Collus PowerStream Corp.

EB-2016-0064

October 19, 2016

Analysis Question #1

Ref: IRM Model – tab 3 Continuity Schedule: account 1595 (2009) & 1595 (2010) OEB-approved disposition in 2013

On the continuity schedule of the 2017 IRM model, Collus PowerStream reported $0 balances in the following accounts:

- Account 1595 (2009) OEB-approved disposition (principle) in 2013
- Account 1595 (2010) OEB-approved disposition (principle) in 2013
- Account 1595 (2009) OEB-approved disposition (interest) in 2013

As per the Settlement Agreement in Collus PowerStream's 2013 cost of service application (EB-2012-0116), these accounts should have balances of ($79,658), ($2,265) and ($27,160) respectively.

a) Please provide explanation for the above discrepancies.

Response:

Collus PowerStream has made the necessary changes to the model and uploaded a revised version to the OEB's FTP site.

Settlement Table #10: Deferral and Variance Accounts

Summary of Total Claim

	USof A	Closing Principal	Closing Interest	Projected Interest	Projected Interest	Total Claim
Total Group 1 Account Balance		277,635	(27,285)	4,115	2,743	257,208
Total Group 2 Account Balance		596	10,110	(1,872)	6	8,839
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	(55,170)	(241)	(475)	(525)	(56,411)
Total Claim		**223,061**	**(17,416)**	**1,767**	**2,224**	**209,637**

Summary of Group 1 Balances

Group 1 Accounts	USofA	Closing Principal	Closing Interest	Projected Interest	Projected Interest	Total Claim
LV Variance Account	1550	165,144	643	2,428	1,618	169,833
RSVA - Wholesale Market Service Charge	1580	(477,597)	(1,015)	(7,021)	(4,680)	(490,313)
RSVA - Retail Transmission Network Charge	1584	(1,153)	(1,375)	(17)	(11)	(2,556)
RSVA - Retail Transmission Connection Charge	1586	(24,817)	(1,050)	(365)	(243)	(26,474)
RSVA - Power (excluding Global Adjustment)	1588	138,155	(28)	2,031	1,354	141,511
RSVA - Power - Sub-account - Global Adjustment	1588	559,826	748	8,229	5,486	574,290
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	(79,658)	(25,208)	(1,171)	(781)	(106,818)
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	(2,265)	-	-	-	(2,265)
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		**277,635**	**(27,285)**	**4,115**	**2,743**	**257,208**
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		**(282,191)**	**(28,033)**	**(4,115)**	**(2,743)**	**(317,082)**

		2013							
Account Descriptions	Account Number	Transactions[2] Debit / (Credit) during 2013	OEB-Approved Disposition during 2013	Principal Adjustments[1] during 2013	Closing Principal Balance as of Dec 31, 2013	Opening Interest Amounts as of Jan 1, 2013	Interest Jan 1 to Dec 31, 2013	OEB-Approved Disposition during 2013	In Adju
Group 1 Accounts									
LV Variance Account	1550	299,127	165,144		442,165	3,473	6,198	4,689	
Smart Metering Entity Charge Variance Account	1551	7,703			7,703	0	119		
RSVA - Wholesale Market Service Charge	1580	(441,436)	(477,597)		(1,055,459)	(16,096)	(19,168)	(12,716)	
Variance WMS – Sub-account CBR Class A	1580				0	0			
Variance WMS – Sub-account CBR Class B	1580				0	0			
RSVA - Retail Transmission Network Charge	1584	255,989	(1,152)		255,880	(2,187)	1,598	(1,403)	
RSVA - Retail Transmission Connection Charge	1586	72,903	(24,816)		97,297	(1,637)	323	(1,658)	
RSVA - Power	1588	379,233	138,155		755,462	(5,008)	2,332	3,357	
RSVA - Global Adjustment	1589	768,917	559,826		647,049	13,663	11,729	14,463	
Disposition and Recovery/Refund of Regulatory Balances (2009)[4]	1595				0	0			
Disposition and Recovery/Refund of Regulatory Balances (2010)[4]	1595	719,941			22,146	(253,913)	(5,153)		
Disposition and Recovery/Refund of Regulatory Balances (2011)[4]	1595				0	0			
Disposition and Recovery/Refund of Regulatory Balances (2012)[4]	1595	631,156			(259,871)	(9,514)	(8,537)		
Disposition and Recovery/Refund of Regulatory Balances (2013)[4]	1595	(9,195)	(209,732)		200,537	0	517		
Disposition and Recovery/Refund of Regulatory Balances (2014)[4]	1595				0	0			
Disposition and Recovery/Refund of Regulatory Balances (2015)[4]									
Not to be disposed of unless rate rider has expired and balance has been audited	1595				0	0			
RSVA - Global Adjustment	**1589**	768,917	559,826	0	647,049	13,663	11,729	14,463	
Total Group 1 Balance excluding Account 1589 - Global Adjustment		1,915,420	(409,999)	0	465,860	(284,882)	(21,772)	(7,731)	
Total Group 1 Balance		2,684,337	149,827	0	1,112,910	(271,219)	(10,042)	6,732	
LRAM Variance Account (only input amounts if applying for disposition of this ac	1568				0	0			
Total including Account 1568		2,684,337	149,827	0	1,112,910	(271,219)	(10,042)	6,732	

Analysis Question #2

Ref: Manager's Summary – page 13: Disposition of WMS – Sub Account CBR Class A; Appendix D: CBR Class A calculation; IRM model – tab 18

Collus PowerStream requests to dispose a debit balance of $4,968 in account 1580 sub-account CBR Class A to its Class A customers through a rate rider.

In section 3 of the Accounting Guidance that OEB issued on July 25, 2016, it states that for the period of April 1, 2015 to the date of the Supplementary Decision and Order, distributors should apply billing adjustments equal to the difference between the CBR billed by the LDC and the CBR charged by the IESO, plus applicable carrying charges on the transactions. The total of the billing adjustments should equal the balance in Account 1580 Variance – WMS, Sub-account CBR Class A, including carrying charges. Once the billing adjustment is processed, the balance in the sub-account should be $0. The billing adjustment calculation for 2016 variance in account 1580 sub-account CBR Class A is included in this Accounting Guidance on page 5.

Therefore, if the recent billing adjustments have been applied properly to customers, there shouldn't be any balance in account 1580 sub-account CBR Class A for disposition in this IRM application. However, it is appropriate to record the balances in the continuity schedule in account 1580 sub-account CBR Class A (row 24), as the continuity schedule reflects the year-end balances of 2015.

a) Please review and confirm that no disposition of account 1580 sub-account Class A is required.

Response:

Collus PowerStream can confirm that it is not requesting disposition of the balance in account 1580 sub-account Class A. This account will be disposed as per the instructions in Section 3 of the Accounting Guidance dated July 25, 2016.

Analysis Question #3

Ref: Manager's Summary – page 15 Global Adjustment; IRM model – tab 6 & 6a

As shown on tab 4 of Collus PowerStream's IRM model, the pre-set disposition threshold of $0.001 per kWh has not been exceeded. And Collus PowerStream is not requesting disposition of the Group 1 balances. However, on page 15 of the manager's summary, Collus PowerStream proposes to dispose of its GA balances to its current and former Class B customers.

According to the Filing Requirements (Chapter 3), distributors may elect to dispose of Group 1 account balances below the threshold after assessing the practicality.

a) Please provide the rationale for disposing GA balances to the current and former Class B customers.

Response:

Collus PowerStream will not be requesting disposition of any Group 1 accounts.

b) Please confirm Collus PowerStream has only one Class A customer who registered as Class A in July 2015.

Response:

Collus PowerStream had only one Class A customer register as of July 2015.

c) In cell D20 of tab 6a in the IRM model, Collus PowerStream reported the total Class B consumption in 2015 in the amount of 277,395,264 kWh. This consumption amount cannot be reconciled with the total values in column C and E on tab 6. The difference between the totals of these two columns (116,526,187 kWh) should equal the total Class B consumption in 2015. Please review the total Class B consumption reported for 2015 and 2014 (cell D20 and E20) on tab 6a, and provide the correct consumption amounts.

Response:

Collus PowerStream has made the necessary changes to the model and uploaded a revised version to the OEB's FTP site.

Year of Group 1 Account Balance Last Disposed	2013	(e.g. If in the 2015 EDR process, you received approval to dispose the GA variance acco please enter 2013 in cell B16.)	

Allocation of total Non-RPP consumption (kWh) between Class B and New Class A (Former Class B) customers

		Total	2015	2014
Total Class B Consumption for Years Since Last Disposition (Non-RPP consumption LESS WMP and Class A)	A	547,645,106	277,395,264	270,249,842
New Class A Customer(s)' Former Class B Consumption	B	40,515,968	15,949,052	24,566,916
Portion of Consumption of Former Class B Customers	C=B/A	7.40%		

Chapter 3, Filing Requirements, section 3.2.5.2)

		Total Metered Non-RPP consumption minus WMP	Total Metered Class A Consumption in 2015 (partial and/or full year Class A customers)*
		kWh	kWh
RESIDENTIAL SERVICE CLASSIFICATION	kWh	7,832,983	
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	kWh	8,883,642	
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION	kWh	113,738,195	16,137,508
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	24,519	
STREET LIGHTING SERVICE CLASSIFICATION	kWh	2,184,356	
Total		132,663,695	16,137,508

Analysis Question #4

Ref: IRM model – tab 3 Continuity Schedule: GA Balances

OEB staff notes the large transactions of $2,075,699 in account 1589 Global Adjustment in 2015. Collus PowerStream has a total GA claim of $2,862,192 resulting a rate rider of $0.0264/kWh. This results in a charge of $19.80 for a typical Non-RPP customer at 750kWh.

(Please note in the IRM model filed with the application, the GA rate riders calculated are not on the proposed tariff (tab 19) and not included in the bill impacts (tab 20). OEB staff created another copy of the IRM model to include GA rider in the proposed tariff and bill impacts calculation. As shown in the screenshot below, with the GA rider, the total bill impact for all the non-RPP scenarios are above 10% threshold.)

a) Please explain the reasoning for the large transaction GA amount in 2015 and large total GA claim in the 2017 application.

Response:

Collus PowerStream is not requesting disposition of the GA at this time.

OEB staff and Collus PowerStream contacts also discussed the main factors that caused the large GA variances in Collus PowerStream noted that it uses the 1st IESO GA estimate and actual consumption data to bill its customers. There has been over the past few years been significant differences between the 1st monthly estimate and the final monthly GA as invoiced by the IESO.

Collus PowerStream is a "winter-peaking" distributor with its highest demand in the winter. Over the past three years, 2013 through 2015, there have been large differences during the winter months due to the cold winters, most notably 2014 and 2015. The high demand and large negative estimation-variances (between 1st estimate and actual GA) contributed to the large positive GA variances in 2013 through 2015.

Table 2

RATE CLASSES / CATEGORIES *(eg: Residential TOU, Residential Retailer)*	Units	Sub-Total A		Sub-Total B		Sub-Total C		Total A + B + C	
		$	%	$	%	$	%	$	%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kWh	$ 0.17	0.7%	$ 0.17	0.5%	$ 0.41	1.0%	$ 0.46	0.3%
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION - RPP	kWh	$ 1.00	2.1%	$ 1.00	1.5%	$ 1.64	1.9%	$ 1.86	0.5%
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION - Non-RPP (Other)	kW	$ 17.52	1.9%	$ 2,328.65	223.8%	$ 2,352.80	119.6%	$ 2,658.66	17.4%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - Non-RPP (Other)	kWh	$ 0.03	1.7%	$ 3.99	124.7%	$ 4.04	86.6%	$ 4.56	17.1%
STREET LIGHTING SERVICE CLASSIFICATION - Non-RPP (Other)	kW	$ 0.29	1.9%	$ 7.69	43.0%	$ 7.76	37.5%	$ 8.77	13.8%
RESIDENTIAL SERVICE CLASSIFICATION - Non-RPP (Retailer)	kWh	$ 0.17	0.7%	$ 19.97	59.9%	$ 20.21	48.4%	$ 22.83	15.4%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kWh	$ 2.52	14.0%	$ 2.52	11.8%	$ 2.61	10.7%	$ 2.95	4.6%
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION - Non-RPP (Retailer	kWh	$ 1.00	2.1%	$ 53.80	79.3%	$ 54.44	62.3%	$ 61.52	16.0%

Analysis Question #5

Ref: IRM Model – tab 20 Bill Impacts

In table 1 on tab 20, distributors need to enter the billing determinants for the unmetered classes (USL, Street Lighting and Sentinel) in column N. These values are missing in Collus PowerStream's IRM model for the USL and Street Lighting classes (N33 and N34).

a) Please provide the required billing determinants. OEB staff will update the model.

Response:

Collus PowerStream has made the necessary changes to the model and uploaded a revised version to the OEB's FTP site. Streetlight accounts are based on the number of devices connected. Unmetered scattered load (USL) billing does not take into consideration the number of connections.

Ontario Energy Board

Incentive Regulation Model for 2017 Filers

The bill comparisons below must be provided for typical customers and consumption levels. Bill impacts must be provided for residential customers consuming 750 kWh per month and general service customers consuming 2,000 kWh per month and having a monthly demand of less than 50 kW. Include bill comparisons for Non-RPP (retailer) as well. **To assess the combined effects of the shift to fixed rates and other bill impacts associated with changes in the cost of distribution service, applicants are to include a total bill impact for a residential customer at the distributor's 10th consumption percentile (In other words, 10% of a distributor's residential customers consume at or less than this level of consumption on a monthly basis). Refer to page 9 of the Filing Requirements For Electricity Distribution Rate Applications issued July 14, 2016.**

For certain classes where one or more customers have unique consumption and demand patterns and which may be significantly impacted by the proposed rate changes, the distributor must show a typical comparison, and provide an explanation.

Note:
1. For those classes that are not eligible for the RPP price, the weighted average price including Class B GA through end of May 2016 of $0.113/kWh (IESO's Monthly Market Report for May 2016, page 22) has been used to represent the cost of power. For those classes on a retailer contract, applicants should enter the contract price (plus GA) for a more accurate estimate. Changes to the cost of power can be made directly on the bill impact table for the specific class.
2. Due to the change to energy consumption used in the calculation of GA rate riders for the 2017 rate year, the separate "GA Rate Riders" line is only applicable to the "Proposed" section of the bill impact tables.
3. Please enter the applicable billing determinant (e.g. number of connections or devices) to be applied to the monthly service charge for unmetered rate classes in column N. If the monthly service charge is applied on a per customer basis, enter the number "1". Distributors should provide the number of connections or devices reflective of a typical customer in each class.

Note that cells with the highlighted color shown to the left indicate quantities that are loss adjusted.

Table 1

RATE CLASSES / CATEGORIES *(eg: Residential TOU, Residential Retailer)*	Units	RPP? Non-RPP Retailer? Non-RPP Other?	Current Loss Factor (eg: 1.0351)	Proposed Loss Factor	Consumption (kWh)	Demand kW (if applicable)	RTSR Demand or Demand-Interval?	Billing Determinant Applied to Fixed Charge for Unmetered Classes (e.g. # of devices/connections)
RESIDENTIAL SERVICE CLASSIFICATION	kWh	RPP	1.071	1.071	750		N/A	
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	kWh	RPP	1.071	1.071	2,000		N/A	
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.071	1.071	86,000	250	DEMAND	
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	Non-RPP (Other)	1.071	1.071	150		N/A	
STREET LIGHTING SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.071	1.071	280	1	DEMAND	
Add additional scenarios if required		Non-RPP (Retailer)	1.071	1.071	750			
Add additional scenarios if required		RPP	1.071	1.071	269			
Add additional scenarios if required		Non-RPP (Retailer)	1.071	1.071	2,000			
Add additional scenarios if required								