KJ 1-b

Re: 4.0-Staff-45

PILs Calculation (Losses Carried Forward)

    a. Notices of Assessments (NoA) for 2014 and 2015 were not provided. Please provide the NoA and Notice of Reassessments for these years as applicable.

4-Staff-46

    b. Losses Carried Forward (LCF)

- In 2014 Innpower incurred losses of $2,628,916. They carried back a total of $2,386,011 to 2011 and 2012, and carried forward and used $242,615 of the losses in 2015 as follows:

        • Carried back to 2011 $1,701,816
        • Carried back to 2012 $684,195
        • Carried forward to 2015 $242,615

$2,628,626 of 2014 losses had been used up as of the December 31, 2015.

- In 2016 (bridge year), Innpower incurred further losses of $787,244.
- Innpower carried back all of the losses incurred in 2016 to 2015, the historic year.

Innpower's rates included a return component on rate base of over 9% over the years when these losses were incurred.

    i. Please provide the reasons that Innpower had such significant losses.
    ii. Provide rationale for carrying losses back for regulatory purpose.
    iii. Please indicate if any of the losses were related to Innpower's unregulated business. If so, please provide all relevant details (e.g. quantum, year incurred, year used etc.).

Re: 9.0-Staff-64

Account 1595

The EDDVAR Continuity Schedule provided as part of the IRR shows balances for dispositions for years **2009 to 2015** for Sub-accounts of Account 1595. Previously filed evidence showed balances for disposition for years **2008 to 2014** Sub-accounts.

    i. Please confirm the years for which dispositions are being sought.
    ii. Please explain the reasons for amounts in Sub-accounts for years 2009 to 2014 as Account 1595 is a Group 1 account which can potentially be requested for disposition annually.

Re: 9.0-Staff-68 part f)

Account 1588 & 1589, RPP True-ups with the IESO, GA Reasonability Test

    a. Innpower has indicated that it included the 2015 RPP true-up credit amount of $148,378 in Account 1588 in the Continuity Schedule.

    i. Please indicate whether this amount was accrued in the amount disposed in 2015 and shown in the Continuity Schedule. If not, please remove this amount from the Continuity Schedule.

    ii. Please indicate if there is an amount included in the ending 2015 balance that relates to the RPP true-up that was done with the IESO in 2016. If so, please include the amount of that true-up as an adjustment in the Continuity Schedule.

    iii. Please recalculate rate rider 2 after the above two adjustments have been made to the balances.

    iv. There is a discrepancy between the amount proposed for disposition per the GA Reasonability test workform (Dr. $818,091) and the claim amount per the EDDVAR continuity schedule (Dr. $367,434). Please confirm the amount proposed for disposition.

    v. If the amount proposed for disposition is Dr. $818,091 as indicated on the GA Reasonability test workform, please provide explanation of the difference in the "Note 6" part of the GA Reasonability test.

    vi. OEB staff notes that Innpower has not used the current version of the GA Reasonability test filed with the OEB. For example, the consumption appear to exclude unbilled volumes. Also, OEB staff notes that the amounts for consumption are from December 1, 2014 to November 30, 2015 and not for the calendar year 2015.

- Please provide an updated GA Reasonability test using Tab 7.a GA Analysis Workform of the DVA Continuity Schedule Workform for 2018 posted on the OEB's website on July 24, 2017.
- Please provide an alternative analysis removing 2014 amounts from this schedule, and including December 2015 related consumption amounts.
- Please also indicate which components booked in 1589 (i.e. expenses, revenues, RPP true-ups) relate to which consumption period (i.e. December 1, 2014 to November 30, 2015).

Ref: GA Reasonability Test – OEB's updated version named GA Analysis Workform

1) In booking expense journal entries for Charge Type 1142 (formerly 142), and Charge Type 148 from the IESO invoice, please confirm which of the following approaches is used:

    a) Charge Type 1142 is booked into Account 1588. Charge Type 148 is pro-rated based on RPP/non-RPP consumption and then booked into Account 1588 and 1589, respectively

    b) Charge Type 148 is booked into Account 1589. The portion of Charge Type 1142 equaling RPP-HOEP for RPP consumption is booked into Account 1588. The portion of Charge Type 1142 equaling GA RPP is credited into Account 1589.

    c) Another approach. Please explain this approach in detail.

2) With regards to the Dec. 31 balance in Account 1589,

    a) Please indicate whether the following items that flow into the account is based on estimates/accruals or actuals at year end.

b) If there are reconciling items #1a, 1b in the GA Analysis Workform or if there are any proposed adjustments to Account 1589 in the DVA Continuity Schedule for the true up impacts, please quantify the adjustment that relate to each of the following items.

    i. Revenues (i.e. is unbilled revenues trued up)

    ii. Expenses - GA non-RPP (Charge Type 148) with respect to the quantum dollar amount and RPP/non-RPP pro-ration percentages

    iii. Credit of GA RPP (Charge Type 142) if the approach under IR 1b is used

3) With regards to the Dec. 31 balance in Account 1588:

    a) Please indicate whether the following items that flow into the account are based on estimates/accruals or actuals at year end.

    b) With respect to the proposed adjustments to Account 1588 in the DVA Continuity Schedule for the impacts of RPP settlement true up, please quantify the adjustment that relate to each of the following items.

    i. Revenues (i.e. is unbilled revenues trued up)

    ii. Expenses - Commodity (Charge Type 101)

    iii. Expenses - GA RPP (Charge Type 148) with respect to the quantum dollar amount and RPP/non-RPP pro-ration percentages

    iv. RPP Settlement (Charge Type 1142 - including any data used for determining the RPP/HOEP/RPP GA components of the charge type)