

Thunder Bay Hydro Electricity Distribution Inc. (Thunder Bay Hydro) EB-2018-0069

OEB Staff-1

Ref: Tab 6.1a GA Allocation and Tab 6.2a CBR B_Allocation

OEB staff has done a calculation for the kWh's entered in Tab 6.1a GA Allocation and Tab 6.2a CBR B_Allocation. Please review below and confirm Thunder Bay Hydro agrees with OEB staff's calculation and OEB staff will update the model for Tab 6.2a CBR B_Allocation, if not please explain why. **OEB staff confirms Tab 6.1a GA Allocation is correct.**

Validation of Data used in Class B GA and CBR Allocations				
Total metered volume Excl WMP	A		888,108,836	Source I24 of tab 4. Billing Det. for Def-Var
Non-RPP excl WMP	B		387,576,198	Source C24 of tab 6.1 GA
Class A Full year	C		37,714,272	Source E24 of tab 6.1 GA
Class A Full Part year:				
While Class A	D	48,148,888		=+F-E
While Class B	E	46,853,718		Source D21 of tab 6.1a GA Allocation
	F		95,002,606	Source G24 of tab 6.1 GA
Total non-RPP excl WMP and full year volumes for class A customers who were class A for the full year, and the class A volumes who were class A part year	G= +B-C-D		301,713,038	Input in D20 of tab 6.1a GA Allocation
Total Class B Customers excl WMP and Full year volumes for customers who were class A for full year, and the class A customers who were class A part year	H=+A-C-D		802,245,676	Input in D20 of tab 6.2a CBR_B Allocation

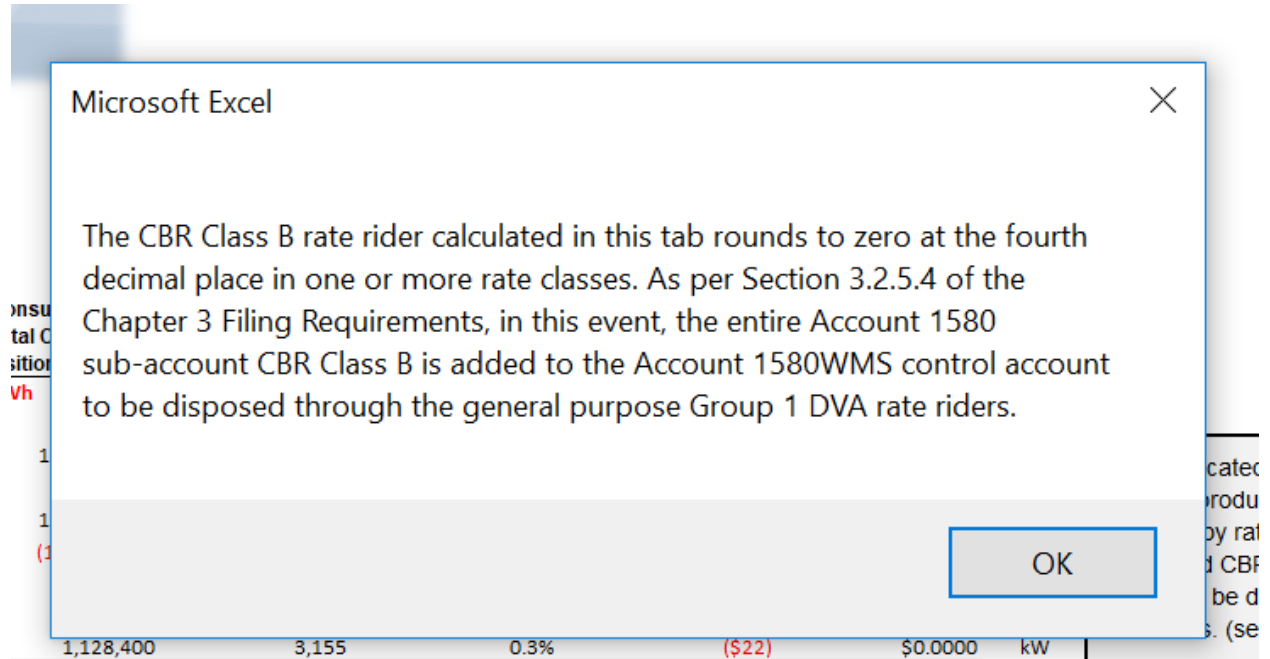
Synergy North – Thunder Bay District

Synergy North confirms that the calculation for Tab 6.1 a GA Allocation is correct.

Synergy North also confirms that the staff calculation for CBR B Allocation is correct, and that the figure in cell D20 of tab 6.2a CBR_B Allocation is 802,245,676. This reduces the result for transition customer's portion of CBR Class B from \$3,932 to \$1,479.

OEB Staff-2

Ref: Tab 6.2a CBR_B Allocation and Tab 6.2 CBR B



The message above pops up on Tab 6.2 CBR B, therefore the amount in Account 1580 Variance WMS – Sub-account CBR Class B will roll up into Account 1580WMS control account. OEB staff will remove the kWh's entered in cell D20 of Tab 6.2a CBR B_Allocation.

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Synergy North agrees. The amount allocated to Account 1580 sub account CBR Class B does not produce a rate rider greater than 4 decimal places in tab 6.2 CBR B. Therefore the amount will roll up into Account 1580 WMS Control Account.

OEB Staff-3

Ref: Tab 3 Continuity Schedule

Thunder Bay Hydro is requesting disposition of Account 1595-(2015), the residual balance of this account was already previously disposed in 2018. As per instructions on Tab 3 Continuity Schedule residual balances are only to be disposed of once, see cell C53 and below.

³ The individual sub-accounts as well as the total for all Account 1595 sub-accounts is to agree to the RRR data. Differences need to be explained. For each Account 1595 sub-account, the transfer of the balance approved for disposition into Account 1595 is to be recorded in "OEB Approved Disposition" column. The recovery/refund is to be recorded in the "Transaction" column. The audited balance in the account is only to be disposed a year after the recovery/refund period has been completed. Generally, no further transactions would be expected to flow through the account after that. Any vintage year of Account 1595 is only to be disposed once on a final basis. No further dispositions of these accounts are generally expected thereafter, unless justified by the distributor. Select the "Check to dispose of account" checkbox in column BT if the sub-account is requested for disposition.

Please provide an explanation for requesting to dispose of the residual balance a second time or request OEB staff remove the check mark to dispose of the Account 1595-(2015) balance of \$1,625.

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Synergy North requested the disposition of \$135,385 in carrying charges which was approved in EB-2017-0075. This was based on projected interest rates of 1.5% for the first 4 months of 2018. However following this disposition approval the actual prescribed interest rates varied between January, February, and March 2018 of 1.5% to 1.89% in April 2018. Therefore the carrying charges which were approved of during EB-2017-0075 varied from the actual carrying charges which were booked.

Synergy North also experienced a customer billing correction in 2017 which resulted in the activity being booked to account 1595-2015 balance.

Therefore this amount is not a secondary request. It is considered eligible for disposition and related to residual balances, and a customer correction.

OEB Staff – 4

Ref. Appendix A: GA Methodology Description

In the response provided to Question 2, Thunder Bay Hydro describes how it performs its monthly settlements with the IESO. In a particular, the utility states that it uses a monthly average of kWh and the second estimate GA rate for purposes of completing its initial settlement.

- a) It is not clear from the response provided in Question 2b that the utility then true-ups its initial settlement for both the RPP kWh (to actual RPP kWh) and the GA rate (to the actual GA rate for the month that was settled). Please confirm that this is the case, and if not, please explain why.
- b) Please indicate the frequency in which the utility performs the above true-ups (i.e. in the month after initial settlement, quarterly, etc).
- c) Please confirm that Thunder Bay Hydro meant the 4th quarter in the response provided to Question 2d.

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- a) Synergy North confirms that it true ups to the **actual** RPP kWh and the **actual** GA rate in its true up process.
- b) Synergy North performs **quarterly** true-ups with IESO.
- c) Synergy North confirms that the intention was to state 4th Quarter and not 3rd Quarter in response 2 d).

OEB Staff I – 5

Ref. Appendix A: GA Methodology Description

In the response provided to Question 2, Thunder Bay Hydro describes how it initially records its monthly CT 148 charge from the IESO.

- a) Please confirm whether Thunder Bay Hydro initially records an estimate of the CT 148 charge prior to the receipt of the actual invoice, or does the utility wait for the actual invoice to come in before it actually records anything in their G/L (and accrues the invoice to the appropriate period).

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[Synergy North records the estimate charge of CT 148 when the IESO Invoice is received, and accrues the invoice to the appropriate period.](#)

OEB Staff – 6

Ref. GA Analysis Workform.

- a) Please ensure that cell C62 of Note 5 in the GA Analysis Workform agrees to the 2017 transactions per for Account 1589 per the DVA continuity schedule.
- b) Please provide further explanation as to the nature of reconciling item 8 that is presented in Note 5 of the GA Analysis Workform including details as to how it represents a difference between the expectation calculated in Note 4 and what actually got recorded by the utility in Account 1589 during 2017.
 - a. Please also provide details as to how the amount of the reconciling item was quantified.
 - b. Please also explain why Thunder Bay has not proposed to record this reconciling item as a principal adjustment to their December 31, 2017 balance in Account 1589 in the DVA continuity schedule.
- c) Thunder Bay Hydro has recorded an adjustment in 2a of Note 5 to account for the difference between unbilled revenue for December 2016 and what actually got billed subsequently in January 2017. Please quantify what this difference would be for the December 2017 unbilled revenue accrual and what actually got billed in January 2018 and record it as reconciling adjustment 2b in the GA Analysis Workform. If the utility is indicating that there is no difference that would need to be accounted for, then please explain why that would be the case.

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- a) Cell C62 of Note 5 in the GA Analysis Workform is \$113,405 and the value in the DVA Continuity Schedule is \$113,045. It appears the value in the GA Analysis work form was entered with a transposition error of \$360. Cell C62 has been updated to \$113,045. This has no impact on the GA analysis work form.
- b) The reconciling item 8 presented in Note 5 of the GA Analysis represents:
 - i) The difference between what has been calculated in Note 4 using the 'Non-RPP Class B Billed Consumption' at the monthly 'GA Billed Rate (1st Estimate)' on a calendar month basis and the 'Non-RPP Class B Billed Consumption' billed at the blended GA rate which the billing system applies during cycle billing and posts to general ledger. This reconciling item was included because not all of Thunder Bay Hydro's customer billing cycles have been set to calendar monthly billing and the consumption that is used must be averaged out over the billing consumption months and often two monthly rates.
 - ii) This has not been proposed as a principle adjustment as the materiality (0.7%) is below threshold for materiality consideration.
- c) Adjustment 2 a) represents the difference in what was estimated for unbilled in December 2016 and what was actually billed in January 2017 billing. The difference exists due to a formula change in the unbilled estimate and street light rate classes actual billed. This difference does not exist between December 2017 unbilled revenue accrual and what is actually billed in January 2018 and this is because the difference in estimate was corrected to consider the customer class.