

Brantford Power Inc.

2018 Price Cap IR Application (EB-2017-0028)

Staff Questions

September 26, 2017

Question #1

Ref: IRM Model Tab 3: Account 1588 RSVA Power – 2015 OEB-approved interest disposition

On tab 3 of the 2018 IRM model, Brantford Power entered a debit balance of \$53,320 in Account 1588 Power as the OEB-approved interest disposition amount in 2015. As per the Decision and Rate Order issued for Brantford Power’s 2015 IRM application, EB-2014-0187, the interest balance that was approved for disposition in 2015 was a credit balance of \$53,310.

- a) Please confirm whether or not this amount should be corrected to a credit balance of \$53,310 in the continuity schedule in the IRM model. If not, please provide explanation for the discrepancy noted above.

	2015				
Account Number	Closing Principal Balance as of Dec 31, 2015	Opening Interest Amounts as of Jan 1, 2015	Interest Jan 1 to Dec 31, 2015	OEB-Approved Disposition during 2015	Interest Adjustmen during 2015
1550	0	0	0	0	
1551	(9,014)	664	(10)	693	
1580	(2,253,822)	(42,118)	(9,938)	(40,896)	
1580	17,193	0	49	0	
1580	226,094	0	754	0	
1584	375,090	10,622	6,653	6,808	
1586	156,885	(1,068)	2,068	(1,384)	
1588	(2,822,569)	(60,849)	90,702	53,320	
1589	3,175,024	46,345	25,203	45,929	
1595	0	0	0	0	

Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C = A + B
LV Variance Account	1550	\$0.00	\$0.00	\$0.00
Smart Meter Entity Variance Charge	1551	\$27,893.00	\$693.00	\$28,586
RSVA - Wholesale Market Service Charge	1580	(\$714,713.00)	(\$40,896.00)	(\$755,609.00)
RSVA - Retail Transmission Network Charge	1584	\$239,346.00	\$6,808.00	\$246,154.00
RSVA - Retail Transmission Connection Charge	1586	(\$52,044.00)	(\$1,384.00)	(\$53,428.00)
RSVA - Power	1588	(\$1,484,561.00)	(\$53,310.00)	(\$1,537,871.00)
RSVA - Global Adjustment	1589	\$1,426,993.00	\$45,929.00	\$1,472,922.00
Recovery of Regulatory Asset Balances	1590	\$0.00	\$0.00	\$0.00

BPI Response:

BPI confirms that the amount approved for disposition in 2018 for interest in 1588-RSVA Power was a credit balance. However, BPI has determined that there is an offsetting adjustment required to the entry in column “Interest Adjustments during 2015”, of (\$15,928) which brings the ending balance to the same ending interest balance total of (\$23,467) for 2015.

BPI requests that board staff make a further adjustment to the continuity as below:

	Opening 2015 1588- interest	OEB Approved Disposition During 2015	Interest Jan1 to Dec 31 2015	Closing 2015 1588- interest
Original Application	\$ (60,849.00)	\$ 90,702.00	\$ 53,320.00	\$ (23,467.00)
As Adjusted	\$ (60,849.00)	\$ (15,928.00)	\$ (53,310.00)	\$ (23,467.00)
<i>cell ref</i>	<i>AX28</i>	<i>AY28</i>	<i>AZ28</i>	<i>BB28</i>

. Question #2

Ref: IRM Model Tab 3: Entries for 2016 RPP Settlement True-up Claims

In the continuity schedule of the IRM model, Brantford Power included a debit adjustment amount of \$14,408 in account 1588 – RSVA Power for the year of 2016.

2016						
Account Number	Opening Principal Amounts as of Jan 1, 2016	Transactions Debit / (Credit) during 2016	OEB-Approved Disposition during 2016	Principal Adjustments ¹ during 2016	Closing Principal Balance as of Dec 31, 2016	A of
1550	0	0			0	
1551	(9,014)	(5,523)	(4,231)		(10,306)	
1580	(2,253,822)	(843,174)	(232,038)		(2,864,958)	
1580	17,193	(4,280)		(12,913)	0	
1580	226,094	(41,195)	0		184,899	
1584	375,090	659,576	624,225		410,441	
1586	156,885	259,562	126,558		289,889	
1588	(2,822,569)	632,566	(1,276,047)	14,408	(899,548)	
1589	3,175,024	(1,831,214)	1,561,083	(14,032)	(231,305)	
1595	0				0	

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) If there are any 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

BPI Response:

- a) BPI's accounting treatment with respect to the following items that flow into account 1588 is as follows:
 - i. Revenues are recorded based on actual billings with accruals for unbilled revenue made monthly. The unbilled revenue accrual is based on actual billings occurring in the subsequent months. Since some bills straddle months the unbilled accrual is based on the number of days in each month the bill covers.
 - ii. Expenses – Commodity (Charge Type 101) – Amounts are accrued to the appropriate period based on actual IESO invoices.

iii. Expenses - GA RPP (Charge Type 148) –GA for RPP customers is accrued in the appropriate period based on actual invoices from the IESO. The RPP portion is recorded based on an estimated percentage of RPP consumption vs non-RPP consumption. Subsequently, the GA for RPP customers is trued up based on actual billed consumption (taking into consideration the accrual for unbilled revenue at the end of the period).

b) The proposed adjustments to Account 1588 in the DVA Continuity Schedule for the impacts of RPP settlement true up, \$14,408 is related to expenses- GA RPP (charge type 148).

Question #3

Ref: IRM Model Tab 3: Required adjustment amount of \$451,461 between Account 1588 and Account 1589

As a result of discussion with OEB staff and further investigation, Brantford Power has determined and notified OEB staff that an adjustment is required to the continuity schedule. This adjustment, in amount of \$451,461, is to correctly capture 2016 GA variance amounts associated with RPP customers in Account 158. OEB staff has updated the IRM model accordingly to include this adjustment (screenshot below).

As noted in Brantford Power's responses to OEB staff questions (part 2) in relation to the GA analysis work form, this adjustment is required in order to correct an error in the consumption data received from third party smart meter data provider. Brantford Power is working to confirm that no other impacts from this issue exist.

a) Please confirm whether or not there is any other impacts from this issue.

2016			
Transactions Debit / (Credit) during 2016	OEB-Approved Disposition during 2016	Principal Adjustments ¹ during 2016	Closing Principal Balance as of Dec 31, 2016
0			0
(5,523)	(4,231)		(10,306)
(843,174)	(232,038)		(2,864,958)
(4,280)		(12,913)	0
(41,195)	0		184,899
659,576	624,225		410,441
259,562	126,558		289,889
632,566	(1,276,047)	(437,053)	(1,351,008)
(1,831,214)	1,561,083	437,429	220,155

BPI Response:

a) BPI continues to work to determine whether other impacts related to this issue exist. BPI requires input from third party service providers in order to make this determination with confidence and is not able to confirm at this time.

BPI has performed some further analysis to fine tune the amount associated with RPP customers, and determined the adjustment amount should be as set out below:

Previous adjustment of \$451,460.53 has been refined to \$436,388.50. BPI requests that OEB staff update the adjustment to the following amounts:

		Updated Reallocation
RSVA - Power ⁴	1588	(436,389)
RSVA - Global Adjustment ⁴	1589	436,389

BPI expects the updated continuity schedule to show the following:

		Principal Adjustments¹ during 2016
RSVA - Power ⁴	1588	(421,981)
RSVA - Global Adjustment ⁴	1589	422,357

Question #4

Ref: IRM Model Tab 3: Disposition of 1595 (2016)

As per indicated in tab 3, the account 1595 balance is not to be disposed until a year after the rate rider has expired and that balance has been audited. Brantford Power's DVA (2016) rate rider expired as of December 31, 2016. One year after the rate rider has expired would be December 31, 2017. Therefore, Brantford Power will need to wait until the associated balance in account 1595 (2016) is audited in the 2017 year-end audit, to dispose of the balance in account 1595 (2016). The earliest rate application in which this account can be disposed of would be the 2019 rate application.

- a) Please confirm that Brantford Power will not propose to dispose of the balance in account 1595 (2016). OEB staff will update the IRM model.

BPI Response:

OEB staff is correct, the rate rider expired as of December 31, 2016, however this account balance was audited as of BPI's 2016 year-end audit in Q1 of 2017. If the requirement is that the account balance is audited AND a year has passed, BPI agrees not to dispose of this balance.

Question #5**Ref: GA Allocation to Transition Customers and CBR Class B Allocation to Transition Customers; IRM Model Tab 6.1a and Tab 6.2a**

In Tab 6.1a and 6.2a, the IRM model calculates the customer-specific total GA/CBR Class B Allocation for each transition customer. It also calculates the monthly equal payment if the distributor is going to settle the amount through 12 monthly adjustments to bills.

- a) Please confirm whether Brantford Power will settle the GA/CBR Class B amounts to the transition customers through 12 monthly equal payments OR through one-time payments. (As noted in Chapter 3 Filing Requirements, the general expectation is to settle the amount through 12 equal adjustments to bills.)

BPI Response:

BPI will settle the GA and CBR class B amounts to the transition customers via 12 monthly payments, consistent with the expectation in Chapter 3 of the Filing Requirements.

Question #6**Ref: IRM Model Tab 12 & Tab 13: RTSR**

In tab 11 of the IRM model, Brantford Power entered the Line and Transformation Connection Service Rate of its host distributor into the Line Connection Service Rate line (row 52). Accordingly, in tab 12, the Units Billed and Amount data for Connection should also be entered in the Line Connection section, so that the cost in 2017 (tab 13) and 2018 (tab 14) in relation to host distributor's Connection charge can be calculated properly.

- a) OEB staff has update Tab 12 as described above. Please review the updated model and confirm the change.

Add Extra Host Here (I) (if needed)	Network			Line Connection			
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units
January	15	\$ 1.8556	\$ 27	15	\$0.7544	\$ 12	
February	15	\$ 1.8550	\$ 28	15	\$0.7539	\$ 11	
March	14	\$ 1.8555	\$ 27	15	\$0.7539	\$ 12	
April	15	\$ 1.8556	\$ 27	72	\$0.7541	\$ 54	
May	121	\$ 2.3678	\$ 287	158	\$1.2180	\$ 193	
June	185	\$ 2.3678	\$ 437	242	\$1.2180	\$ 294	
July	225	\$ 2.3678	\$ 532	252	\$1.2180	\$ 307	
August	198	\$ 2.3678	\$ 468	223	\$1.2180	\$ 271	
September	135	\$ 2.3678	\$ 319	174	\$1.2180	\$ 211	
October	68	\$ 2.3678	\$ 160	105	\$1.2180	\$ 128	
November	13	\$ 2.3678	\$ 31	15	\$1.2179	\$ 18	
December	13	\$ 2.3675	\$ 30	13	\$1.2178	\$ 16	

BPI Response:

Yes, BPI agrees that the changes made by OEB staff are appropriate.

Questions in relation to LRAMVA

Brantford is applying for disposition of a debit balance of \$220,381 in the LRAMVA account. This amount consists of \$218,022 in lost revenues from new CDM program savings in 2015, persisting savings from 2011 to 2014 in 2015 and carrying charges, as well as \$2,360 from projected interest to 2017.

Question #7

Ref: Tab 5 of LRAMVA work form

- a) Please confirm the actual year of savings embedded into the 2013 load forecast, at the time of rebasing in 2013.
- b) Please discuss the appropriateness of claiming 2011 persisting savings into 2015.

BPI Response:

a) BPI incorporated 2,538,855 kWh (the half year equivalent of 5,077,710 kWh), associated with the forecasted 2013 CDM program savings in 2013 as a manual adjustment.

Please see the excerpt below from BPI's 2013 settlement:

3.3 Is CDM appropriately reflected in the load forecast?

Status: Complete Settlement

Supporting Parties: BPI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 3, Tab 2, Schedule 1.
Interrogatories: 3-Staff-10; 3-Staff-11; 3-Staff-13; 3-VEcc-12; 3-VECC-14; 3-VECC-14; 3-VECC-45s; 3-VECC-46s.

For the purposes of settlement, the Parties have agreed to include an adjustment of 2,538,855 kWh in the 2013 Test Year Forecast for billed energy. This represents the 2013 CDM results projected in 3-Staff-13 b) of 5,077,710 kWh, adjusted for the half-year rule. This projected figure takes into account the 2011 and 2012 Final OPA CDM Results and BPI's CDM target. The corresponding total CDM amount in 2013, found in the same table is 14,809,177 kWh. This amount will be the base for calculating future LRAMVA balances.

b) BPI's Settlement Agreement in 2013 set the LRAMVA baseline at 14,809,177 kWh, which is comprised of the total kWh in 2013 from 2013 programs, and the assumed persisting kWh from 2011 and 2012 programs. BPI's calculations incorporate the actual program persistence beginning with 2011 program results, consistent with the baseline set in the 2013 Settlement Agreement.

Settlement Table 9 - Final CDM Forecast Used

2013 Proposed Cost of Service Method				
2011	2012	2013	2014	Total
9.2%	9.2%	9.2%	9.0%	36.61%
	11.0%	10.7%	10.6%	32.25%
		10.4%	10.4%	20.76%
			10.4%	10.38%
9.2%	20.2%	30.3%	40.3%	100.00%
4,515,479	4,502,851	4,498,762	4,394,084	17,911,176
	5,363,496	5,232,705	5,179,494	15,775,695
		5,077,709	5,077,709	10,155,419
			5,077,709	5,077,709
4,515,479	9,866,347	14,809,177	19,728,997	48,920,000

Question #8

Ref: Tab 5 of LRAMVA work form

In 2015, 53 kW of monthly demand savings from the Loblaw Pilot was verified by the IESO. In the 2015 work form, the monthly multiplier applied to these program savings was 0. As a result, Brantford has not claimed savings from this CDM pilot program in the 2015 LRAMVA.

- a) Please confirm whether or not the monthly multiplier for the Loblaw Pilot in 2015 should in fact be 0.
- b) If not, please provide the appropriate monthly multiplier to claim demand savings for this pilot program. Please also provide rationale for the multiplier provided.

BPI Response:

- a) BPI has determined the monthly multiplier should not be 0.
- b) The monthly multiplier should be 3, based on guidance provided by the IESO related to the methodology for calculating these savings, specifically:

“The Peak Demands Savings (kW) are Average Load Reduction from June to August between hours of 1pm and 7pm.”

As a result, BPI requests that OEB staff update the claim amount to \$218,507.90 which is comprised of \$215,041.70 principal and \$3,466.20 in interest. The revised calculations for this LRAMVA amount are available in the updated LRAMVA work form submitted. BPI request that OEB staff make the following adjustments to the IRM Rate Generator Model:

Tab 3. Continuity Schedule				
Description	Cell	Previous Value	Updated Value	Difference
LRAM Principal Adjustments during 2016	cell BF43	\$ 214,564.00	\$ 215,041.70	\$ 477.70
LRAM interest Adjustments during 2016	cell BK43	\$ 3,458.00	\$ 3,466.20	\$ 8.20
TOTAL		\$ 218,022.00	\$ 218,507.90	\$ 485.90
Tab 4. Billing Det. For Def-Var				
Description	Cell	Previous Value	Updated Value	Difference
RESIDENTIAL SERVICE CLASSIFICATION	S17	\$ 30,158.83	\$ 30,158.83	\$ -
GENERAL SERVICE LESS THAN 50 KW SERVICE	S18	\$ 43,398.55	\$ 43,398.55	\$ -
GENERAL SERVICE 50 TO 4,999 KW SERVICE	S19	\$ 146,823.63	\$ 147,309.53	\$ 485.90
TOTAL		\$ 220,381.01	\$ 220,866.91	\$ 485.90

Question #9

If Brantford has made any changes to the LRAMVA work form as a result of its responses to interrogatories, please file an updated LRAMVA work form.

BPI Response:

Please see the updated LRAMVA work form submitted with these responses.

Updates made to IRM Model

1. The RRRP charge in the Current OEB-Approved section of the Bill Impact tab has been updated to \$ 0.0003.

BPI confirms this adjustment is appropriate. However, BPI notes that it does not bill regulatory charges to its embedded distributor and therefore the rate should be removed from that class.

2. The Continuity Schedule has been updated to include the adjustment amounts in account 1588 and 1589 in 2016, as per a letter filed by Brantford Power on September 25, 2017.

BPI requests that OEB staff change this amount consistent with BPI's request in its response to question #3 above.