

**Bill Impacts**

**Interrogatory #1**

**Ref: Application, page 15**

On page 15 of the application, CNPI states that “the twenty four month disposition period has been necessitated by the total bill impact to the General Service greater than 50 kW [class] resulting for a twelve month disposition of the Global Adjustment amount.”

- a) Please provide tables, similar to the tables on pages 20, 21 and 22 of the application, showing the bill impacts for each customer class if a 12-month disposition were used for the Group 1 Deferral and Variance Account Balances.
  - b) Given that only one customer class has excessive total bill impacts if a 12-month disposition period is used, why has CNPI proposed a 24-month disposition for all classes? Please provide a calculation of the resulting Global Adjustment rate riders if a 24-month disposition is used for the GS > 50 kW and 12-months is used for all remaining classes.
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**RESPONSE:**

- a) The following three tables show the total bill impacts for each customer class if a 12-month disposition were used for the Group 1 Deferral and Variance Account Balances.

**Selected Delivery Charge and Bill Impacts Per Board Staff IR #1  
12 Month Disposition for the Group 1 Deferral and Variance Account Balances  
Fort Erie 2016**

Customer Classification and Billing Type	Energy kWh	Demand kW	Monthly Delivery Charge			
			Current	Per Application	Change	
					\$	%
Residential RPP	800		\$ 52.65	\$ 52.39	-\$ 0.26	-0.5%
Residential Non-RPP	800		\$ 50.65	\$ 56.15	\$ 5.50	10.9%
GS<50 kW RPP	2,000		\$ 111.29	\$ 108.40	-\$ 2.89	-2.6%
GS<50 kW Non-RPP	2,000		\$ 106.29	\$ 120.40	\$ 14.11	13.3%
GS>50 kW	68,620	200	\$ 2,683.40	\$ 3,236.92	\$ 553.52	20.6%
USL	800		\$ 75.19	\$ 65.73	-\$ 9.46	-12.6%
Sentinel Lighting	60	0.20	\$ 7.22	\$ 7.22	-\$ 0.00	0.0%
Street Lighting	172,000	490	\$ 25,761.89	\$ 26,611.44	\$ 849.55	3.3%
Customer Classification and Billing Type	Energy kWh	Demand kW	Total Bill			
			Current	Per Application	Change	
					\$	%
Residential RPP	800		\$ 157.55	\$ 157.25	-\$ 0.29	-0.2%
Residential Non-RPP	800		\$ 155.29	\$ 161.50	\$ 6.22	4.0%
GS<50 kW RPP	2,000		\$ 370.45	\$ 367.19	-\$ 3.27	-0.9%
GS<50 kW Non-RPP	2,000		\$ 364.80	\$ 380.75	\$ 15.94	4.4%
GS>50 kW	68,620	200	\$ 11,418.46	\$ 12,043.94	\$ 625.48	5.5%
USL	800		\$ 183.01	\$ 172.32	-\$ 10.69	-5.8%
Sentinel Lighting	60	0.20	\$ 13.28	\$ 13.28	-\$ 0.00	0.0%
Street Lighting	172,000	490	\$ 50,131.05	\$ 51,091.03	\$ 959.99	1.9%

**Selected Delivery Charge and Bill Impacts Per Board Staff IR #1  
12 Month Disposition for the Group 1 Deferral and Variance Account Balances  
Gananoque 2016**

Customer Classification and Billing Type	Energy kWh	Demand kW	Monthly Delivery Charge			
			Current	Per Application	Change	
					\$	%
Residential RPP	800		\$ 52.25	\$ 47.67	-\$ 4.58	-8.8%
Residential Non-RPP	800		\$ 58.25	\$ 70.55	\$ 12.30	21.1%
GS<50 kW RPP	2,000		\$ 110.29	\$ 99.40	-\$ 10.89	-9.9%
GS<50 kW Non-RPP	2,000		\$ 125.29	\$ 156.60	\$ 31.31	25.0%
GS>50 kW	68,620	200	\$ 3,356.44	\$ 4,508.40	\$ 1,151.96	34.3%
USL	800		\$ 76.79	\$ 57.25	-\$ 19.54	-25.4%
Sentinel Lighting	60	0.20	\$ 7.33	\$ 7.06	-\$ 0.27	-3.7%
Street Lighting	46,000	129	\$ 6,942.09	\$ 7,529.80	\$ 587.71	8.5%
Customer Classification and Billing Type	Energy kWh	Demand kW	Total Bill			
			Current	Per Application	Change	
					\$	%
Residential RPP	800		\$ 157.09	\$ 151.92	-\$ 5.18	-3.3%
Residential Non-RPP	800		\$ 163.87	\$ 177.77	\$ 13.90	8.5%
GS<50 kW RPP	2,000		\$ 369.32	\$ 357.02	-\$ 12.31	-3.3%
GS<50 kW Non-RPP	2,000		\$ 386.27	\$ 421.65	\$ 35.38	9.2%
GS>50 kW	68,620	200	\$ 12,178.99	\$ 13,480.71	\$ 1,301.71	10.7%
USL	800		\$ 184.82	\$ 162.74	-\$ 22.08	-11.9%
Sentinel Lighting	60	0.20	\$ 13.41	\$ 13.10	-\$ 0.31	-2.3%
Street Lighting	46,000	129	\$ 13,466.42	\$ 14,130.54	\$ 664.11	4.9%

**Selected Delivery Charge and Bill Impacts Per Board Staff IR #1**  
**12 Month Disposition for the Group 1 Deferral and Variance Account Balances**  
**Port Colbourne 2016**

Customer Classification and Billing Type	Energy kWh	Demand kW	Monthly Delivery Charge			
			Current	Per Application	Change	
					\$	%
Residential RPP	800		\$ 52.22	\$ 49.75	-\$ 2.47	-4.7%
Residential Non-RPP	800		\$ 50.38	\$ 51.03	\$ 0.65	1.3%
GS<50 kW RPP	2,000		\$ 109.03	\$ 104.40	-\$ 4.63	-4.2%
GS<50 kW Non-RPP	2,000		\$ 104.43	\$ 107.60	\$ 3.17	3.0%
GS>50 kW	68,620	200	\$ 2,677.44	\$ 2,772.72	\$ 95.28	3.6%
USL	800		\$ 67.32	\$ 60.45	-\$ 6.87	-10.2%
Sentinel Lighting	60	0.20	\$ 7.42	\$ 7.35	-\$ 0.07	-1.0%
Street Lighting	155,000	445	\$ 16,156.51	\$ 17,113.13	\$ 956.62	5.9%
Customer Classification and Billing Type	Energy kWh	Demand kW	Total Bill			
			Current	Per Application	Change	
					\$	%
Residential RPP	800		\$ 157.06	\$ 154.27	-\$ 2.79	-1.8%
Residential Non-RPP	800		\$ 154.98	\$ 155.72	\$ 0.73	0.5%
GS<50 kW RPP	2,000		\$ 367.90	\$ 362.67	-\$ 5.23	-1.4%
GS<50 kW Non-RPP	2,000		\$ 362.70	\$ 366.28	\$ 3.58	1.0%
GS>50 kW	68,620	200	\$ 11,411.72	\$ 11,519.39	\$ 107.67	0.9%
USL	800		\$ 174.12	\$ 166.35	-\$ 7.76	-4.5%
Sentinel Lighting	60	0.20	\$ 13.51	\$ 13.43	-\$ 0.08	-0.6%
Street Lighting	155,000	445	\$ 30,759.09	\$ 31,840.07	\$ 1,080.98	3.5%

The average General Service 50 to 4,999 kW customer located in CNPI's Gananoque service territory will experience, as a result of a twelve month disposition, a 10.7 % total bill impact on January 1, 2016. The Rate Rider for Global Adjustment Sub-Account Disposition (2016) - effective until December 31, 2016 Applicable only for Non-RPP Customers is primarily responsible for this impact.

- b) CNPI had proposed a 24-month disposition for all classes in order to have uniformity in all service territories.

The following three tables show the resulting total bill impacts resulting from Global Adjustment rate riders if a 24-month disposition is used for the GS > 50 kW and 12-months is used for all remaining classes.

**Selected Delivery Charge and Bill Impacts Per Board Staff IR #1**  
**12 Month Disposition for the Group 1 Deferral and Variance Account Balances**  
**24 Month Disposition for GS > 50 kW**  
**Fort Erie 2016**

Customer Classification and Billing Type	Energy kWh	Demand kW	Monthly Delivery Charge			
			Current	Per Application	Change	
					\$	%
Residential RPP	800		\$ 52.65	\$ 52.39	-\$ 0.26	-0.5%
Residential Non-RPP	800		\$ 50.65	\$ 56.15	\$ 5.50	10.9%
GS<50 kW RPP	2,000		\$ 111.29	\$ 108.40	-\$ 2.89	-2.6%
GS<50 kW Non-RPP	2,000		\$ 106.29	\$ 120.40	\$ 14.11	13.3%
GS>50 kW	68,620	200	\$ 2,683.40	\$ 2,915.60	\$ 232.20	8.7%
USL	800		\$ 75.19	\$ 65.73	-\$ 9.46	-12.6%
Sentinel Lighting	60	0.20	\$ 7.22	\$ 7.22	-\$ 0.00	0.0%
Street Lighting	172,000	490	\$ 25,761.89	\$ 26,611.44	\$ 849.55	3.3%
Customer Classification and Billing Type	Energy kWh	Demand kW	Total Bill			
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GS>50 kW	68,620	200	\$ 11,418.46	\$ 11,680.84	\$ 262.39	2.3%
USL	800		\$ 183.01	\$ 172.32	-\$ 10.69	-5.8%
Sentinel Lighting	60	0.20	\$ 13.28	\$ 13.28	-\$ 0.00	0.0%
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GS<50 kW Non-RPP	2,000		\$ 125.29	\$ 156.60	\$ 31.31	25.0%
GS>50 kW	68,620	200	\$ 3,356.44	\$ 3,737.64	\$ 381.20	11.4%
USL	800		\$ 76.79	\$ 57.25	-\$ 19.54	-25.4%
Sentinel Lighting	60	0.20	\$ 7.33	\$ 7.06	-\$ 0.27	-3.7%
Street Lighting	46,000	129	\$ 6,942.09	\$ 7,529.80	\$ 587.71	8.5%
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GS>50 kW	68,620	200	\$ 12,178.99	\$ 12,609.75	\$ 430.76	3.5%
USL	800		\$ 184.82	\$ 162.74	-\$ 22.08	-11.9%
Sentinel Lighting	60	0.20	\$ 13.41	\$ 13.10	-\$ 0.31	-2.3%
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GS<50 kW Non-RPP	2,000		\$ 104.43	\$ 107.60	\$ 3.17	3.0%
GS>50 kW	68,620	200	\$ 2,677.44	\$ 2,648.22	-\$ 29.22	-1.1%
USL	800		\$ 67.32	\$ 60.45	-\$ 6.87	-10.2%
Sentinel Lighting	60	0.20	\$ 7.42	\$ 7.35	-\$ 0.07	-1.0%
Street Lighting	155,000	445	\$ 16,156.51	\$ 17,113.13	\$ 956.62	5.9%
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GS<50 kW RPP	2,000		\$ 367.90	\$ 362.67	-\$ 5.23	-1.4%
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GS>50 kW	68,620	200	\$ 11,411.72	\$ 11,378.70	-\$ 33.02	-0.3%
USL	800		\$ 174.12	\$ 166.35	-\$ 7.76	-4.5%
Sentinel Lighting	60	0.20	\$ 13.51	\$ 13.43	-\$ 0.08	-0.6%
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## **Group 1 Deferral and Variance Account Balances**

### **Interrogatory #2**

**Ref: Application, page 14**

**Ref: Filing Requirements for Electricity Distribution Rate Applications, Chapter 3, page 10**

The table on page 14 of the application indicated that a debit adjustment of \$555,969 was made to account 1588 to true-up electricity commodity costs for 2014. A similar credit adjustment of \$104,500 was made to account 1589 to true-up 2014 amounts. The application indicated that both of these adjustments were made in August 2015, after CNPI's balances had been audited.

The Filing Requirements state that a "distributor's Group 1 audited account balances will be reviewed and disposed." OEB staff notes that the adjustments performed in August 2015 are not audited.

- a) Given the OEB's policy of disposing audited balances only, please explain why the unaudited adjustments related to the true-up of commodity costs should be approved for disposition.
  - b) Please explain the causes of the \$555k debit adjustment to account 1588 and the \$105k credit adjustment to account 1589.
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### **RESPONSE:**

- a) The adjustments related to the true-up of commodity costs should be approved for disposition as the amounts relate to 2014 consumption values.

Although the final adjustment amounts have not been audited as they were calculated in August 2015, CNPI would like to point out that the majority of the inputs (i.e. kWh's, RPP pricing) into the true-up calculation were within the scope of the 2014 audit completed by its external auditors in early 2015. The majority of the adjustments calculated relate to incorrect Weighted Average Energy Price (WAEP) and Global Adjustment (GA) rates used in CNPI's original IESO former form 1598 submissions completed for January 2014 consumption. Approximately \$498k of the \$555k debit adjustment to account 1588 relates to the correction of

the WAEP and \$45k of the \$105k credit adjustment to account 1589 relates to the correction of the GA rate.

- b) Please refer to response in a) above. Additional contributors to the adjustment amounts to account 1588 and 1589 are primarily due to customer billing corrections that may have been made in the system after the original IESO former form 1598 submissions were completed.