



ENERGY+ INC.

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December 7, 2016

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Toronto, ON, M4P 1E4

Dear Ms. Walli :

**Re: EB-2016-0060 Energy+ Inc.
2017 Electricity Distribution Rate Application
Responses to OEB Staff Questions**

Energy+ Inc. is pleased to submit its responses to OEB Staff Questions pertaining to the 2017 IRM Rate Application for rates effective May 1, 2017 for Customers in the former Brant County Power and the former Cambridge and North Dumfries Hydro service territories. The following information has been submitted through the Ontario Energy Board RESS portal to the Office of the Board Secretary:

- EnergyPlus_IRR_20161207
- Revised Appendix B LRAMVA Report
- Revised Appendix G Bill Impacts E+(CND)
- Revised Appendix H Bill Impacts E+(Brant County)
- Revised LRMVA OEB WorkForm for 2011-2015 E+(Brant County)
- Revised 2017 IRM Model – E+(CND)
- Revised 2017 IRM Model – E+(Brant County)

Two paper copies will be couriered to the Ontario Energy Board office.

If you require any additional information or clarification, please contact the undersigned at (519) 621-8405, ext 2340.

Yours truly,

Energy+ Inc.

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Manager, Regulatory Affairs & Financial Planning
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**Energy + Inc.
EB-2016-0060
OEB Staff Questions**

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.

Response:

Energy+ (Brant County) confirms that pro-rating rates in period 1 of the calculation of the average distribution rates for 2011 through 2015 should be by 4 months. The updated LRAMVA claim amount is now:

	As filed	Corrected	Difference
Residential	\$41,573.10	\$41,410.80	-\$162.30
GS<50	\$102,929.37	\$103,155.94	\$226.57
GS 50-2999	\$418.63	\$1,545.81	\$1,127.18
Total	\$144,921.10	\$146,112.55	\$1,191.45

A revised LRAMVA work form and LRAMVA report has been submitted and the revisions have been included in the revised 2017 IRM Rate Model.

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.

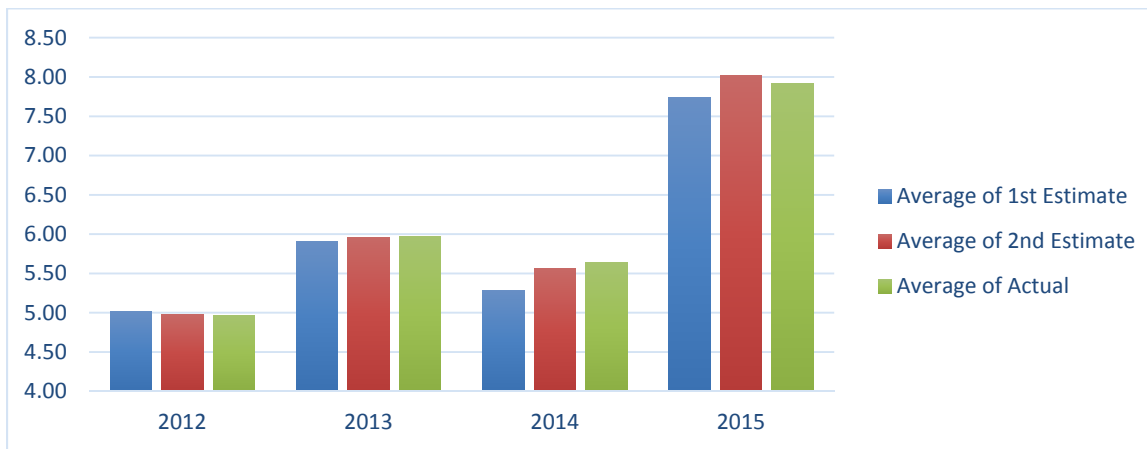
Please explain the reasoning the for the large transaction amounts of \$2,162,414 in 2015.

Response:

A significant increase in the IESO Global Adjustment (“GA”) pricing, in conjunction with a negative variance between the IESO 1st Estimate of GA and the Actual GA Pricing are the two primary reasons for the large transaction amounts in 2015.

Global Adjustment Pricing

Since 2012, the annual average IESO GA pricing has increased, as illustrated on the following chart¹:



More specifically, from 2014 to 2015, the annual average GA Actual rate increased by 40%.

¹Calculated using data from IESO Price Overview <http://www.ieso.ca/Pages/Power-Data/price.aspx>

Through the IESO settlement process, as described in our response to Interrogatory #3 – Staff, (EB-2015-0054), Energy+ Inc. records the Non-RPP portion of GA expense in Account 4707 Charges – Global Adjustment, at the GA Actual Rate.

IESO GA Actual Rate/MWH				
Month	2015	2014	Variance	% Change
Jan	5.07	1.26	3.81	302%
Feb	3.96	1.33	2.63	198%
Mar	6.29	-0.03	6.32	-21067%
Apr	9.56	5.20	4.36	84%
May	9.67	7.20	2.47	34%
Jun	9.54	6.03	3.51	58%
Jul	7.88	6.26	1.62	26%
Aug	8.01	6.76	1.25	18%
Sep	6.70	7.96	-1.26	-16%
Oct	7.54	10.01	-2.47	-25%
Nov	11.32	8.23	3.09	38%
Dec	9.47	7.44	2.03	27%
Average	7.92	5.64	2.28	40%

Between 2014 and 2015, the average 1st Estimate GA rate increased by 47%. Energy+ Inc. bills Non-RPP Customers for Global Adjustment using the IESO 1st Estimate, and revenues are recorded in Sub-Accounts 4006 to 4055, Sales of Electricity.

IESO 1st Estimate Rate /MWH				
Month	2015	2014	Variance	% Change
Jan	5.55	3.63	1.92	53%
Feb	6.98	2.23	4.75	213%
Mar	3.60	1.10	2.50	227%
Apr	6.71	-0.97	7.68	-792%
May	9.42	5.36	4.06	76%
Jun	9.23	7.19	2.04	28%
Jul	8.89	5.98	2.91	49%
Aug	8.81	6.11	2.70	44%
Sep	8.27	8.05	0.22	3%
Oct	6.37	7.49	-1.12	-15%
Nov	7.62	9.90	-2.28	-23%
Dec	11.46	7.32	4.14	57%
Average	7.74	5.28	2.46	47%

On average, Non-RPP kWh's accounted for 60% of Energy+ (Brant County)'s annual billed kWh's between 2012 and 2015.

Brant County				
RRR 2.1.5	2012*	2013	2014	2015
RPP kWhs	109,927,100	113,661,609	113,809,965	106,352,621
non-RPP kWhs	164,890,651	171,981,622	172,765,275	168,887,743
Total	274,817,751	285,643,231	286,575,240	275,240,364
% of non-RPP kWh	60%	60%	60%	61%

* estimated allocation

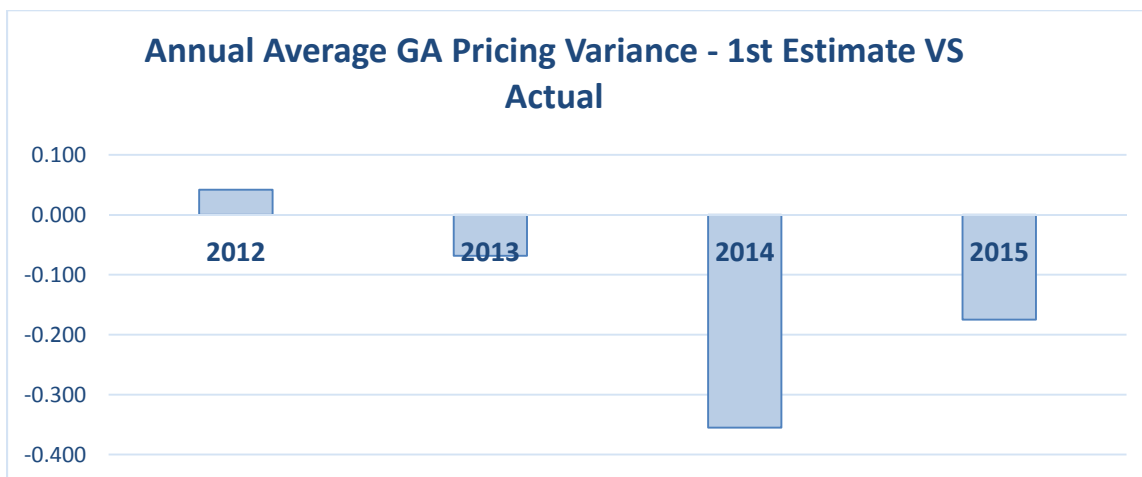
Despite fairly consistent non-RPP kWh quantities, a 40% average increase in actual GA rates, and a 47% average increase in 1st Estimate rates resulted in higher 2015 transaction amounts compared to 2014 transaction amounts.

The variance between GA revenue billed on the 1st Estimate for non-RPP customers and the GA expense for non-RPP customers is recorded in Account 1589 GA in accordance with Section 490 of the Accounting Procedures Handbook.

Had the increases for the 1st Estimate and the actual GA price increased unilaterally as opposed to 47% and 40%, the 2015 transaction variance may have been less pronounced, given that the pricing variance is captured in Account 1589 GA.

1st Estimate GA Rate VS Actual GA Rate

The average annual variance between the 1st Estimate and the Actual price/MWh has also widened since 2012. The chart below illustrates the average annual variances.



A negative average variance between the 1st Estimate and the Actual GA price indicates that Non-RPP Customers were billed at a rate lower than the actual GA rate. When the Non-RPP GA revenue billed to customers is lower than the Non-RPP expense charged by the IESO, Non-RPP Expense is reduced and the offsetting debit is recorded in Account 1589 GA.

In 2011, the former Cambridge and North Dumfries Hydro underwent an RPP Audit and no issues were noted in the audit findings. Energy+ Inc. confirms that its current principals and methodologies remain consistent with those in place at the time of the RPP audit for Cambridge and North Dumfries Hydro. This methodology was implemented in the 2015 settlement and calculation of RSVA balances for Energy+ (Brant County).

Staff Question - 3

1. Please confirm Brant County does not have any Class A customers.

Response:

Energy+ (Brant County) confirms that it does not have any Class A customers.

2. Did Brant County have any customers switch from Class A to Class B in 2015?

Response:

Energy+ (Brant County) did not 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.

Response:

Not applicable.

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.

Response:

Energy+ (Brant County) confirms that adjustments made to the continuity schedules were not to previously disposed balances approved by the OEB, with the exception of adjustments to Account 1588 and Account 1589 in Column “BF”, “Principal Adjustments during 2015”, of Tab 3. “Continuity Schedule”, in the revised 2017 IRM (Brant County) Rate Model. Further details are provided in our response to Staff Question - 6, below.

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).

Response:

The balance of account 1580 as of December 31, 2015 is:

	Principal	Interest	Total
RSVA Wholesale Market Charge	\$(720,927.52)	\$3,815.05	\$(717,112.47)
Variance WMS – Sub account CBR Class A	0.00	0.00	0.00
Variance WMS – Sub account CBR Class B	77,271.86	253.00	77,524.86
1580 Control Account Total	\$(643,655.66)	\$4,068.05	\$(639,587.61)

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.

Response:

The amounts reported in the Variance WMS Sub accounts have been revised and submitted through the OEB portal.

Sub-account RSVA - Wholesale Market Service Charge CBDR class B - Principal	1580	77,271.86
Sub-account RSVA - Wholesale Market Service Charge CBDR class B - Interest	1580	253.00

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.

- a) 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.

- I. 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.

Response:

The IESO true up adjustment was a reconciliation of the 2014 GA expense attributable to Energy+ (Brant County) RPP customers. Prior to 2015, Brant County's practice was to settle the Global Adjustment charges for RPP customers with the IESO using the 1st Estimate on a monthly basis, and then true up annually using the actual GA pricing. The 2014 true-up was not completed until August 2015.

IESO Staff reviewed and accepted the adjustment calculation, and a credit was applied against Charge Type 142 on the August 2015 IESO invoice.

As the true up amount related to the period up to December 31, 2014, and Energy+ (Brant County) had received the true-up amount from the IESO, Energy+ submitted that it was reasonable to record the amount in the 2016 IRM Application (EB-2015-0054), thereby reducing the recovery amount from customers.

At the time of the preparation of the 2016 IRM Application, Energy+(Brant County) erroneously believed that the Global Adjustment true-up adjustment related to Non-RPP customers and should be recorded in Account 1589 RSVA Global Adjustment. Subsequently, and as part of the investigation and review required to respond to OEB Staff questions with respect to the 2017 IRM Application, Energy+(Brant County) submits that the true-up of the Global Adjustment was for RPP Customers and should have been reflected in the 2016 IRM Application as an adjustment to Account 1588.

Please see response to OEB Staff Question #6 (a)(ii).

Energy+ (Brant County) proposes to correct the erroneous true-up adjustment approved in EB-2015-0054 by reversing the \$1,133,153 credit from Account 1589 and crediting Account 1588 in this Application. A summary of the adjustments and total bill impacts are provided in our response to Question 6.a (iv) below.

In the EB-2015-0054 reply submission Energy+(Brant County) submitted that it had recorded the adjustment for the true up in the general ledger as a credit to Account 1589 in 2015. Energy+(Brant County) provides the following clarification with respect to the general ledger accounts and accounting with respect to this adjustment:

- Prior to the legal amalgamation on January 1, 2016 and the conversion to a consolidated financial system, the former Brant County's financial system consolidated the balances of Account 1588 and Account 1589 into one general ledger account. Separation of these balances were maintained on an excel spreadsheet;
- It was during a review of the 2015 balances in preparation of the 2017 IRM Rate Application that it was found the true-up adjustment had been allocated to Account 1588 RSVA Power within the spreadsheet, via IESO Charge Type 142. On the basis of the 2016 IRM Decision and Order, whereby the true-up adjustment was allocated and approved for disposition via Account 1589 RSVA Global Adjustment, it was believed that the allocation within the spreadsheet was inaccurate;

- As a result of Account 1588 and 1589 being recorded in one general ledger account prior to 2016, any inter-GL allocation errors would not have been specifically identified; and
- Effective January 1, 2016, the Account 1588 and Account 1589 balances have been allocated and separated into separate general ledger accounts.

In 2015, Energy+ underwent key staffing changes within its Finance and Regulatory department and certain information and knowledge pertaining to Brant County's accounting and regulatory records was not fully transitioned.

- II. 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.

Response:

As explained in response to OEB Staff Question #6(a)(i), the adjustment was erroneously recorded and disposed as an adjustment to Account 1589 in the EB-2015-0054 proceeding.

Energy+ (Brant County) confirms that the true-up adjustment applies to RPP Customers, and that the amount was correctly included in IESO Charge Type 142 Settlement Amount.

As noted in response to OEB Staff Question #6(a)(i), the adjustment was allocated to Account 1588 in the 2015 excel spreadsheet for accounting purposes used to support the general ledger balance for both Account 1588 and 1589.

- III. 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.

Response:

It was initially believed that a debit adjusting entry was required in Account 1588 to offset the credit adjustment applied to the account in 2015 on the understanding that the credit adjustment should have been applied to Account 1589. This particular adjustment however, is no longer required for Account 1588 because the credit adjustment was properly included in Account 1588 for the 2015 financial records and RRR Reporting.

- IV. 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.

Response:

Energy+ (Brant County) confirms that the true-up adjustment applies to RPP Customers, that the amount was correctly included in IESO Charge Type 142 Settlement Amount, and that the credit was allocated to GL 1588 in 2015 for regulatory reporting and financial statement purposes, via the excel spreadsheet and as reported as part of the 2015 year-end balances (via the RRR Reporting).

Energy+ (Brant County) proposes to correct the erroneous disposition of the true-up adjustment from Account 1589 to Account 1588. A revised 2017 IRM Model has been provided.

The following are explanations for the variances between the original submission and the revised submission:

Principal Adjustments during 2015

Account 1588 RSVA Power- "Transactions Debit/(Credit) during 2015" for \$(2,475,747) included the true-up adjustment of \$(1,133,153).

- The original submission was based on EB-2015-0054, whereby the true-up adjustment should have been recorded in Account 1589, and was therefore debited in the "Principal Adjustments during 2015" column to remove the amount from Account 1588. The offsetting credit was applied to the "Principal Adjustments during 2015" column for Account 1589 RSVA Global Adjustment.
- The revised adjustment separately identifies the transactions during 2015 (\$1,324,594) and the true-up adjustment for 2014 (\$1,133,153) by placing the latter in the "Principal Adjustments during 2015" column.

Interest Adjustments during 2015

- The original submission was based on EB 2015-0054, whereby carrying charges applicable to the true-up adjustment should be transferred to Account 1589 and therefore a debit of \$4,156 was recorded in the "Interest Adjustment during 2015

column”. The offsetting credit was applied to “Interest Adjustments during 2015” for Account 1589 RSVA Global Adjustment,

- The revised adjustment eliminated the carrying charge adjustment because the principal true-up was properly recognized in Account 1588.

Projected Interest from Jan 1, 2016 to April 30, 2017 on December 31 2015 balances

- Interest was automatically recalculated at 1.10% simple interest X 16 months.
- The total Account 1588 Projected Interest credit increased by \$16,169 (\$12,464 + \$4,155). The offsetting debit amounts were applied to Account 1589 Projected interest.

The revised submissions no longer have a variance with RRR reported amounts.

	Total Claim	As of Dec 31-15	Variance RRR vs. 2015 Balance (Principal + Interest)
Account 1588 RSVA Power			
Original Submission	\$ (1,378,571)	\$ (1,904,074)	\$ (1,137,308)
Revised Submission	\$ (2,532,499)	\$ (1,904,074)	\$ 1
Variance	\$ 1,153,928	\$ -	\$ (1,137,309)

	Total Claim	As of Dec 31-15	Variance RRR vs. 2015 Balance (Principal + Interest)
Account 1589 RSVA Global Adjustment			
Original Submission	\$ 2,197,785	\$ 3,328,231	\$ 1,137,308
Revised Submission	\$ 3,351,713	\$ 3,328,231	\$ (1)
Variance	\$ (1,153,928)	\$ -	\$ 1,137,309

Net Variance	\$ -	\$ -	\$ -
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	Opening Principal Amounts as of Jan 1. 2014	Transactions ² Debit / (Credit) during 2014	OEB-Approved Disposition during 2014	Principal Adj ⁴ during 2014	Closing Principal Balance as of Dec 31. 2014	Closing Interest Amounts as of Dec 31. 2014	Opening Principal Amounts as of Jan 1. 2015	Transactions ² Debit / (Credit) during 2015	OEB-Approved Disposition during 2015	Principal Adj ⁴ during 2015	Closing Principal Balance as of Dec 31. 15
Account 1588											
RSVA Power											
Original Submission	\$ (586,694)	\$ 577,386	\$ 166,752		\$ (176,060)	\$ (12,133)	\$ (176,060)	\$ (2,475,747)	\$ (753,446)	\$ 1,133,153	\$ (765,208)
Revised Submission	\$ (586,694)	\$ 577,386	\$ 166,752		\$ (176,060)	\$ (12,133)	\$ (176,060)	\$ (1,342,594)	\$ (753,446)	\$ (1,133,153)	\$ (1,898,361)
Variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,133,153)	\$ -	\$ 2,266,306	\$ 1,133,153

	Opening Principal Amounts as of Jan 1. 2014	Transactions ² Debit / (Credit) during 2014	OEB-Approved Disposition during 2014	Principal Adj ⁴ during 2014	Closing Principal Balance as of Dec 31. 2014	Closing Interest Amounts as of Dec 31. 2014	Opening Principal Amounts as of Jan 1. 2015	Transactions ² Debit / (Credit) during 2015	OEB-Approved Disposition during 2015	Principal Adj ⁴ during 2015	Closing Principal Balance as of Dec 31. 15
Account 1589											
RSVA Global Adjustment											
Original Submission	\$ 1,430,958	\$ 1,149,778	\$ 417,435	\$ (1,133,153)	\$ 1,030,148	\$ 29,808	\$ 1,030,148	\$ 2,162,414	\$ 1,013,523	\$ -	\$ 2,179,039
Revised Submission	\$ 1,430,958	\$ 1,149,778	\$ 417,435	\$ (1,133,153)	\$ 1,030,148	\$ 29,808	\$ 1,030,148	\$ 2,162,414	\$ 1,013,523	\$ 1,133,153	\$ 3,312,192
Variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,133,153)	\$ (1,133,153)
Net Variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,133,153)	\$ -	\$ 1,133,153	\$ -

	Opening Interest Amounts as of Jan 1. 15	Interest Jan 1 to Dec 31. 15	OEB-Approved Disposition during 2015	Interest Adj ⁴ during 2015	Closing Interest Amounts as of Dec 31. 15	Principal Disposition during 2016 - instructed by OEB	Interest Disposition during 2016 - instructed by OEB	Closing Principal Balances as of Dec 31. 2016 Adjusted for Dispositions during 2016	Closing Interest Balances as of Dec 31. 15 Adjusted for Disposition in 2016	Projected Interest from Jan 1. 2016 to Dec 31. 2016 on Dec 31 -15 balance adjusted for disposition during 2016 ^a	Projected Interest from Jan 1, 2017 to Apr 30, 2017 on Dec 31 -15 balance adjusted for disposition during 2016 ^a	Total Interest
Account 1588												
RSVA Power												
Original Submission	\$ (12,133)	\$ (12,541)	\$ (18,960)	\$ 4,156	\$ (1,558)	\$ 577,386	\$ 14,727	\$ (1,342,594)	\$ (16,285)	\$ (14,769)	\$ (4,923)	\$ (35,977)
Revised Submission	\$ (12,133)	\$ (12,541)	\$ (18,960)	\$ -	\$ (5,714)	\$ 577,386	\$ 14,727	\$ (2,475,747)	\$ (20,441)	\$ (27,233)	\$ (9,078)	\$ (56,752)
Variance	\$ -	\$ -	\$ -	\$ 4,156	\$ 4,156	\$ -	\$ -	\$ 1,133,153	\$ 4,156	\$ 12,464	\$ 4,155	\$ 20,775

	Opening Interest Amounts as of Jan 1. 15	Interest Jan 1 to Dec 31. 15	OEB-Approved Disposition during 2015	Interest Adj ⁴ during 2015	Closing Interest Amounts as of Dec 31. 15	Principal Disposition during 2016 - instructed by OEB	Interest Disposition during 2016 - instructed by OEB	Closing Principal Balances as of Dec 31. 2016 Adjusted for Dispositions during 2016	Closing Interest Balances as of Dec 31. 15 Adjusted for Disposition in 2016	Projected Interest from Jan 1. 2016 to Dec 31. 2016 on Dec 31 -15 balance adjusted for disposition during 2016 ^a	Projected Interest from Jan 1, 2017 to Apr 30, 2017 on Dec 31 -15 balance adjusted for disposition during 2016 ^a	Total Interest
Account 1589												
RSVA Global Adjustment												
Original Submission	\$ 29,808	\$ 25,738	\$ 39,506	\$ (4,156)	\$ 11,884	\$ 16,625	\$ 8,229	\$ 2,162,414	\$ 3,655	\$ 23,787	\$ 7,929	\$ 35,371
Revised Submission	\$ 29,808	\$ 25,738	\$ 39,506	\$ -	\$ 16,040	\$ 16,625	\$ 8,229	\$ 3,295,567	\$ 7,811	\$ 36,251	\$ 12,084	\$ 56,146
Variance	\$ -	\$ -	\$ -	\$ (4,156)	\$ (4,156)	\$ -	\$ -	\$ (1,133,153)	\$ (4,156)	\$ (12,464)	\$ (4,155)	\$ (20,775)
Net Variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

As a result of the adjustments from OEB Staff Question 1 and OEB Staff Question 6 above, the revised Group 1 balances are as follows:

Account Number	Account Description	Original Submission			Revised Submission		
		Principal Balance at Dec 31, 2015	Interest to April 30, 2017	Total Claim	Principal Balance at Dec 31, 2015	Interest to April 30, 2017	Total Revised Claim
1550	LV Variance Account	(\$360,998)	(\$8,297)	(\$369,295)	(\$360,998)	(\$8,297)	(\$369,295)
1551	Smart Metering Entity Charge Variance	(\$5,234)	\$18	(\$5,216)	(\$5,234)	\$18	(\$5,216)
1580	RSVA - Wholesale Market Service Charge	(\$609,204)	(\$12,318)	(\$621,522)	(\$609,204)	(\$12,318)	(\$621,522)
1580	Variance WMS - Sub-account CBR Class B	\$77,272	\$1,386	\$78,658	\$77,272	\$1,386	\$78,658
1584	RSVA - Retail Transmission Network Charge	\$421,200	\$7,682	\$428,882	\$421,200	\$7,682	\$428,882
1586	RSVA - Retail Transmission Connection Charge	\$305,381	\$4,190	\$309,571	\$305,381	\$4,190	\$309,571
1588	RSVA - Power (excluding Global Adjustment)	(\$1,342,594)	(\$35,977)	(\$1,378,571)	(\$2,475,747)	(\$56,752)	(\$2,532,499)
1595	Disposition of Regulatory Balances	(\$89,395)	(\$15,120)	(\$104,515)	(\$89,395)	(\$15,120)	(\$104,515)
	Subtotal	(\$1,603,572)	(\$58,436)	(\$1,662,008)	(\$2,736,725)	(\$79,211)	(\$2,815,936)
1589	RSVA - Global Adjustment	\$2,162,414	\$35,371	\$2,197,785	\$3,295,567	\$56,146	\$3,351,713
	Total Group 1 Balance	\$558,842	(\$23,065)	\$535,777	\$558,842	(\$23,065)	\$535,777
1568	LRAMVA	\$141,416	\$3,505	\$144,921	\$142,520	\$3,592	\$146,112
	Total	\$700,258	(\$19,560)	\$680,698	\$701,362	(\$19,473)	\$681,889

A revised total bill impact summary is provided below:

Rate Class, Categories	kWh	kW	Total Bill (Excluding HST)						
			Current	Original Proposed	Revised Proposed	Variance (Original vs Current)	% Impact (Original vs Current)	Variance (Revised vs Current)	% Impact (Revised vs Current)
Residential (RPP)	358	-	\$ 73.17	\$ 72.88	\$ 71.38	\$ (0.29)	-0.4%	\$ (1.79)	-2.4%
Residential (RPP)	750	-	\$ 133.21	\$ 127.79	\$ 124.64	\$ (5.42)	-4.1%	\$ (8.57)	-6.4%
GS < 50 kW (RPP)	2,000	-	\$ 345.55	\$ 335.16	\$ 326.76	\$ (10.39)	-3.0%	\$ (18.79)	-5.4%
GS >50 to 4,999 kW (Non-RPP)	25,200	85	\$ 4,221.46	\$ 4,241.49	\$ 4,252.15	\$ 20.04	0.5%	\$ 30.69	0.7%
GS >50 to 4,999 kW Interval <1000(Non-RPP)	25,200	85	\$ 4,242.89	\$ 4,263.13	\$ 4,273.78	\$ 20.23	0.5%	\$ 30.89	0.7%
GS >50 to 4,999 kW Interval >1000(Non-RPP)	725,000	1,700	\$112,150.98	\$ 115,428.61	\$ 117,144.59	\$ 3,277.63	2.9%	\$ 4,993.61	4.5%
Unmetered Scattered Load (RPP)	407	-	\$ 70.22	\$ 66.85	\$ 65.14	\$ (3.38)	-4.8%	\$ (5.09)	-7.2%
Street Lighting (Non-RPP)	104,000	398	\$ 37,262.55	\$ 37,139.80	\$ 37,253.14	\$ (122.75)	-0.3%	\$ (9.40)	0.0%
Sentinel Lighting (RPP)	330	1	\$ 82.23	\$ 78.08	\$ 76.64	\$ (4.15)	-5.1%	\$ (5.59)	-6.8%

b) 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		

Response:

As requested, Energy+ (Brant County) has completed the table requested, with modifications, to assist in providing greater clarity as to the adjustments.

		2016 IRM DVA Continuity Schedule Dec 31 2014 Balance					
	Year Pertaining to Balance	General Ledger	Principal	Interest	Total	Variance	
Account 1588	2014	\$ (188,193)	\$ (176,060)	\$ (12,133)	\$ (188,193)	\$ 0	
Account 1589	2014	\$ 2,193,109	\$ 1,030,148	\$ 29,808	\$ 1,059,956	\$ 1,133,153	

		2017 IRM Original DVA Continuity Schedule Dec 31 2015 Balance					
	Year Pertaining to Balance	General Ledger	Principal	Interest	Total	Variance	
Account 1588	2015	\$ (1,904,074)	\$ (765,208)	\$ (1,558)	\$ (766,766)	\$ (1,137,308)	
Account 1589	2015	\$ 3,328,231	\$ 2,179,039	\$ 11,884	\$ 2,190,923	\$ 1,137,308	

		2017 IRM Revised DVA Continuity Schedule Dec 31 2015 Balance					
	Year Pertaining to Balance	General Ledger	Principal	Interest	Total	Variance	
Account 1588	2015	\$ (1,904,074)	\$ (1,898,361)	\$ (5,714)	\$ (1,904,075)	\$ 1	
Account 1589	2015	\$ 3,328,231	\$ 3,312,192	\$ 16,040	\$ 3,328,232	\$ (1)	

- c) 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.

Response:

In light of the above discussed revisions, the year end balances between the RRR and the DVA Continuity schedules are now the same.

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.

Response:

In 2015, 2 customers in the GS 1,000 to 4,999 kW rate class moved from Class B to Class A when the ICI was amended to include customers with an average demand of >3MW. The total consumption of 19,856,152 kWh's for these customers included in the 2017 IRM Model are for the July to December period.

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.

If you have a Class A customer, 1580 sub-account CBR Class B will be disposed through a rate rider calculated outside the model (if significant).

If you have only Class B customers, the balance applicable to Class B will be allocated and disposed with account 1580.

Please click if you have one or more Class A customers.

Response:

This box had been checked as required in the Energy+ Inc. (CND) 2017 IRM Model submitted on September 26th.

3. Did Cambridge and North Dumfries have any customers switch from Class A to Class B in 2015?

Response:

Yes. 1 customer switched from Class A to Class B in 2015.

4. 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.

Response:

The following table summarizes the allocation of kWh's for customers as presented in tab "6. GA calculation" the CND 2017 IRM Rate Model:

As at Dec 31 2015	Class A kWh	Class B kWh
Class A to Class B	101,460,566	76,997,364
Class B to Class A	19,856,152	26,408,952
Class A	28,831,916	
Total	150,148,634	103,406,316

As at Dec 31 2015	Class A kWh	Class B kWh
GS 1000 to 4,999 kW	19,856,152	26,408,952
Large Use	130,292,482	76,997,364
Total	150,148,634	103,406,316

The total kWh's for the customer who switched from Class A to Class B have been allocated between Class A and Class B kWh in the model based on actual consumption during the period for each classification. As determined on ab "6. GA calculation" of the 2017 CND IRM Model, the GA rate rider per kWh is \$0.0060 and the total GA that should be allocated to this customer is \$461,984.19

GA Rate Rider per kwh 2017 IRM Model	\$ 0.0060
Total Class B kWh applicable to Customer	76,997,364
Total GA allocated to Customer	\$ 461,984.19

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.

Response:

Please refer to the response to Staff Question 2 for Energy+ (Brant County) above regarding the impact of Global Adjustment rates and the variance between the pricing for IESO's 1st Estimate and the actual Global Adjustment, and their effect on increasing transaction amounts for Account 1589 Global Adjustment.

On average, Non-RPP kWh's accounted for 56% of Energy+ (Cambridge and North Dumfries) total billed annual kWh's between 2012 and 2015. Despite a consistent proportion of non-RPP kWh quantities, a 40% average increase in GA rates, and a 47% average increase in 1st Estimate rates resulted in higher 2015 transaction amounts compared to 2014 transaction amounts.

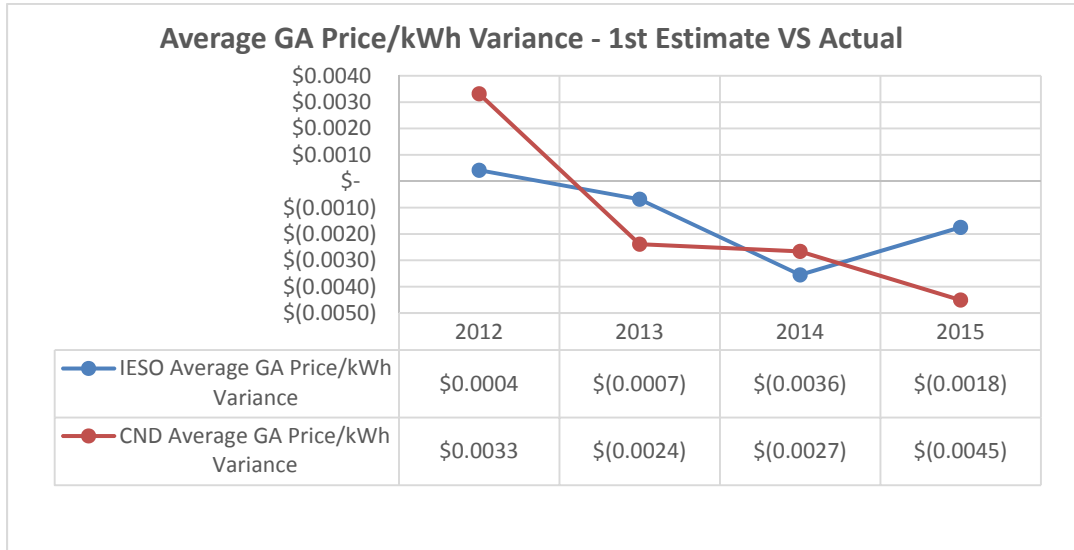
Cambridge and North Dumfries				
RRR 2.1.5	2012*	2013	2014	2015
RPP kwh	629,185,963	630,779,589	657,347,366	661,413,065
non-RPP kWh	834,037,206	832,062,332	797,762,129	820,289,456
	1,463,223,169	1,462,841,921	1,455,109,495	1,481,702,521
% of non-RPP	57%	57%	55%	55%

* estimated allocation

In order to determine the relationship between the IESO Pricing variances and the transaction amounts, the annual average GA Price/kWh Variance was calculated for Energy+ (CND).

Cambridge and North Dumfries					
		2012*	2013	2014	2015
RRR 2.1.5	Non-RPP kWh	834,037,206	832,062,332	797,762,129	820,289,456
D&V Continuity	Non-RPP Transactions	\$ (2,765,403)	\$ 1,987,769	\$ 2,123,602	\$ 3,696,307
Average GA Price/kWh Variance		\$ 0.0033	\$ (0.0024)	\$ (0.0027)	\$ (0.0045)
* estimated allocation					

The following chart demonstrates the relationship between the IESO and Energy+ (CND)'s Average GA price/kWh variance (1st Estimate VS Actual):



In 2011, the former Cambridge and North Dumfries Hydro underwent an RPP Audit and no issues were noted in the audit findings. Energy+ Inc. confirms that its current principals and methodology remains consistent with those in place at the time of the 2011 RPP audit.

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?

Response:

It is the intent of Energy+ (CND) to have the Cambridge and North Dumfries 1589 Global Adjustment disposed of over two years.

Rate Rider for Disposition of Global Adjustment Account Applicable for Non-RPP Customers		
Original Submission	\$0.0060	\$/kWh
Revised Submission	\$0.0030	\$/kWh

The 2017 (CND) IRM Model was modified to calculate the rate rider over 2 years by adding a negative rate rider of \$(0.003) per kWh in tab “18 Additional Rates” so that Tab “20. Bill Impacts” calculates the appropriate impact of the updated rate rider for Disposition of Global Adjustment Account (2017) of \$0.003 per kWh (\$0.006 - \$0.003 = \$0.003).

The updated Bill Impact Summary is presented below:

Rate Class, Categories	kWh	kW	Distribution (Fixed & Volumetric)		Total Bill (Excluding HST)	
			\$ Change	% Impact	\$ Change	% Impact
Residential (RPP)	305	-	\$ 2.15	11.5%	\$ 1.06	1.8%
Residential (RPP)	750	-	\$ 0.19	0.8%	\$ (2.48)	-2.0%
GS < 50 kW (RPP)	2,000	-	\$ 0.84	2.0%	\$ (6.28)	-2.0%
GS >50 to 999 kW (Non-RPP)	20,000	60	\$ 6.46	1.8%	\$ 67.38	2.0%
GS >1,000 to 4,999 kW (Non-RPP)	800,000	2,000	\$ 146.40	1.8%	\$ (641.40)	-0.5%
Large Use (Non-RPP)	6,600,000	16,000	\$ 858.41	1.8%	\$32,244.01	3.4%
Unmetered Scattered Load (RPP)	63	-	\$ 0.11	1.7%	\$ (0.11)	-0.7%
Street Lighting (Non-RPP)	22,860	97	\$ 49.76	1.7%	\$ (264.83)	-4.2%
Embedded (Non-RPP)	960,000	4,200	\$ -		\$ 2,261.28	1.6%

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.

- A. 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.

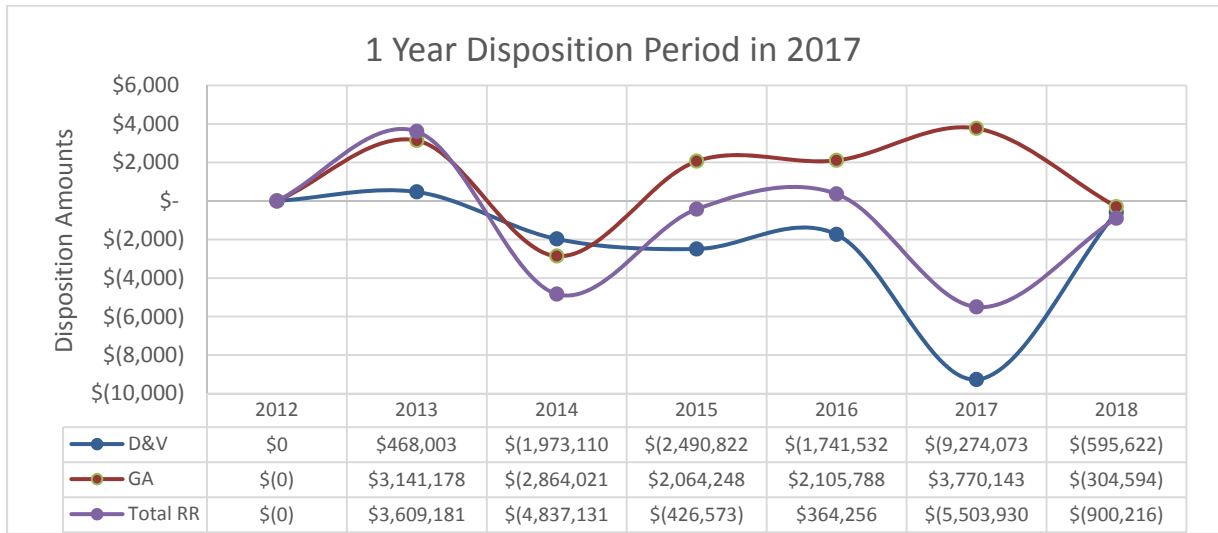
Response:

Energy+ (CND) proposes to dispose of the total Group 1 Balances, including 1589 Global Adjustment, over a two-year period in order to provide rate stability for Energy+ (CND) Customers. While a large D&V rate rider credit will be enjoyed by most Energy+ (CND) customers in 2017 in a 1-year disposition period, compared to the

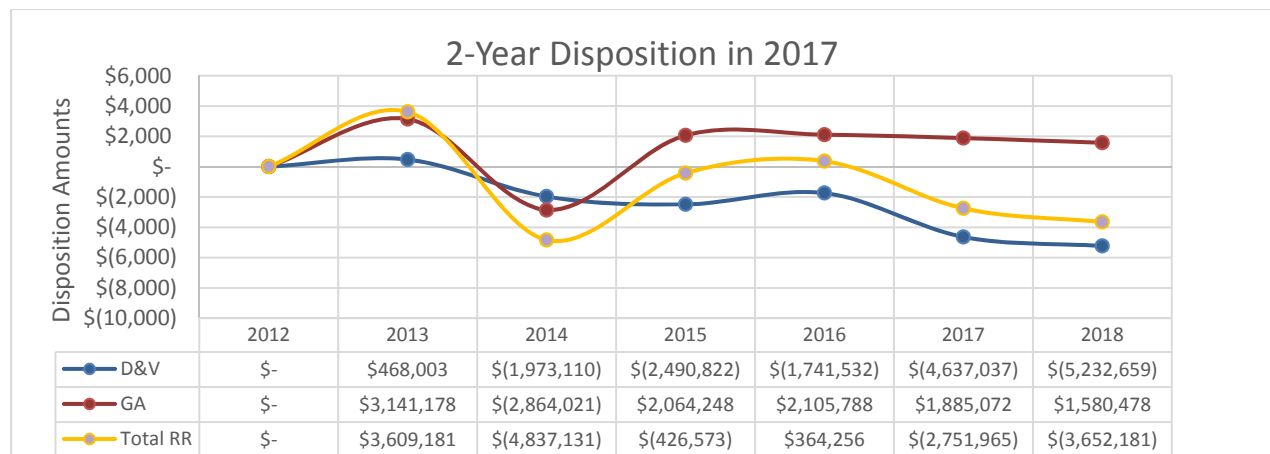
2016 amounts, a reduced rate rider credit or a rate rider debit in 2018 would add volatility in their total bill amounts.

A similar, but opposite trend is noted in the 1589 Global Adjustment variance, so that on a net basis for all Group 1 balances, Non-RPP customers would also experience rate volatility in 2018.

The following chart illustrates the actual, proposed, and forecast Group 1 disposition amounts, if the total Group 1 accounts are disposed over a 1 year period for 2017 and 2018. The 2018 Forecast Amounts are based on the October 2016 Group 1 transaction amounts and carrying charges, prorated over 12 months.



Under the proposal of a 2-year disposition of Group Balances for 2017 rates, the variance trend from 2016 to 2018 is less volatile.



The Report of the Board on Electricity Distributors' Deferral and Variance Account Review Report (EDDVAR) provides that under the Price Cap IR or the Annual IR Index, the distributor's Group 1 audited account balances will be reviewed, and disposed if the pre-set disposition threshold of \$0.001 per kWh (debit or credit) is exceeded.

The 2017 IRM Rate Model calculates a Threshold Test amount of \$(0.0037) per kWh for all Group 1 Accounts which exceeds the disposition threshold of \$0.001 per kWh.

When Group 1 account balances are computed over a 2 year period the \$0.001 threshold is still exceeded.

	Total Claim Amount	Threshold Test (Total claim per kWh) - 1 Year	Threshold Test (Total claim per kWh) - 2 Years
Group 1 Excluding Account 1589 Global Adjustment	\$ (9,274,073)	\$ (0.0063)	\$ (0.00315)
Account 1589 Global Adjustment	\$ 3,770,143	\$ 0.0025	\$ 0.00125
All Group 1 Accounts	\$ (5,503,930)	\$ (0.0037)	\$ (0.00185)

B. 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.

Response:

Energy+ Inc. confirms that the cash flow implications of disposing of these account balances in a 1 year period may be the requirement for additional borrowing, resulting in increased borrowing costs to support working capital requirements and capital investments in conjunction with the Distribution System Plan approved in the Cambridge and North Dumfries 2014 Cost of Service Application (EB-2013-0116).