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BY E-MAIL

February 2, 2018

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Mrs. Reesor:

**Re: Newmarket-Tay Power Distribution Ltd.
Application for Rates
OEB File Number EB-2017-0062
OEB Staff Interrogatories**

In accordance with Procedural Order No. 1, please find attached OEB staff's interrogatories in the above noted proceeding. Newmarket-Tay Power has been copied on this filing.

Newmarket-Tay Power's responses to interrogatories are due by February 9, 2018.

Yours truly,

Original Signed By

Marc Abramovitz
Advisor, Major Applications

Encl.

Newmarket-Tay Power Distribution Ltd. Price Cap IR Application (EB-2017-0062)
OEB Staff Questions

OEB Staff Question #1

References: 2018 IRM Model – Tab 3 Continuity Schedule

The instructions on tab 3 of the IRM model indicate that the starting point of the continuity schedule (except for account 1595) is the year in which the GL balance was last disposed. For all Account 1595 sub-accounts, complete the continuity schedule for each Account 1595 vintage year that has a GL balance as at December 31, 2016 regardless of whether the account is being requested for disposition in the current application. For each Account 1595 sub-account, start inputting data from the year the sub-account started to accumulate a balance (i.e. the vintage year).

Newmarket-Tay Power last disposed of its Group 1 account balances in its 2014 application for balances as of December 31, 2012.

- a) Please populate the 2012 closing balances in the 2011 adjustments column for principal and interest.
- b) For each 1595 sub-account, ensure that data is inputted from the year the sub-account started to accumulate a balance.

OEB Staff Question #2

References: GA Analysis Workform

Newmarket-Tay Power last disposed of its Group 1 account balances in its 2014 application for balances as of December 31, 2012.

- a) Please complete the GA Analysis workform for years 2013 and 2014.

OEB Staff Question #3

References: GA Analysis Workform – Reconciliation items 1a and 1b 2018 Rate Generator Model – Tab 3 Continuity Schedule

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, respectively¹.
- b) Charge Type 1142 is booked into Account 1588. In relation to Charge Type 148, the non-RPP quantities multiplied by the GA rate is booked to account 1589 and the remainder of Charge Type 148 is booked to account 1588.
- c) Charge Type 148 is booked into Account 1589. The portion of Charge Type 1142 equalling RPP-HOEP for RPP consumption is booked into Account 1588. The portion of Charge Type 1142 equalling GA RPP is credited into Account 1589.
- d) If another approach is used, please explain in detail.

OEB Staff Question #4

References: GA Analysis Workform – Reconciliation items 1a and 1b 2018 Rate Generator Model – Tab 3 Continuity Schedule

With regards to the amount being requested for disposition of USoA 1589 account balances as at Dec. 31, 2013, Dec. 31, 2014, Dec. 31, 2016 and Dec. 31, 2016, all components that flow into Account 1589 (i to iv in table below) should be based on actuals in the 2018 Rate Generator Model – Tab 3 Continuity. Please complete the following table to:

- a) Indicate whether each of the components are based on estimates or actuals at year end, and
- b) Quantify the adjustment amount pertaining to each component that is trued-up from estimate to actual.

¹ Note, the following in all references in OEB Staff questions relating to amounts booked to accounts 1588 and 1589. Amounts are not booked directly to accounts USoA 1588 and 1589 relating to power purchase and sale transactions, but are rather booked to the cost of power USoA 4705 Power Purchased/4707 Charges - Global Adjustment and the respective Energy Sales USoA accounts, respectively. However, accounts 1588 and 1589 are impacted the same way as accounts 4705/4707 are for cost of power transactions, and the same way as the Energy Sales accounts are for revenue transactions.

	Component	Estimate or Actual	Notes/Comments	Quantify True Up Adjustment \$ Amount
i	Revenue (i.e. is an unbilled revenue true-up adjustment reflected in the balances being requested for disposition?)			
ii	Expenses - GA non-RPP: Charge Type 148 with respect to the quantum dollar amount (i.e. is expense based on IESO invoice at year end)			
iii	Expenses - GA non-RPP: Charge Type 148 with respect to the RPP/non-RPP kWh volume proportions.			
iv	Credit of GA RPP: Charge Type 142 if the approach under Staff Question 1c is used			

For each item in the table above, please confirm that the GA Analysis Workform for 2016 and the 2018 Rate Generator Model Tab 3 Continuity Schedule for 2016 have been adjusted for settlement true-ups where settlement was originally based on estimate and trued up to actuals subsequent to 2016.

OEB Staff Question #5

References: 2018 Rate Generator Model – Tab 3 Continuity Schedule

With regards to the amount being requested for disposition of USoA 1588 account balance as at Dec. 31, 2016, all components that flow into Account 1588 (i to iv in table below) should be all based on actuals at year end. Please complete the following table to:

- a) Indicate whether the component is based on estimates or actuals at year end, and
- b) Quantify the adjustment pertaining to each component that is trued-up from estimate to actual

	Component	Estimate or Actual?	Notes/Comments	Quantify True Up Adjustment \$ Amount
i	Revenues (i.e. is an unbilled revenue true-up adjustment reflected in the balances being requested for disposition?)			
ii	Expenses – Commodity: Charge Type 101 (i.e. is expense based on IESO invoice at year end)			
ijj	Expenses - GA RPP: Charge Type 148 with respect to the quantum dollar amount (i.e. is expense based on IESO invoice at year end)			
iv	Expenses - GA RPP: Charge Type 148 with respect to the RPP/non-RPP kWh volume proportions.			
v	RPP Settlement: Charge Type 142 including any data used for determining the RPP/HOEP/RPP GA components of the charge type			

- c) For each item in the table above, please confirm that the 2018 Rate Generator Model Tab 3 Continuity Schedule for 2016 have been adjusted for settlement true-ups where settlement was originally based on estimate and trued up to actuals subsequent to 2016.

OEB Staff Question #6

**Reference: GA Analysis Workform – Consumption Data Excluding for Loss Factor – Box E
GA Analysis Workform – Analysis of Expected GA Amount**

- a) The calculated value from the GA Analysis Tab (2015 Year) for “F59/D26” = 1.23 and Newmarket-Tay Power’s, OEB approved total loss factor is 1.0383. Please reconcile this difference.
- b) The calculated value from the GA Analysis Tab (2016 Year) for “F59/D26” = 1.1444 and Newmarket-Tay Power’s, OEB approved total loss factor is 1.0383. Please reconcile this difference.
- c) Please confirm the accuracy of kWh volume data for years 2013 and 2014.
- d) Please perform the same calculations as parts (a) and (b) and reconcile any differences.

OEB Staff Question #7

**Reference: GA Analysis Workform – GA Analysis Tab – Consumption Data Excluding for Loss Factor – Note 2 Box E
(for each year)**

- a) The kWh volume for non-RPP Class B customer consumption provided in Note 2 Box E does not agree with what Newmarket-Tay Power submitted in its RRR filing. Please update the GA Analysis Workform to correct the kWh volumes.

OEB Staff Question #8

Reference: GA Analysis Workform – GA Analysis Tab – Reconciling Items

- a) The amount of \$540,701 recorded as the net change in principal balance in GL does not match the transaction amount of (\$257,807) recorded in account 1589 for the **2015** year on the continuity schedule.

Please reconcile the amounts and update the GA Analysis workform if necessary.

- b) The amount of (\$485,995) recorded as the net change in principal balance in GL does not match the transaction amount of \$648,252 recorded in account 1589 for the **2016** year on the continuity schedule.

Please reconcile the amounts and update the GA Analysis workform if necessary.

OEB Staff Question #9

Reference: 2018 IRM – Continuity Schedule – 2014 Approved Disposition

The amount approved for disposition in Newmarket-Tay Power's 2014 application for account 1550 was \$146,663. The amount recorded on the 2018 continuity schedule (cell AK21) is \$14,663.

Please update the continuity schedule to reflect the correct 2014 OEB approved decision.

OEB Staff Question #10

Reference: 2018 IRM – Continuity Schedule – Adjustments to Deferral and Variance Accounts

Newmarket-Tay Power noted in its application that the balances in account 1588 and 1589 experienced a transposition error between the two resulting in a contra variance of +/- \$1,260,255.

- a) Are the deferral and variance account balances on the continuity schedule linked to the Newmarket-Tay Power's 2016 Audited Financial Statements (AFS)?
 - i. If not, please explain.
 - ii. If the balances are linked to the AFS, reconcile the closing balances in the continuity schedule with note 9 of the AFS.

OEB Staff Question #11

Reference: Page 20 of the 2018 IRM application

Tab 1 of LRAMVA work form

In the OEB's LRAMVA work form, Newmarket-Tay has requested disposition of a debit balance of \$1,226,798. Since Newmarket-Tay is not seeking to claim \$29,510 in carrying charges, a debit balance of \$1,197,288 is requested for disposition. This amount is associated with new CDM program savings between 2011 and 2016, including persisting savings from 2011 to 2015 in 2016 and carrying charges.

If Newmarket-Tay is requesting to dispose of only the principal balance of \$1,197,288, please confirm that the carrying charges amounts in row 82 of Table 1-b will be removed.

OEB Staff Question #12

Please file an excel copy of Newmarket-Tay's 2011-2014 Persistence Savings Report issued by the IESO.

OEB Staff Question #13

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