

**Grimsby Power Incorporated  
EB-2019-0038**

**Staff Question-1**

**Ref: IRM Model, Tab 3  
Manager's Summary, p. 10**

On page 10 of the Manager's Summary, Grimsby Power stated that it is seeking disposition of Account 1595 for 2017. However, Grimsby Power indicated that it is also seeking disposition of Account 1595 for 2018 in Tab 3 of the IRM Model.

- a) Please confirm which year or years Grimsby Power is seeking disposition of Account 1595 for and please update the IRM Model accordingly.
- b) If Grimsby Power is seeking disposition of Account 1595 (2018), please update the 1595 Workform to include the 2018 balance.

**GPI Response**

- a) Grimsby Power is seeking disposition of both 2017 and 2018 for account 1595.
- b) The model provided by the OEB in 2019 does not allow for the addition of 2018 for 1595 in the 1. Information Sheet to add an additional 2018 tab. To provide the requested information Grimsby Power has completed a separate work form for 2018 with 2018 figures but the tab name cannot be changed from 2017 to 2018. The model is named GPI\_2020\_2018\_1595\_Analysis\_Workform\_20191024.

**Staff Question-2**

**Ref: GPI Reponse\_Incomplete\_Letter\_Grimsby\_2020IRM\_20190828**

At the above noted first reference Grimsby Power stated the following:

To clarify Grimsby Power is requesting the disposition of account 1588 and 1589 on an interim basis until such time as all balances are reviewed in consideration of the new guidance provided. The current settlement process for Grimsby Power, as noted above and in the application, uses estimated consumption to calculate costs and revenues. The true up then uses actual consumption to calculate costs and revenues. Grimsby Power is currently changing its process to model that of the illustrative example provided by OEB staff. Grimsby Power does not believe there are any systemic issues related to the RPP settlement and accounting related process but needs time to go back through 2017 and 2018 transactions to verify.

- a) As noted above, Grimsby Power is “requesting the disposition of account 1588 and 1589 on an interim basis until such time as all balances are reviewed in consideration of the new guidance provided.” As Grimsby Power’s December 31, 2017 balances were cleared on an interim basis in its 2019 IRM proceeding,<sup>1</sup> does Grimsby Power also mean that it is requesting to clear its December 31, 2018 balances on an interim basis in this proceeding?
- b) Please provide an update on Grimsby Power’s plan to verify its RPP settlement and accounting related process back through 2017 and 2018.
- c) Please confirm that adjustments to Group 1 DVA balances that have yet to be disposed on a final basis have not yet been quantified.
- d) If adjustments have not been quantified, please provide a timeline as to when the applicant expects any discrepancies to be resolved. Does Grimsby Power expect its review to be completed before the completion of the record in the current proceeding?
- e) After Grimsby Power completes its review and material adjustments are identified, for each adjustment please provide the following:
  - i. Quantification and nature of the adjustment
  - ii. The period in which the adjustment relates to (i.e. in relation to the flow of kWh/ kW)
  - iii. Detailed explanation of the adjustment, including how it was identified, the reason for the adjustment, the impact to each of Accounts 1588 and 1589 and any summary reports if available.
  - iv. Show how it has been included as a principal adjustment to Account 1589 in the GA Analysis Workform and Account 1588 in Appendix A, Question 1
  - v. Describe the steps taken to include these adjustments in the DVA Continuity Schedule and balances requested for disposition in this proceeding. Please also provide the cells in the DVA Continuity Schedule where these adjustments were made.

## GPI Response

- a) Grimsby Power confirms that it is requesting to clear the 2018 balances on an interim bases.
- b) Grimsby Power is reviewing the 2019 data and has not found any material variances. Grimsby Power is going back through each month and comparing the results using the OEB illustrative model and GPI’s past methodology.
- c) Grimsby Power confirms that adjustments if any to Group 1 DVA balances have not been disposed of on a final basis have not been quantified.
- d) At this time it is not expected that differences, if any, would be found before the completion of the record in the current proceeding.
- e) This analysis will not be complete prior to the completion of record in the current proceeding therefore Grimsby Power has not quantified any differences. Again Grimsby Power believes the methodology used in 2017 and 2018 aligns with the OEB illustrative model and we do not believe any material differences exist.

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<sup>1</sup> EB-2018-0035

### Staff Question-3

Ref: IRM Model, Tab 3, filed August 28, 2019

At the above noted reference, Grimsby Power is requesting an Account 1588 balance of \$106,233 as at December 31, 2018, plus forecasted interest, for clearance in the current proceeding on an interim basis. Account 1588 is not expected to have a high balance, as it is driven primarily by differences in line losses. Please explain the high balance of \$106,233.

#### GPI Response

The amount identified in Staff Question-3 of \$106,233 is the total claim amount for account 1588 in the continuity schedule in the 2020 IRM application. The total claim amount includes the balance forward from the previous year, 2018 principal amounts, 2018 interest, adjustments to principal amounts due to true ups, OEB approved dispositions of principal and interest for 2018 and 2019 and projected interest on the December 31, 2018 balance. The table below reconciles account 1588 starting with the December 31, 2017 general ledger balance.

|  |                   |
|--|-------------------|
| <b>GL Balance 1588 December 31, 2017 as per 2.1.7 RRR Filing</b> | <b>\$ 169,238</b> |
| OEB Approved Principal Disposition in 2018                       | \$ (205,155)      |
| OEB Approved Principal Disposition in 2019                       | \$ (46,616)       |
| Principal Activity 2018  | \$ 204,919        |
| Adjustments in Principal (True Ups)                              | \$ (16,635)       |
|  |                   |
| Interest Activity 2018   | \$ 2,099          |
| OEB Approved Interest Disposition in 2018                        | \$ (2,538)        |
| OEB Approved Interest Disposition in 2019                        | \$ (1,715)        |
| Projected Interest on Dec 31, 2018 balance                       | \$ 2,637          |
| <b>Total Claim Amount 1588</b>                                   | <b>\$ 106,233</b> |

To provide an explanation as to the high balance Grimsby Power focused on the 2018 principal amount of \$204,919 with adjustments due to true ups of (\$16,365) totaling \$188,283. This amount would accurately reflect the balance in the account due to line losses.

In 2018 the unaccounted for line losses were approximately 1.12%. For RPP customers those unaccounted for line losses amounted to \$161,591 and for Non RPP customers the unaccounted for line losses amounted to \$32,097. The total dollar value attributed to unaccounted for line losses in 2018 was \$193,688. The 2018 principal activity with adjustments due to true ups is \$188,283 a difference of only \$5,404 or 3%. Grimsby Power has completed the 1588 analytical review required as part of question 7 which details the kWh's purchased and sold and the costs associated. The table below is from the worksheet.

## 1. RPP Customers Unaccounted for Energy (Line Loss) Variance

| 2018      | Energy Wholesale kWh Volumes (Note 1) | Energy Retail kWh Volumes | Weighted Average RPP Price Billed | Expected Monthly UFE Variance - RPP |
|-----------|---------------------------------------|---------------------------|-----------------------------------|-------------------------------------|
|           | A                                     | B                         | C                                 | D= (A-B)XC                          |
| January   | 10,539,091.11                         | 10,412,865.72             | 0.1061                            | \$ 13,397.56                        |
| February  | 8,722,366.87                          | 8,549,959.98              | 0.1176                            | \$ 20,266.43                        |
| March     | 9,224,079.63                          | 9,155,205.28              | 0.1378                            | \$ 9,490.20                         |
| April     | 8,450,348.08                          | 8,348,164.30              | 0.1155                            | \$ 11,806.31                        |
| May       | 8,546,240.10                          | 8,454,180.17              | 0.0880                            | \$ 8,101.27                         |
| June      | 10,085,441.49                         | 9,941,858.71              | 0.0957                            | \$ 13,736.56                        |
| July      | 14,054,607.09                         | 13,805,375.46             | 0.1494                            | \$ 37,225.24                        |
| August    | 13,460,967.78                         | 13,370,676.42             | 0.1385                            | \$ 12,508.06                        |
| September | 10,529,923.07                         | 10,450,780.98             | 0.1295                            | \$ 10,248.11                        |
| October   | 8,555,731.81                          | 8,474,061.49              | 0.1086                            | \$ 8,870.21                         |
| November  | 9,028,386.09                          | 8,939,732.40              | 0.1068                            | \$ 9,465.55                         |
| December  | 10,188,389.48                         | 10,118,357.88             | 0.0925                            | \$ 6,475.12                         |
| Total     | 121,385,572.60                        | 120,021,218.79            |                                   | \$ 161,590.64                       |

Note 1: the energy wholesales kWh Volumes should include the energy supplied by embedded generator

## 2. Non-RPP Unaccounted for Energy (Line Loss) Variance

| 2018      | Energy Wholesale kWh Volumes | Weighted Average Energy Price (HOEP) | Total Cost      | Energy Retail kWh Volumes | Weighted Average Energy Price (HOEP) | Total Revenues  | Non-RPP UFE (Line loss) Variance |
|-----------|------------------------------|--------------------------------------|-----------------|---------------------------|--------------------------------------|-----------------|----------------------------------|
|           | a                            | b                                    | c= a x b        | d                         | e (should equal to b)                | f= d x e        | g= c-f                           |
| January   | 8,120,358.00                 | 0.03454                              | \$ 280,441.28   | 8,023,101.50              | 0.034535581                          | \$ 277,082.47   | \$ 3,358.81                      |
| February  | 7,249,069.95                 | 0.02100                              | \$ 152,238.70   | 7,105,784.36              | 0.021001136                          | \$ 149,229.54   | \$ 3,009.16                      |
| March     | 7,997,083.80                 | 0.01805                              | \$ 144,335.52   | 7,937,371.20              | 0.018048519                          | \$ 143,257.79   | \$ 1,077.72                      |
| April     | 7,921,747.16                 | 0.02942                              | \$ 233,026.13   | 7,825,955.38              | 0.029416002                          | \$ 230,208.32   | \$ 2,817.81                      |
| May       | 10,926,227.50                | 0.01456                              | \$ 159,138.18   | 10,808,530.41             | 0.014564787                          | \$ 157,423.94   | \$ 1,714.23                      |
| June      | 9,522,776.37                 | 0.01995                              | \$ 189,966.82   | 9,387,204.07              | 0.01994868                           | \$ 187,262.33   | \$ 2,704.49                      |
| July      | 12,087,180.48                | 0.03147                              | \$ 380,323.36   | 11,872,837.43             | 0.031465019                          | \$ 373,579.06   | \$ 6,744.31                      |
| August    | 13,106,697.65                | 0.03190                              | \$ 418,040.94   | 13,018,782.63             | 0.031895215                          | \$ 415,236.87   | \$ 2,804.07                      |
| September | 10,349,021.62                | 0.03307                              | \$ 342,253.46   | 10,271,239.21             | 0.033071093                          | \$ 339,681.11   | \$ 2,572.35                      |
| October   | 8,234,929.22                 | 0.01552                              | \$ 127,791.85   | 8,156,321.19              | 0.015518269                          | \$ 126,571.99   | \$ 1,219.86                      |
| November  | 8,588,832.24                 | 0.02723                              | \$ 233,895.54   | 8,504,494.75              | 0.027232519                          | \$ 231,598.81   | \$ 2,296.72                      |
| December  | 8,666,259.78                 | 0.02984                              | \$ 258,589.28   | 8,606,690.82              | 0.029838626                          | \$ 256,811.82   | \$ 1,777.46                      |
| Total     | 112,770,183.77               |                                      | \$ 2,920,041.05 | 111,518,312.95            |                                      | \$ 2,887,944.06 | \$ 32,096.99                     |

## 3. Reasonableness Check on Account 1588 net transaction in the year

Table 40 - Account 1588 Balance Explanation

|  |           | 1588 - RSVA Power - Balance Explanation |
|--|-----------|---|
| RPP UFE Variance 2018  | per above | \$ 161,590.64                           |
| Non-RPP UFE Variance 2018  | per above | \$ 32,096.99                            |
| Total UFE Variance - expected in Account 1588                            |           | 193,688                                 |
| Transaction Debit/(Credit) during 2018 (per the DVA continuity schedule) |           | \$ 188,284                              |
| Difference \$  |           | 5,404                                   |
| Difference %   |           | 3%                                      |

Please explain if the difference is greater than 10%

## Staff Question-4

Ref: **Manager's Summary, p. 15**  
**IRM Model, Tab 3, filed August 28, 2019**

At the above noted first reference Grimsby Power stated the following:

During Grimsby Power's 2019 IRM Application the 1588 Power account was adjusted by \$87,519. This amount represented a true up value for 1588 that was from 2017 but booked in 2018. Grimsby Power has reversed this adjustment in the 2018 portion of the continuity schedule in Tab 3 cell BF28. Further to the adjustment of (\$87,519) Grimsby Power has also made an adjustment for \$70,884 in the same cell (BF28) to account for a 2018 true up booked in 2019. This adjustment is a reconciling item from the GA Analysis Workform. The adjustments have resulted in a difference of (\$16,635) from the trial balance submitted under RRR filing 2.1.7 for account 1588 RSVA - Power.

At the above noted second reference Grimsby Power filed a revised IRM Generator Model.

OEB staff has reviewed the revised IRM Generator Model and is unable to find the \$87,519 adjustment in 2017 to Account 1588 that Grimsby Power has referred to in the above noted first reference. OEB staff notes that a balance of (\$80,995) is recorded in cell AV28 of the revised IRM Generator Model. Table 1 below summarizes the difference between these two references.

**Table 1 – Difference in Account 1588 2017 Principal Adjustments**

|              | A  | B  | C = A - B  |
|--------------|--|--|------------|
|              | Principal Adjustment Referenced in the Application (page 15) | Principal Adjustment Referenced in the IRM Generator Model (cell AV28) | Difference |
| Account 1588 | 87,519   | -80,995  | 168,514    |

- Please explain the differences shown in column C of the above noted Table 1.
- If there is an impact on Account 1588 from the difference shown in column C of Table 1, please describe and quantify the impacts. Please also consider the Account 1588 balance shown in the application, Appendix A, GA Methodology Description, on page 115/162.

#### GPI Response

- As stated in the manager's summary page 15 Grimsby Power reversed the \$87,519 in cell BF28. Grimsby Power should have made the adjustment in cell AV28 as the adjustment was related to 2017 not 2018. Grimsby Power has removed the (\$87,519) adjustment from cell BF28 under the Principal Adjustments during 2018 column to cell AV28 under the Principal Adjustment during 2017.

In the last 2020 rate generator model

(GPI\_2020\_IRM\_RATE\_GENERATOR\_MODEL\_20190828) in cell AV28 (\$80,995) adjustment was entered in error. This adjustment has been removed. The adjustment of \$80,995 was initially applied during Grimsby Power's 2018 IRM and was reversed in Grimsby Power's 2019 IRM and needs to be removed from the principal adjustments for the 2020 IRM.

- The movement of the (\$87,519) adjustment from the 2018 principal adjustment column to the 2017 principal adjustment column does not have an effect on the total claim amount for 1588. The removal of the (\$80,995) adjustment from cell AV28 also does not impact the 1588 total claim amount. To accurately reflect the removal of (\$80,995) Grimsby Power has adjusted the 2016 starting balance to the December 31, 2016 GL balance.

Grimsby Power has reviewed Appendix A GA Methodology page 115/162 and made adjustments under Staff Question-7.

## Staff Question-5

Ref: **Manager's Summary, p.15**  
**IRM Model, Tab 3, filed August 28, 2019**  
**GPI\_2020\_GA\_Analysis\_Workform\_20190828.XLSB**

At the above noted first reference Grimsby Power stated the following:

In the 2019 application Grimsby Power also made an adjustment to account 1589 RSVA – Global Adjustment. Account 1589 was adjusted in the 2019 application by an amount of \$141,563. Grimsby Power has reversed this adjustment in the 2018 portion of the continuity schedule in Tab 3 cell BF28. In connection with the adjustment of 1588 in the amount of \$70,884 an adjustment was also made to the continuity schedule for account 1589 RSVA – Global Adjustment. The 2018 true up booked in 2019 included a reduction in Global Adjustment costs for non RPP customers in the amount of \$116,738. This adjustment was made in cell BF29 increasing the total claim by \$24,825 (\$141,563-\$116,738) thereby creating a variance between the continuity schedule and the trial balance in 2.1.7 of \$24,825.

At the above noted second reference Grimsby Power filed a revised IRM Generator Model.

OEB staff has reviewed the revised IRM Generator Model and is unable to find the \$141,563 adjustment in 2017 to Account 1589 that Grimsby Power has referred to in the above noted first reference. OEB staff notes that a balance of \$0 is recorded in cell AV29 of the revised IRM Generator Model. OEB staff also notes that a principal adjustment in the above noted third reference shows a credit amount of \$141,563.

Table 2 below summarizes the difference between these references.

**Table 2 – Difference in Account 1589 2017 Principal Adjustments**

|              | D  | E  | F = D - E  | G  | H  | I = G - H  |
|--------------|--|--|------------|--|--|------------|
|              | Principal Adjustment Referenced in the Application (page 15) | Principal Adjustment Referenced in the IRM Generator Model (cell AV29) | Difference | Principal Adjustment Referenced in the 2017 GA Workform (cell C66) | Principal Adjustment Referenced in the IRM Generator Model (cell AV29) | Difference |
| Account 1589 | 141,563  | 0  | 141,563    | -141,563   | 0  | -141,563   |

As per the above noted first reference, OEB staff is also unclear whether Grimsby Power meant that it had recorded a credit amount of \$141,563 in 2017, which was then reversed in 2018, with an offsetting debit amount. OEB staff notes that the 2017 GA Analysis Workform at the above noted third reference shows a reconciling credit amount of \$141,563.

- Please explain the differences shown in column F and column I of the above noted Table 2.
- If there is an impact on Account 1589 from the differences shown in Table 2, please describe and quantify the impacts.
- OEB staff requires clarification of Grimsby Power's \$141,563 adjustment. Grimsby Power stated at the above noted first reference that it made a \$141,563 adjustment in 2017 and then

stated that it “has reversed this adjustment in the 2018 portion of the continuity schedule in Tab 3 cell BF28.”

- i. In the above referenced statement, please clarify whether Grimsby Power meant to reference the cell BF29 instead of cell BF28.
- ii. Please clarify whether Grimsby Power meant that it had recorded a credit amount of \$141,563 in 2017, instead of a debit amount.
- iii. If Grimsby Power instead meant to reference a debit amount of \$141,563 in 2017, please explain why an additional debit amount of \$141,563 was recorded in 2018.

#### GPI Response

- a) OEB staff is correct in that the adjustment in 2017 was a credit adjustment of \$141,563. Grimsby Power reversed this credit adjustment in cell BF29 in the Principal Adjustments during 2018 column with a debit of \$141,563. This reversal debit adjustment should have been in cell AV29 under principal adjustments during 2017 not 2018. Grimsby Power has changed the continuity schedule to reflect the change described above.
- b) There is no impact to the 1589 total claim.
- c)
  - i) Grimsby Power confirms that it meant to reference cell BF29 instead of BF28.
  - ii) Grimsby Power confirms that it recorded a credit amount in 2017 not a debit amount.
  - iii) The amount of \$141,563 was a credit amount in 2017 so the debit in 2018 is required to reverse the adjustment.

#### Staff Question-6

**Ref: EB-2018-0035 GPI\_GA\_Analysis\_Workform\_20180813.xlsb  
GPI\_2020\_GA\_Analysis\_Workform\_20190828.XLSB**

At the above noted first reference Grimsby Power provided its GA Analysis Workform relating to 2017 balances in its 2019 IRM proceeding.

At the above noted second reference Grimsby Power provided its GA Analysis Workform relating to 2017 balances in its current 2020 IRM proceeding.

OEB staff has reviewed both GA Analysis Workforms relating to 2017 balances filed in the 2019 IRM proceeding and the current proceeding. OEB staff notes that there are differences between the two workforms. Table 3 below summarizes the difference between these two references.



**Table 3 – Discrepancies in 2017 Unresolved Differences between the GA Workforms**

|                          | J   | K  | L = J - K  |
|--------------------------|---|--|------------|
|                          | EB-2018-0035 GA<br>Analysis<br>Workform Cell<br>C78 | Current<br>Proceeding GA<br>Analysis<br>Workform Cell<br>C81 | Difference |
| Unresolved<br>Difference | 34,291  | 60,136   | -25,845    |

- Please explain the differences shown in column L of the above noted Table 3.
- If there is an impact on Account 1589 from the difference shown in column L of Table 3, please describe and quantify the impacts.
- Please quantify and explain how any other differences in the 2017 GA Workform filed in this proceeding are different than those filed in prior proceedings (i.e. relating to the same calendar year balances.)

#### GPI Response

- The difference in column L is due to the addition of the Embedded Distributor kWh's. In the 2019 application the GA Analysis work form did not include Embedded Distributor kWh of 29,983,391 or an adjustment of (337,589) for the USL rate class as they were not included in the RRR filing until after the OEB models were produced. With the increase in the kWh's in Note 2 Grimsby Power needed to include the Embedded Distributor kWh's in Note 4 Analysis of Expected GA Amount in the Non RPP Class B column (F). The addition of the kWh's for the Embedded Distributor changed the unresolved difference by \$25,845 from \$34,291 to \$60,136.

This changed the unresolved difference from 0.5% to 0.6% which is still below the OEB's threshold of +/- 1%.

- There is no impact to 1589 from the difference noted above.
- The table below summaries the difference between the 2017 GA analysis work form submitted under the 2019 and 2020 applications. All differences are related to the change in kWh's described in a).



## GA Analysis Workform Comparison

## Note 2 Consumption Data Excluding for Loss Factor (Data to agree with RRR as applicable)

|                             |         |     | 2017 (EB-2018-0035) |       | 2017 (EB-2019-0038) |       | Difference | Embedded Distributor kWh | USL kWh      | Difference After Adjustments in RRR Filing |
|-----------------------------|---------|-----|---------------------|-------|---------------------|-------|------------|--------------------------|--------------|--|
| Total Metered excluding WMP | C = A+B | kWh | 169,818,496         | 100%  | 199,464,297         | 100%  | 29,645,801 | 29,983,390.37            | - 337,589.00 | 0.00                                       |
| RPP                         | A       | kWh | 105,239,592         | 62.0% | 105,239,592         | 52.8% | -          | -                        | -            | 0.00                                       |
| Non RPP                     | B = D+E | kWh | 64,578,903          | 38.0% | 94,224,705          | 47.2% | 29,645,801 | 29,983,390.37            | - 337,589.00 | 0.00                                       |
| Non-RPP Class A             | D       | kWh | 1,987,519           | 1.2%  | 1,987,519           | 1.0%  | -          | -                        | -            | 0.00                                       |
| Non-RPP Class B*            | E       | kWh | 62,591,384          | 36.9% | 92,237,186          | 46.2% | 29,645,801 | 29,983,390.37            | - 337,589.00 | 0.00                                       |

## Note 4 Analysis of Expected GA Amount

| 2017 (EB-2018-0035)   |  |  |  |  |                         |                                  |                              |                                    |                           |
|---|--|--|--|--|-------------------------|----------------------------------|------------------------------|------------------------------------|---------------------------|
| Calendar Month  | Non-RPP Class B Including Loss Factor Billed Consumption (kWh) | Deduct Previous Month Unbilled Loss Adjusted Consumption (kWh) | Add Current Month Unbilled Loss Adjusted Consumption (kWh) | Non-RPP Class B Including Loss Adjusted Consumption, Adjusted for Unbilled (kWh) | GA Rate Billed (\$/kWh) | \$ Consumption at GA Rate Billed | GA Actual Rate Paid (\$/kWh) | \$ Consumption at Actual Rate Paid | Expected GA Variance (\$) |
|   | F  | G  | H  | I = F-G+H  | J                       | K = I*J                          | L                            | M = I*L                            | =M-K                      |
| January   | 5,680,065  | 5,679,029  | 5,837,721  | 5,838,756  | 0.08677                 | \$ 506,629                       | 0.08227                      | \$ 480,354                         | \$ 26,274                 |
| February  | 5,736,878  | 5,837,721  | 5,046,046  | 4,945,203  | 0.08430                 | \$ 416,881                       | 0.08639                      | \$ 427,216                         | \$ 10,335                 |
| March   | 5,125,091  | 5,046,046  | 5,637,824  | 5,716,869  | 0.06886                 | \$ 393,664                       | 0.07135                      | \$ 407,899                         | \$ 14,235                 |
| April   | 5,624,036  | 5,637,824  | 5,166,357  | 5,152,569  | 0.10218                 | \$ 526,489                       | 0.10778                      | \$ 555,344                         | \$ 28,854                 |
| May   | 5,164,885  | 5,166,357  | 5,395,552  | 5,394,079  | 0.12776                 | \$ 689,148                       | 0.12307                      | \$ 663,849                         | \$ 25,298                 |
| June  | 5,351,244  | 5,395,552  | 5,587,978  | 5,543,671  | 0.12563                 | \$ 696,451                       | 0.11848                      | \$ 656,814                         | \$ 39,637                 |
| July  | 5,229,033  | 5,587,978  | 5,492,097  | 5,133,151  | 0.10197                 | \$ 523,427                       | 0.11280                      | \$ 579,019                         | \$ 55,592                 |
| August  | 5,787,381  | 5,492,097  | 5,462,250  | 5,757,534  | 0.10476                 | \$ 603,159                       | 0.10109                      | \$ 582,029                         | \$ 21,130                 |
| September   | 5,744,270  | 5,462,250  | 5,336,087  | 5,618,107  | 0.09895                 | \$ 555,912                       | 0.08864                      | \$ 497,989                         | \$ 57,923                 |
| October   | 5,685,191  | 5,336,087  | 5,263,607  | 5,612,711  | 0.11973                 | \$ 672,010                       | 0.12563                      | \$ 705,125                         | \$ 33,115                 |
| November  | 5,262,356  | 5,263,607  | 5,261,465  | 5,260,215  | 0.09669                 | \$ 508,610                       | 0.09704                      | \$ 510,451                         | \$ 1,841                  |
| December  | 5,260,355  | 5,261,465  | 5,641,572  | 5,640,462  | 0.09669                 | \$ 545,376                       | 0.09207                      | \$ 519,317                         | \$ 26,059                 |
| Net Change in Expected GA Balance in the Year (i.e. Transactions in the Year) | 65,650,784   | 65,166,014   | 65,128,556   | 65,613,326   |                         | 6,637,756                        |                              | 6,585,407                          | (52,349)                  |

| 2017 (EB-2019-0038)   |  |  |  |  |                         |                                  |                              |                                    |                           |
|---|--|--|--|--|-------------------------|----------------------------------|------------------------------|------------------------------------|---------------------------|
| Calendar Month  | Non-RPP Class B Including Loss Factor Billed Consumption (kWh) | Deduct Previous Month Unbilled Loss Adjusted Consumption (kWh) | Add Current Month Unbilled Loss Adjusted Consumption (kWh) | Non-RPP Class B Including Loss Adjusted Consumption, Adjusted for Unbilled (kWh) | GA Rate Billed (\$/kWh) | \$ Consumption at GA Rate Billed | GA Actual Rate Paid (\$/kWh) | \$ Consumption at Actual Rate Paid | Expected GA Variance (\$) |
|   | F  | G  | H  | I = F-G+H  | J                       | K = I*J                          | L                            | M = I*L                            | =M-K                      |
| January   | 5,680,065  | 5,679,029  | 5,837,721  | 5,838,756  | 0.08677                 | \$ 506,629                       | 0.08227                      | \$ 480,354                         | \$ (26,274)               |
| February  | 5,736,878  | 5,837,721  | 5,046,046  | 4,945,203  | 0.08430                 | \$ 416,881                       | 0.08639                      | \$ 427,216                         | \$ 10,335                 |
| March   | 7,539,037  | 5,046,046  | 5,637,824  | 8,130,815  | 0.06886                 | \$ 559,888                       | 0.07135                      | \$ 580,134                         | \$ 20,246                 |
| April   | 7,805,331  | 5,637,824  | 5,166,357  | 7,333,864  | 0.10218                 | \$ 749,374                       | 0.10778                      | \$ 790,444                         | \$ 41,070                 |
| May   | 7,760,189  | 5,166,357  | 5,395,552  | 7,989,383  | 0.12776                 | \$ 1,020,724                     | 0.12307                      | \$ 983,253                         | \$ (37,470)               |
| June  | 8,509,270  | 5,395,552  | 5,587,978  | 8,701,697  | 0.12563                 | \$ 1,093,194                     | 0.11848                      | \$ 1,030,977                       | \$ (62,217)               |
| July  | 9,729,834  | 5,587,978  | 5,492,097  | 9,633,952  | 0.10197                 | \$ 982,374                       | 0.11280                      | \$ 1,086,710                       | \$ 104,336                |
| August  | 9,897,602  | 5,492,097  | 5,462,250  | 9,867,755  | 0.10476                 | \$ 1,033,746                     | 0.10109                      | \$ 997,531                         | \$ (36,215)               |
| September   | 10,003,447   | 5,462,250  | 5,336,087  | 9,877,284  | 0.09895                 | \$ 977,357                       | 0.08864                      | \$ 875,522                         | \$ (101,835)              |
| October   | 7,694,831  | 5,336,087  | 5,263,607  | 7,622,351  | 0.11973                 | \$ 912,624                       | 0.12563                      | \$ 957,596                         | \$ 44,972                 |
| November  | 7,484,594  | 5,263,607  | 5,261,465  | 7,482,452  | 0.09669                 | \$ 723,478                       | 0.09704                      | \$ 726,097                         | \$ 2,619                  |
| December  | 7,793,098  | 5,261,465  | 5,641,572  | 8,173,205  | 0.09669                 | \$ 790,267                       | 0.09207                      | \$ 752,507                         | \$ (37,760)               |
| Net Change in Expected GA Balance in the Year (i.e. Transactions in the Year) | 95,634,174   | 65,166,014   | 65,128,556   | 95,596,717   |                         | \$ 9,766,536                     |                              | \$ 9,688,342                       | \$ (78,194)               |

| Differences   |  |  |  |  |                         |                                  |                              |                                    |                           |
|---|--|--|--|--|-------------------------|----------------------------------|------------------------------|------------------------------------|---------------------------|
| Calendar Month  | Non-RPP Class B Including Loss Factor Billed Consumption (kWh) | Deduct Previous Month Unbilled Loss Adjusted Consumption (kWh) | Add Current Month Unbilled Loss Adjusted Consumption (kWh) | Non-RPP Class B Including Loss Adjusted Consumption, Adjusted for Unbilled (kWh) | GA Rate Billed (\$/kWh) | \$ Consumption at GA Rate Billed | GA Actual Rate Paid (\$/kWh) | \$ Consumption at Actual Rate Paid | Expected GA Variance (\$) |
| January   | -  | -  | -  | -  | -                       | -                                | -                            | -                                  | -                         |
| February  | -  | -  | -  | -  | -                       | -                                | -                            | -                                  | -                         |
| March   | 2,413,946  | -  | -  | 2,413,946  | -                       | 166,224                          | -                            | 172,235                            | 6,011                     |
| April   | 2,181,295  | -  | -  | 2,181,295  | -                       | 222,885                          | -                            | 235,100                            | 12,215                    |
| May   | 2,595,304  | -  | -  | 2,595,304  | -                       | 331,576                          | -                            | 319,404                            | - 12,172                  |
| June  | 3,158,026  | -  | -  | 3,158,026  | -                       | 396,743                          | -                            | 374,163                            | - 22,580                  |
| July  | 4,500,801  | -  | -  | 4,500,801  | -                       | 458,947                          | -                            | 507,690                            | 48,744                    |
| August  | 4,110,221  | -  | -  | 4,110,221  | -                       | 430,587                          | -                            | 415,502                            | - 15,085                  |
| September   | 4,259,177  | -  | -  | 4,259,177  | -                       | 421,446                          | -                            | 377,533                            | - 43,912                  |
| October   | 2,009,640  | -  | -  | 2,009,640  | -                       | 240,614                          | -                            | 252,471                            | 11,857                    |
| November  | 2,222,237  | -  | -  | 2,222,237  | -                       | 214,868                          | -                            | 215,646                            | 778                       |
| December  | 2,532,743  | -  | -  | 2,532,743  | -                       | 244,891                          | -                            | 233,190                            | - 11,701                  |
| Net Change in Expected GA Balance in the Year (i.e. Transactions in the Year) | 29,983,391   | -  | -  | 29,983,391   | -                       | 3,128,780                        | -                            | 3,102,935                          | - 25,845                  |

## Staff Question-7

**Ref: Manager's Summary, Appendix A, p. 115/162**

At the above noted reference, the Account 1588 balance is described. Specifically, regarding the GA file "GA-Analysis-Workform-Instructions-20190715.docx", "Appendix A GA Methodology Description Questions on Accounts 1588 & 1589" (or page 15 of the document), the table in Question 1 for Account 1588 requests the "Balance December 31, 2018".

- a) Please confirm that the first line of this table represents the Account 1588 general ledger balance as at December 31, 2018. If this is not the case, please explain.
- b) Please explain why the last line of this table shows a balance of \$106,234 when the closing principal Account 1588 balance as at December 31, 2018 in the DVA continuity schedule (cell BG28) is \$147,380.
- c) Please explain any differences between (a) and (b), considering any OEB-approved dispositions that occurred in the year
- d) Please also repeat steps (a), (b), and (c) for Account 1588 balances as at December 31, 2017.
- e) If the revised table shows a material change in the assessment of the Account 1588 balance, please quantify and explain.
- f) Please also file a similar table relating to 2017 balances for Account 1588.
- g) Please quantify and explain any large amounts shown in these tables relating to 2017 and 2018 balances.
- h) Please also complete the attached spreadsheet "1588 Analytical Review" for both 2017 and 2018 balances respectively.

## GPI Response

- a) In the initial table submitted in Appendix A page 115/162 the first line does not represent the GL balance at December 31, 2018. The \$122,868 in the initial table was the General Ledger balance of \$168,562 at December 31, 2018 with interest, approved dispositions and projected interest.

|  |         |
|--|---------|
| General Ledger Balance Dec 31, 2018              | 168,562 |
| Less OEB Approved Dispositions Principal in 2019 | 46,616  |
| Less OEB Approved Dispositions Interest in 2019  | 1,715   |
| Plus projected Interest on Dec 31, 2018 balance  | 2,637   |
|  | 122,868 |

The table submitted below shows the December 31, 2018 general ledger balance of \$168,582 from 2.1.7 RRR filing included as the first line. The table then delineates the adjustments and additions made to provide an accurate Total Claim amount. The last line of the table matches the Total Claim amount of \$106,233 cell BT28.

Reconciliation of Account 1588 - 2018

|   | Principal Adjustments | Was the amount a "Principal Adjustment" in the previous year? (Y/N)     |
|---|-----------------------|---|
| 1588 General Ledger Balance December 31, 2018 as per 2.1.7 RRR Filing   | 168,562               |   |
| <b>Reversals of Principal Adjustments - previous year</b>   |                       |   |
| 1. Reversal of Cost of Power accrual from previous year   |                       | Y   |
| 2. Reversal of CT 1142 true-up from the previous year   |                       |   |
| 3. Unbilled to billed adjustment for previous year  |                       |   |
| 4. True-up of RPP vs. Non-RPP allocation of CT 148 based on actual 2018 consumption   | - 87,520              |   |
| <b>Sub-Total Reversals from previous year (A):</b>  | - 87,520              |   |
| <b>Principal Adjustments - current year</b>   |                       |   |
| 5. Cost of power accrual for 2018 vs Actual per IESO bill   |                       |   |
| 6. True-up of CT 1142 for 2018 consumption recorded in 2019 GL  |                       |   |
| 7. Unbilled accrued vs. billed for 2018 consumption   |                       |   |
| 8. True-up of RPP vs. Non-RPP allocation of CT 148 based on actual 2018 consumption   | 70,885                |   |
| 9. Other - Principal and Interest Disposition during 2019 - instructed by OEB and projected 2019 interest on Dec 31, 2018 balance | - 45,694              | From Continuity Schedule Cell BM28(-46,616), BN28(-1,715), BQ28 (2,637) |
| <b>Sub-Total Principal Adjustments for 2018 consumption (B)</b>   | 25,191                |   |
| <b>Total Principal Adjustments shown for 2018 (A + B)</b>   | 62,329                |   |
| <b>Bal. For Disposition - 1588 (should match Total Claim column on DVA Continuity Schedule)</b>                                   | 106,233               |   |

- b) Grimsby Power notes that the last line of the table states “Bal. For Disposition - 1588 (should match Total Claim column on DVA Continuity Schedule”. As per discussion with board staff it was agreed that the last line of the table should match the Total Claim amount from the DVA continuity schedule of \$106,233 not the principal balance of \$147,380.
- c) The balance in a) and b) match the total claim amount of \$106,233.
- d) The table below reconciles the GL balance at December 31, 2017 to the Total Claim amount of \$48,311 submitted in Grimsby Power’s 2019 IRM. The total claim amount will not match the principal balance from the continuity schedule as it includes interest and other adjustments.

Reconciliation of Account 1588 - 2017

|   | Principal Adjustments | Was the amount a "Principal Adjustment" in the previous year? (Y/N)     |
|---|-----------------------|---|
| 1588 General Ledger Balance December 31, 2017 as per 2.1.7 RRR Filing   | 169,238               |   |
| <b>Reversals of Principal Adjustments - previous year</b>   |                       |   |
| 1. Reversal of Cost of Power accrual from previous year   |                       |   |
| 2. Reversal of CT 1142 true-up from the previous year   |                       |   |
| 3. Unbilled to billed adjustment for previous year  |                       |   |
| 4. True-up of RPP vs. Non-RPP allocation of CT 148 based on actual 2017 consumption   | 87,520                |   |
| <b>Sub-Total Reversals from previous year (A):</b>  | <b>87,520</b>         |   |
| <b>Principal Adjustments - current year</b>   |                       |   |
| 5. Cost of power accrual for 2018 vs Actual per IESO bill   |                       |   |
| 6. True-up of CT 1142 for 2018 consumption recorded in 2019 GL  |                       |   |
| 7. Unbilled accrued vs. billed for 2018 consumption   |                       |   |
| 8. True-up of RPP vs. Non-RPP allocation of CT 148 based on actual 2018 consumption   |                       |   |
| 9. Other - Principal and Interest Disposition during 2019 - instructed by OEB and projected 2019 interest on Dec 31, 2018 balance | 208,427               | From Continuity Schedule Cell BM28(-205,155), BN28(-2,538), BQ28 (-734) |
| <b>Sub-Total Principal Adjustments for 2018 consumption (B)</b>   | <b>208,427</b>        |   |
| <b>Total Principal Adjustments shown for 2018 (A + B)</b>   | <b>120,907</b>        |   |
| <b>Bal. For Disposition - 1588 (should match Total Claim column on DVA Continuity Schedule)</b>                                   | <b>48,331</b>         |   |

- e) The revised table for the 2018 1588 balance does not show any change in the total claim amount.
- f) See the table in response to question c).
- g) The amounts in the tables are explained in the application Manager's Summary, p. 15 "During Grimsby Power's 2019 IRM Application the 1588 Power account was adjusted by \$87,519. This amount represented a true up value for 1588 that was from 2017 but booked in 2018. Grimsby Power has reversed this adjustment in the 2018 portion of the continuity schedule in Tab 3 cell BF28. Further to the adjustment of (\$87,519) Grimsby Power has also made an adjustment for \$70,884 in the same cell (BF28) to account for a 2018 true up booked in 2019. This adjustment is a reconciling item from the GA Analysis Workform. The adjustments have resulted in a difference of (\$16,635) from the trial balance submitted under RRR filing 2.1.7 for account 1588 RSVA – Power.". The additional amounts indicted in the 1588 reconciliation tables above are due to OEB approved dispositions and projected interest as explained in the tables under 9. Other.
- h) Grimsby Power has provided the 1588 analytical review for 2018 (table provided under Staff Question-3). As per discussions with OEB staff the 1588 analytical review for account 1588 is not required for 2017.

## Staff Question-8

**Ref: Manager's Summary, p. 17**  
**IRM Model, Tab 3, filed August 28, 2019**

At the above noted first reference Grimsby Power stated the following:

...The actual Global Adjustment amount Grimsby Power is billed by the IESO to service non-RPP Class B customers is tracked in USoA 4707. No accruals are used for expenses. Only actual expenses are booked for the expense portion of all variance accounts. Values are based on actual expense invoices for the current month.

- a) Please describe whether Grimsby Power's monthly general ledger is left open in time to book the actual invoice on an accrual basis. For example, please confirm that an invoice of amounts relating to power that flowed in October 2018 was booked in October 2018 in the GL (e.g. accrual basis) or in November 2018 when the invoice is received (e.g. cash basis).
- b) If Grimsby Power's practice is that an invoice of amounts relating to power that flowed in October 2018 was booked in November 2018 when the invoice is received, please describe and quantify the impacts on Account 1588 and Account 1589 from not recording these invoices on an accrual basis.
- c) If there is an impact on Account 1588 and Account 1589 from the above noted statements, please describe and quantify the impacts.

### GPI Response

- a) Grimsby Power's confirms that its monthly general ledger is left open in time to book the actual invoice on an accrual basis. Invoice amounts relating to power that flowed in October 2018 was booked in the GL in October of 2018.
- b) As per a) Grimsby Power books on an accrual basis.
- c) There is no impact.

## Staff Question-9

**Ref: Manager's Summary, page 22**  
**Manager's Summary, Appendix A, p. 117/162 and p. 119/162**

At the above noted first reference Grimsby Power stated the following:

Grimsby Power completes the RPP Settlement true up process on a regular basis which results in smaller variance amounts from true ups in subsequent years. Each month is accounted for in the current year with the exception of December.

At the above noted second reference Grimsby Power stated the following:

The true up is completed on a regular basis. All months are trued up within the year with the exception of December which is trued up in the following year...

...December 2018. This true up was recorded in the 2019 balance in the General Ledger.

- a) At the above noted references, Grimsby Power stated true-ups relating to December are performed in the next year. Please confirm that the true-ups relating to December consumption are recorded in the following year's GL (i.e. a true-up relating to December 2018 consumption is recorded in the 2019 GL.)
- b) If so, please explain why these true-ups are not captured in the GL period associated with the flow of kWh or consumption of kWh. Is Grimsby Power considering to change its current practice?
- c) If no, please explain.
- d) If there is an impact on Account 1588 and Account 1589 from the above noted statements, please describe and quantify the impacts. Please also consider the Account 1588 balance shown in the application, Appendix A, GA Methodology Description, on page 115/162.

#### GPI Response

- a) Grimsby Power confirms that the true-ups relating to December 2018 consumption is recorded in the 2019 GL.
- b) These True Ups are not captured in the GL period associated with the flow or consumption of kWh because that data is not available at the time books are being closed. Grimsby Power is not considering changing its current practise at this time.
- c) The data required to complete the true up is not available.
- d) There is no impact to 1588 or 1589 based on the above statements.

#### Staff Question-10

**Ref: IRM Model, Tab 3, filed August 28, 2019**  
**IRM Model, Tab 3, December 13, 2018**

At the above noted first reference Grimsby Power provided its DVA Continuity Schedule relating to 2017 balances in its 2020 IRM proceeding.

At the above noted second reference Grimsby Power provided its DVA Continuity Schedule relating to 2017 balances in its 2019 IRM proceeding.

Table 4 below summarizes the difference between these two references.

**Table 4 – Discrepancies in 2017 Unresolved Differences between the GA Workforms**

|              | <b>M</b>  | <b>N</b>  | <b>O = M - N</b>  |
|--------------|---|---|-------------------|
|              | <b>Closing<br/>Principal<br/>Balance<br/>December 31,<br/>2017 (2019 IRM<br/>Generator Model<br/>Cells BG28 &amp;<br/>BG29)</b> | <b>Closing<br/>Principal<br/>Balance<br/>December 31,<br/>2017 (2020 IRM<br/>Generator Model<br/>Cells AW28 &amp;<br/>AW29)</b> | <b>Difference</b> |
| Account 1588 | 251,772   | 164,252   | 87,520            |
| Account 1589 | 77,533  | 219,095   | -141,562          |

- Please explain the differences shown in the above table.
- If there is an impact on Account 1588 and Account 1589 from the differences shown in the table, please describe and quantify the impacts.

#### GPI Response

- The differences shown above are from true ups. Those differences have been explained in Staff Question 4 and Staff Question 5.
- There is no impact to 1588 or 1589.