: Calculate the Residual Balance of the Approved Disposition

Acct.	Approved Disp.	Recovery May 1, 2014 to Jan. 31, 2015	Residual Balance	Recovery as a percent of total approved
1588	9,603,767	6,841,167	2,762,600	71.23%
1589	-8,786,415	-6,132,938	-2,653,477	69.80%
Net Recovery	817,352	708,229	109,123	

Table 2: Calculate the amount of Misallocation remaining in Accounts

	Misallocation	Misallocation recovered already	Misallocation remaining
1588	5,178,750	3,689,041	1,489,709
1589	-5,178,750	-3,614,779	-1,563,971

Table 3: Adjust the Residual Balance by the same \$ amount

	Residual Balance	Adjustment	Adjusted Remaining
1588	2,762,600	1,563,971	1,198,629
1589	-2,653,477	-1,563,971	-1,089,506
Net Recovery	109,123	0	109,123

We are using the exact \$ for \$ number because the misallocation was \$ for \$.

If we use the adjustment as per Essex's proposal, the LDC ends up recovering more than the net recovery remaining.

Table 4: Calculation of Corrected Residual Amounts per Essex's Table 9 in response to the supplemental questions

	Corrected P&I	Corrected Recovered in Rates (to Jan. 31, 2015)	Corrected Residual Amounts
1588	4,425,017	3,152,126	1,272,891
1589	-3,607,665	-2,518,159	-1,089,506
Net Recovery	817,352	633,967	183,385

Not using \$ for \$ adjustment results in Essex collecting \$183,385 while the net balance remaining is \$109,123

TAB 3

Tab 3

Account 1590: Previous Amounts Approved for Disposition

Application	Amount (\$)
2010 Cost of Service Application (EB-2009-0143)	-\$331,340
2012 IRM Application (EB-2011-0166)	-\$1,618,215
2014 IRM Application (EB-2013-0128)	-\$1,483,365

TAB 4

Tab 4**Consumption Variances for 2011, 2012 and 2013**

2011	Billed Consumption	RPP	Non-RPP	RPP %	Non-RPP %
January	46,067,388.39	25,799,334.33	20,268,054.06	56.00%	44.00%
February	55,202,119.48	32,496,423.51	22,705,695.97	58.87%	41.13%
March	47,978,186.78	28,169,925.21	19,808,261.57	58.71%	41.29%
April	41,428,763.41	22,008,832.84	19,419,930.57	53.12%	46.88%
May	40,499,858.57	22,070,482.07	18,429,376.50	54.50%	45.50%
June	42,204,299.54	22,374,656.91	19,829,642.63	53.02%	46.98%
July	44,231,884.35	24,493,714.93	19,738,169.42	55.38%	44.62%
August	63,856,684.08	38,188,533.03	25,668,151.05	59.80%	40.20%
September	66,522,682.57	42,647,643.89	23,875,038.68	64.11%	35.89%
October	49,684,116.62	24,905,077.06	24,779,039.56	50.13%	49.87%
November	38,264,112.32	17,720,325.89	20,543,786.43	46.31%	53.69%
December	31,997,664.89	16,632,246.20	15,365,418.69	51.98%	48.02%
Total	567,937,761.00	317,507,195.87	250,430,565.13	55.91%	44.09%

**2011 Yearbook Data - Billed
Consumption: 555,211,433**

2012	Billed Consumption	RPP	Non-RPP	RPP %	Non-RPP %
January	52,750,108.55	32,421,100.47	20,329,008.08	61.46%	38.54%
February	49,619,002.75	30,169,266.19	19,449,736.56	60.80%	39.20%
March	40,108,335.22	22,998,273.51	17,110,061.71	57.34%	42.66%
April	33,441,380.23	17,501,181.79	15,940,198.44	52.33%	47.67%
May	47,101,848.04	29,308,041.95	17,793,806.09	62.22%	37.78%
June	38,470,606.56	20,613,446.19	17,857,160.37	53.58%	46.42%
July	55,076,364.45	34,213,509.50	20,862,854.95	62.12%	37.88%
August	64,274,550.42	41,756,810.19	22,517,740.23	64.97%	35.03%
September	51,624,934.00	30,064,589.94	21,560,344.06	58.24%	41.76%
October	50,336,603.34	29,358,537.46	20,978,065.88	58.32%	41.68%
November	39,774,126.33	21,940,860.57	17,833,265.76	55.16%	44.84%
December	41,620,857.64	23,285,597.58	18,335,260.06	55.95%	44.05%
Total	564,198,717.53	333,631,215.34	230,567,502.19	59.13%	40.87%

**2012 Yearbook Data - Billed
Consumption**

535,233,837

2013	Billed Consumption	RPP	Non-RPP	RPP %	Non-RPP %
January	49,529,549.32	32,128,083.96	17,401,465.36	64.87%	35.13%
February	44,335,514.04	26,567,530.02	17,767,984.02	59.92%	40.08%
March	44,911,511.38	26,217,765.35	18,693,746.03	58.38%	41.62%
April	40,432,858.92	22,770,951.89	17,661,907.03	56.32%	43.68%
May	39,105,575.49	22,522,833.69	16,582,741.80	57.59%	42.41%
June	38,321,811.88	22,173,268.10	16,148,543.78	57.86%	42.14%
July	47,582,839.11	28,631,787.67	18,951,051.44	60.17%	39.83%
August	56,250,242.72	34,724,124.69	21,526,118.03	61.73%	38.27%
September	52,563,891.53	31,775,075.53	20,788,816.00	60.45%	39.55%
October	49,318,539.68	28,296,623.25	21,021,916.43	57.38%	42.62%
November	40,677,366.34	21,994,596.88	18,682,769.46	54.07%	45.93%
December	37,238,417.11	19,701,657.43	17,536,759.68	52.91%	47.09%
Total	540,268,117.52	317,504,298.46	222,763,819.06	58.77%	41.23%

**2013 Yearbook Data –
Billed Consumption**

536,939,314

TAB 5

Tab 5

Amounts for Accounts 1588 and 1589 in 2014 and 2013 EDR Applications

2014 IRM Application (EB-2013-0128) – Group 1 Amounts Approved for Disposition

Account Name	Account Number	Principal Balance A	Interest Balance B	Total Claim C = A + B
LV Variance Account	1550	\$708,191	\$19,695	\$727,886
RSVA - Wholesale Market Service Charge	1580	-\$3,573,954	-\$147,000	-\$3,720,954
RSVA - Retail Transmission Network Charge	1584	\$347,134	\$31,682	\$378,816
RSVA - Retail Transmission Connection Charge	1586	-\$1,267,076	-\$45,501	-\$1,312,577
RSVA - Power	1588	\$9,554,493	\$49,174	\$9,603,667
RSVA - Global Adjustment	1589	-\$8,731,842	-\$54,573	-\$8,786,415
Recovery of Regulatory Asset Balances	1590	-\$1,684,689	\$201,324	-\$1,483,365
Total Group 1 Excluding Global Adjustment – Account 1589				\$4,193,473
Total Group 1				-\$4,592,942

2013 IRM Application (EB-2012-0123) – Closing Balances for Accounts 1588 and 1589

No Disposition as total Group 1 Deferral and Variance Accounts were below the threshold

Accounts	2013 IRM Application – Closing Balances
1588	\$3,065,893
1589	-\$2,048,296