**ERTH Power Corporation (ERTH Power)**

**EB-2018-0030**

**February 21, 2019**

**Staff Question-1**

**Ref: Rate Generator Model, Tab 3 Continuity Schedule**

ERTH Power entered Transaction amounts in Account 1595 (2014) and Account 1595 (2015) in 2017 (column BD & BI). It’s noted that the 2014 DVA (and GA) and 2015 DVA (and GA) rate riders were both expired on April 30, 2016. Please explain why there would be transactions (in both principal and interest) in these two accounts after the rate riders were expired. Please make necessary adjustments to the continuity schedule if needed.

**ERTH Power found an error in the setup of a meter which resulted in the overbilling of a customer. The account was credited and rebilled back to 2014 which resulted in the transactions that occurred in 2017 for the 2014 and 2015 DVA rate riders.**

**ERTH Power realized when reviewing the application that the Account 1595 (2016) was not completed collecting on at Dec 31, 2017 but rather on April 30, 2018 and therefore should not have been checked for disposal. The continuity schedule has been updated to not include Account 1595 (2016) for disposal.**

**Staff Question-2**

**Ref: Rate Generator Model, Tab 3 Continuity Schedule**

ERTH Power entered the projected interest amounts for January 1, 2018 to December 31, 2018 on the 2017 year-end Group 1 balances adjusted for disposition in column BQ of the continuity schedule. Based on the Prescribed Interest Rates[[1]](#footnote-1) posted on the OEB’s website, OEB staff cannot verify the interest amounts ERTH Power entered in column BQ.

1. Please provide the calculations for the projected interest for 2018 for Group 1 balances. Please update the interest values in column BQ if needed.
2. Please provide the calculation for the projected interest for January 1, 2019 to April 30, 2019 for Account 1588 (cell BR28). Please update this value in the continuity schedule if needed.

**ERTH Power has updated its calculation of interest to include the principal adjustment during 2017 to correctly calculate interest.**

**Staff Question-3**

**Ref: Rate Generator Model, Tab 6.1a GA Allocation**

In cell D20 of Tab 6.1a, ERTH Power entered 199,066,668 kWh as the total Non-RPP Class B consumption in 2017. Based on the total Non-RPP consumption in tab 4, the transition customers’ Class A consumption and full-year Class A customer’s consumption that ERTH Power entered in tab 6, OEB staff cannot verify the total Non-RPP Cass B consumption of 199,066,668 kWh. Please provide the calculation of this amount. If needed, please update this value in the model.

**ERTH Power has updated the model specifically cell D20 of Tab 6.1a for the total Non-RPP Class B consumption in 2017 to be 177,272,748 kWh. ERTH Power also found an error in the entry of the Transition customers non-loss adjusted consumption in cell F42 in Tab 6 which has been corrected to adjust the total Transition Customers Class B Consumption to 36,302,936.**

**Staff Question-4**

**Ref 1: Rate Generator Model, Tab 3 Continuity Schedule, Tab 6.2a CBR B\_Allocation and Tab 6.2 CBR B**

As noted in tab 6, ERTH Power had 1 full-year Class A customer and 8 Class B to Class A transition customers in 2017. Therefore, in tab 3 continuity schedule, ERTH Power should check the checkbox at the upper right corner to indicate it had Class A customer during the period when CBR Class B balance accumulated. OEB staff has made this correction in the model. Then tab 6.2 CBR B was generated for CBR Class B rate rider. However, as allocated Account 1580 sub-account CBR Class B amount does not produce a rate rider for one or more classes, as per the Filing Requirements, ERTH Power is to transfer the entire CBR Class B amount into Account 1580 WMS control account to be disposed through the general purpose Group 1 DVA rate riders. (This is also noted in Tab 6.2.) The model has already automatically allocated this amount to the control account 1580 to be disposed through the DVA rate riders.

Please confirm ERTH Power’s position in this application on the disposition of CBR Class B amount.

**ERTH Power confirms that the CBR Class B amount should be allocated to be disposed of with the Account 1580 WMS control account and agrees with the changes that were made by the Board to the continuity schedule.**

**Staff Question-5**

**Ref: Appendix A GA Methodology Description**

In response to question 4, ERTH Power has indicated that as part of its last IRM application, it had recorded principal adjustments between accounts 1588 and 1589 for both 2015 and 2016, within its DVA Continuity Schedule. The purpose of the adjustment was correct the GA cost allocation between ERTH Power’s RPP and Non RPP customers. ERTH Power has indicated that it did not need to reverse these principal adjustments in its 2017 DVA Continuity Schedule.

1. With respect to the principal adjustments that were recorded in 2015 and 2016, please indicate the period (year) in which ERTH Power actually recorded these adjustments in its G/L.

**ERTH Power recorded these adjustment in its G/L in 2017, however did not include them in the transactions during 2017 on the continuity schedule. ERTH Power has adjusted its continuity schedule to correctly match the date transactions were processed in the GL.**

1. If the response to the above is that ERTH Power had actually recorded these principal adjustments in their G/L during 2017, then that would mean that they are being presented within the “Transactions during 2017” column of DVA continuity schedule in the current proceeding. To that end, ERTH Power would need to reverse these amounts out of the 2017 transactions using the “Principal Adjustments” column of the 2017 DVA Continuity Schedule.

If this is the case, then please update the DVA continuity schedule to reflect these principal adjustment reversals in 2017 and please also update the 2017 GA Analysis Workform to reflect these principal adjustment reversals in Note 5.

**As above, ERTH Power adjusted its 2017 transactions to reflect actual GL changes in 2017.**

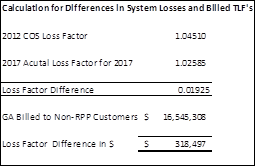
**Staff Question-6**

**Ref: GA Analysis Workform, Note 5**

ERTH Power has presented an adjustment of $318K related to the difference between actual system losses and billed TLFs.

Please provide the detailed calculation that was used to quantify this balance.

**ERTH Power calculated the difference between actual system losses and billed TLF’s by taking the difference between the billed Loss Factor per the 2012 COS application (1.0451) and the actual 2017 Loss Factor (1.02585) and applied the percentage difference to the total amount paid to the IESO for Global Adjustment.**



1. https://www.oeb.ca/industry/rules-codes-and-requirements/prescribed-interest-rates [↑](#footnote-ref-1)