Energy + Inc.

OEB Staff Questions

EB-2016-0060

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**Brant County Power**

**Staff Question - 1**

**Ref: Tab 3 “Distribution Rates” of OEB LRAMVA Workform**

Please provide rationale for pro-rating rates in period 1 of the calculation of average distribution rates for 2011 and 2015 by 8 months.

**Staff Question - 2**

**Ref:   Tab #3 Continuity Schedule and Tab #20 Bill Impacts**

OEB staff notes the large transactions of $2,162,414 in the 1589 account for 2015. Brant County has a total claim of $2,197,785 resulting in a rate rider of .0130. This results in charge of $9.75 for a typical Non-RPP customer at 750 kWh. OEB staff also notes the transactions amounts having been increasing since 2012.

Please explain the reasoning the for the large transaction amounts of $2,162,414 in 2015.

**Staff Question - 3**

1. Please confirm Brant County does not have any Class A customers.
2. Did Brant County have any customers switch from Class A to Class B in 2015?
3. If Brant County did have customers switch from Class A to Class B in 2015 please do a calculation as to determine the amount of GA that should be allocated to them.

**Staff Question – 4**

**Ref: Tab #3 Continuity Schedule**

Please confirm the adjustments made to the continuity schedules were not to previously disposed balances approved by the OEB.

**Staff Question – 5**

**Ref: Tab #3 Continuity Schedule Balances in Account 1580 and RRR filing 2.1.7**

The balances in 2.1.7 appear to be reported incorrectly. The 1580 control account in RRR should contain all reported 1580 balances including Class A and Class B 1580 sub account balances, Brant County reports a total of ($639,588). Reported in RRR 1580 sub-account class b is the total amount of ($639,588) principal and interest combined, this appears to be reported incorrectly.

When reviewing the continuity schedule tab 3 the control account 1580 should have a variance in column BV23 of sub account 1580 Class A plus sub account 1580 Class B and no variance reported in columns BV24 or BV25.

1. Please explain the variance in sub account 1580 class B column BV25 of ($717,113).
2. If the balance is incorrect please update Brant County’s RRR filing 2.1.7 and notify your case manager when this is completed.

**Staff Question - 6**

**Ref: IRM Rate Generator Tab 3, Manager’s Summary Page 22**

With regards to the $1.1M adjustment made to Account 1588 and Account 1589 for E+(Brant County). It’s stated that in August 2015, this credit has been included in the IESO Charge Type 142 RPP Settlement Amount and has been included in Account 1588.

1. However, in the EB-2015-0054 reply submission, Brant County stated

 *BCP recorded the adjustment of $1,133,153 as a credit to the variance account 1589 (representing a credit to customers) in 2015. The offsetting debit was recorded as an amount receivable from the IESO and was accepted and settled with the IESO in August 2015*.

1. Please explain the nature of the IESO true up adjustment and why it was recorded as an adjustment in Account 1589 in the EB-2015-0054 proceeding.
2. Please explain why the adjustment wasn’t recorded in Account 1588 in the EB-2015-0054 proceeding as it appears that the credit included in Charge Type 142 would have been known at the time of disposition already.
3. Please explain why a debit adjusting entry is now needed in Account 1588 when the adjustment was already included in Account 1589 in EB-2015-0054.
4. The net impact of the Account 1588 and Account 1589 adjustments is to reclassify $1.1M between the two accounts. Please explain why this is the case if the purpose of the settlement was a true-up that results in an amount to be recorded relating to Charge Type 142.
5. Please explain when the adjusting entries were recorded in the General Ledger and the DVA continuity schedule using the table below.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Year Pertaining to Balance** | **General Ledger** | **DVA Continuity Schedule** |
| Account 1588 | 2014 |  |  |
| 2015 |  |  |
| Account 1589 | 2014 |  |  |
| 2015 |  |  |

1. By the end of 2015, all the adjustments should have been made in both the General Ledger (and therefore, RRR) and DVA Continuity Schedules. The year end balances between the RRR and DVA Continuity Schedules would be expected to be the same. However, the tab 3 of the IRM Rate Generator, a variance is noted in column BV for Accounts 1588 and 1589. Please explain this variance.

**Cambridge and North Dumfries Hydro**

**Staff Question - 1**

1. Please confirm Cambridge and North Dumfries did not have any movement of customers from Class B to Class A during 2015.
2. If Cambridge and North Dumfries did have movement from class B to A please complete Tab 6.a by checking the box at the top of Tab 3.



1. Did Cambridge and North Dumfries have any customers switch from Class A to Class B in 2015?
2. If Cambridge and North Dumfries did have customers switch from Class A to Class B in 2015 please do a calculation as to determine the amount of GA that should be allocated to them.

**Staff Question - 2**

**Ref:   Tab #3 Continuity Schedule and Tab #20 Bill Impacts**

OEB staff notes the large transactions of $3,696,307 in the 1589 account for 2015. Cambridge and North Dumfries has a total claim of $3,770,143 resulting in a rate rider of .0060. This results in charge of $4.50 for a typical Non-RPP customer at 750 kWh. OEB staff also notes the transactions amounts having been increasing since 2012.

Please explain the reasoning the for the large transaction amounts of $3,770,143 in 2015.

**Staff Question - 3**

**Ref:   Tab #6 GA Calculation and Managers Summary page 17**

Cambridge and North Dumfries requested to dispose of its Group 1 deferral and variance accounts over 2 years. The 1589 Global adjustment rate rider is automatically calculated over one year.

Was it Cambridge and North Dumfries intent to have the 1589 Global Adjustment disposed of over one year?

**Staff Question - 4**

**Ref:   Tab # 7 Calculation of Def-Var RR and Managers Summary page 17**

Cambridge and North Dumfries is proposing, in order to mitigate fluctuations in the total bill impacts to customers over multiple rate years that the rate riders be in effect for a two-year period.

The balance of the Group 1 accounts excluding GA is a credit of approximately $9,274,073.  Cambridge and North Dumfries has provided reasoning for proposing disposition of the Group 1 DVA balances over a two year period.

1. Please provide further rationale supporting Cambridge and North Dumfries request, keeping in mind the EDDVAR Report which indicates that the systematic disposition of Group 1 Accounts should mitigate inter-generational inequities and the accumulation of large account balances.
2. Please confirm if there are any cash flow implications if Cambridge and North Dumfries was ordered to dispose of these account balances by the OEB.