

**Midland Power Utility Corporation****EB-2016-0092****December 19, 2016****Question #1****Ref: IRM Model – tab 3 Continuity Schedule: Account 1580 Sub-account CBR Class B**

As noted in the instructions on top of tab 3 Continuity Schedule, the balance of control account 1580 reported on the continuity schedule should exclude any amounts relating to CBR (this is different than the filing requirement for RRR 2.1.7). The sub-account CBR Class B balance is to be entered separately in its own row.

- a) Please confirm whether or not Midland Power had a balance in sub-account CBR Class B in 2015. If so, please update the continuity schedule, and make sure the CBR Class B amount is excluded from the control account balance and reported separately.
- b) If your answer to a) is yes, please indicate whether or not Midland Power proposes to dispose the balance in sub-account CBR Class B.

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**Midland PUC Response:**

- a) Midland PUC confirms it had a balance of \$48,755 pertaining to the WMS - CBR Class B balances, however, as stated in the Manager's Summary, due to inadvertence the WMS – Sub-account CBR Class B balance was reported in Account #1580 – RSVA WMS (control account) in the RRR 2.1.7 trial balance filing at December 31, 2015.

Midland PUC has updated the continuity schedule to correct the error and the balances in both of the WMS accounts. The CBR Class B amount has been excluded from Account #1580 – RSVA WMS (control account) and is reported separately under the WMS – Sub-account CBR Class B.

Midland PUC reported the WMS – CBR Class B balance of \$48,755 under the sub-accounts tab of the RRR 2.1.7 Trial Balance Filing as a reference to the amount which was included in Account #1580 – RSVA WMS (clearing account), therefore the revised continuity schedule (Tab 3. Continuity Schedule - cell BV23) will now show a variance of \$48,755 with respect to this account. The balances have been adjusted to the correct accounts in our 2016 financial records.

- b) Midland PUC wishes to dispose of the balance of \$49,468 in sub-account CBR Class B.

## Question #2

### Ref: Manager's Summary – page 6 & 14: Additional DVA rate rider for Market Participants

In the Manager's Summary, Midland Power requests for a separate DVA rate rider for the WMPs. As indicated on tab 7 of the IRM model, only for rate classes with WMP customers are the DVA rate rider for Non-WMP calculated separately. For all rate classes without WMP customers, balances in account 1580 and 1588 are included in column G and disposed of through a combined DVA rate rider.

For Midland Power's 50 to 4,999 kW class, the DVA rate rider of 0.5981 is to be applied to ALL the customers in this class (including non-WMP and WMP customers). The DVA rate rider for Non-WMP (column J) of (0.6502) is to be applied to non-WMP customers only. In other words, the one WMP customer pays the first DVA rider of 0.5981; the non-WMP customers in this class will be applied with both DVA riders 0.5981 and (0.6502). Therefore, it is not necessary to request for a separate DVA rate rider for the WMPs.

a) Please review and confirm the above.

Allocation of Group 1 Account Balances to All Classes <sup>2</sup>	Allocation of Group 1 Account Balances to Non-WMP Classes Only (If Applicable) <sup>2</sup>	Deferral/Variance Account Rate Rider <sup>2</sup>	Deferral/Variance Account Rate Rider for Non-WMP (if applicable) <sup>2</sup>	Account 1568 Rate Rider	Re
(4,716)		(0.0001)	0.0000	0.0000	
(2,169)		(0.0001)	0.0000	0.0000	
174,876	(185,158)	0.5981	(0.6502)	0.0000	
(23)		(0.0001)	0.0000	0.0000	
43		0.0239	0.0000	0.0000	

### Midland PUC Response:

Midland PUC confirms it is not necessary to request a separate DVA rate rider for the WMPs for the reasons stated above.

**Question #3****Ref: Manager's Summary – page 16 Shared Tax Savings**

It's noted on page 16 of the Manager's Summary, Midland Power would request approval to allocate the shared tax amount of \$1,017 to Account 1592 – PILs and Tax Variances as the customer classes do not generate a rate rider to the fourth decimal place. As instructed on tab 9 of the IRM model, if the allocated tax sharing amount does not produce a rate rider in any rate class, a distributor is required to transfer the entire tax sharing amount into account 1595 for disposition at a later date.

- a) Please explain why Midland Power proposes to allocate the tax sharing amount to Account 1592 but not Account 1595.

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**Midland PUC Response:**

Due to inadvertence Midland PUC requested to allocate the tax sharing amounts to Account #1592. Midland PUC would like to request the tax sharing amount of \$1,017 be allocated to Account #1595 for disposition at a later date.

#### Question #4

#### Ref: IRM Model – tab 20 Bill Impacts: Billing Determinant for Unmetered Classes

As per Midland Power’s 2016 Tariff, the Service Charge for the USL class is billed on per customer basis, and the Service charge for the Street Lighting class is billed on per connection basis.

- a) Please confirm if the above statement is true. If so, please indicate the number of connections of a typical customer in the Street Lighting class. OEB staff will update table 1 on tab 20 and save the model.

and kW plicable)	RTSR Demand or Demand- Interval?	Billing Determinant Applied to Fixed Charge for Unmetered Classes (e.g. # of devices/connections)
	N/A	
	N/A	
500	DEMAND	
	N/A	
115	DEMAND	

Once all applicable cells in Table 1 have been entered, click on the UPDATE Button below to generate the associated detailed Bill Impact charts.

UPDATE

Click Here to Save Your Additional Scenarios

#### Midland PUC Response:

Midland PUC confirms the service charge for the USL class is billed on a per customer basis and the service charge for the Street Lighting class is billed on a per connection basis. The number of connections to be used for a typical Street Lighting customer in Tab 20 – Bill Impacts of the 2017 IRM is 1,771.

**Updates to IRM Model made by OEB staff**

**1. Tab 16: GDP-IPI**

Consistent with the policy determinations set out in the Report of the OEB on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors (EB-2010-0379) (Issued November 21, 2013 and updated December 4, 2013), the OEB has calculated the value of the inflation factor for incentive rate setting under the Price Cap IR and Annual Index plans, for rate changes effective in 2017, to be 1.9%. OEB staff has updated the price escalator on tab 16 of the IRM model.