



2020 IRM Application

Responses to Staff Questions

EB-2019-0030

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EXCEL FILE ATTACHMENTS

- A. Entegrus – St. Thomas GA Analysis Workform
- B. Entegrus – St. Thomas 1595-2014 Analysis

St. Thomas Rate Zone

QUESTION 1

Ref: Entegrus_STT_1588 Review excel

Entegrus provided a month by month analytical review using a revised format for Account 1588.

- a) The cells B22 to B36 under the column label “Purchase kWh”: what the cells represent?
- b) The cells K22 to K36 under the column labelled as “GA Transfer \$ (Inc'ing Non-RPP Losses)”:
 - i. what does the cells represent?
 - ii. What does “including Non-RPP losses” represent?

Response

- a) Cells B22 to B36 represent the commodity cost of the kWh purchased, as shown in the top portion of the table in Cells B7 to B18. Entegrus notes the column header in cell B22 should have read “Purchase Amount \$”.
- b)
 - i. These cells represent the GA Cost allocated from Account 1589 based on the approved OEB methodology referenced in Journal Entry #14 (Table 34) of the Accounting Procedures Handbook Update issued February 21, 2019, which are ultimately mapped to the appropriate balance sheet variance accounts.
 - ii. Based on the allocation calculation in Journal Entry #14, the formula inherently includes all losses in the calculation.

QUESTION 2

Ref: Response to OEB Staff Question #25 e

Entegrus confirmed, in its response to OEB staff question 25 e), that the use of inter-period reclassifications is to balance the adjusted principle balance for years of 2015-2017 for Account 1589. It also stated that “the \$52,135 pertains to miscellaneous reconciling items related to all four years but for presentation purposes has been assigned to the 2018 year”.

- a) Please provide the revised GA analysis workforms for the years of 2015 to 2018 without the plug-in “inter-period reclassifications” adjustment item and breaking the \$52,135 adjustment to the proper periods.
- b) Please provide the explanation if the unresolved differences are greater than the thresholds in each year.

Response

- a) Entegrus has removed the inter-period reclassifications on Line 8 of the GA Analysis Workform. Please see the attached Excel workbook for an updated copy. Entegrus has also removed the inter-period reclassifications from Line 10 of Table 15 of the Application (see revised Table 15 below). Please see Line 13 of the restated Table 15 below for the breakout of the \$52,135:

Line No.	Description	Reference	2015	2016	2017	2018	Total
1	Net Change in Principal Balance in GL	GA Analysis Workform, Cell C62	\$2,042,100	\$482,073	-\$1,664,743	-\$1,050,676	-\$191,247
2	Reconciling Items:						\$0
3	Variances relating to prior to 2015 recorded subsequent to Jan1/15	GA Analysis Workform, Cell C65-70	\$19,955				\$19,955
4	1588/1589 Reclassification Entry (2017)	GA Analysis Workform, Line 9	-\$1,764,480		\$1,764,480		\$0
5	1588/1589 Reclassification Entry (2018)	GA Analysis Workform, Line 10	-\$235,372	-\$238,996	-\$184,433	\$658,801	\$0
6	Correction of single metering configuration	GA Analysis Workform, Cell C72			\$209,408	-\$209,408	\$0
7	Differences in actual system losses and billed TLFs	GA Analysis Workform, Line 7	\$22,907	\$31,262	\$84,415	\$65,276	\$203,860
8	Differences in GA IESO posted rate and rate charged on IESO invoice	GA Analysis Workform, Line 6				\$42,491	\$42,491
9	Variances relating to 2018, recorded in 2019	GA Analysis Workform, Cell C66				-\$24,817	-\$24,817
10	Interperiod reclassifications to balance	GA Analysis Workform, Line 8					\$0
11	Adjusted Net Change in Principal Balance		\$85,110	\$274,339	\$209,126	-\$518,333	\$50,242
12	Calculated Expected GA Variance	GA Analysis Workform, Cell K51	\$238,646	-\$86,541	\$76,225	-\$125,953	\$102,376
13	Unresolved Difference		-\$153,536	\$360,880	\$132,901	-\$392,380	-\$52,135
14	Expected GA Payments to IESO	GA Analysis Workform, Cell J51	\$10,559,261	\$9,820,060	\$5,712,775	\$6,394,313	\$32,486,408
15	Unresolved % of Expected GA Payments		-1.5%	3.7%	2.3%	-6.1%	-0.2%

- b) As previously noted in the Application, PDF page 28, Entegrus management reperformed the accounting of the 2015 to 2018 St. Thomas 1588 and 1589 account balances using the original source documentation. This process resulted in an unresolved difference of \$52,135 over the four-year period. Management could not determine to which specific years this unresolved difference pertained, as there was a series of inter-period transactions recorded by the previous management that Entegrus could not fully reconcile. However, Entegrus notes that the overall four-year reconciliation is within the threshold of +/-1% and amounts to -0.2%.

QUESTION 3

Ref: Response to OEB Staff Question #25 g)

Regarding the metering error for one new GS> 50 customer, Entegrus stated that it issued a billing adjustment to refund the customer retroactive to March 2017. It stated that the \$42,461 represents the difference between the Class A GA cost charged by the IESO at Entegrus –St. Thomas’ original PDF and the amount that should have been charged for the same kWh at the Class B actual rate allocated between Account 1588 and Account 1589. Entegrus further stated that “When Entegrus reissued the adjusted July 2018 and August 2018 bills it used the recalculated customer specific Class A PDF.”

- a) Please provide the supporting calculation for the amount of \$42,461.
- b) Please confirm the following
 - i. Based on the revised actual billed usage for the base period May 2017 to April 2018, the GS>50 customer is still qualified for the Class A customer.
 - ii. If so, please provide the \$ impact of this mistake on other class A customers and class B customers in July and August 2018 and the impact to the accounts 1588 and 1589.
 - iii. Please provide Entegrus’ proposal to deal with the impact of this mistake in July and August 2018.

Response

- a) Please note, the price variance amount is \$42,491 as reflected in the Application and the GA Analysis workform. Please see the table below to see for calculation of the \$42,491:

Line No.	Month	kWh	Class B Actual Rate/kWh	Class B Amount \$	Class A Amount Paid \$	Total GA Benefit to Customers	Allocated to RPP (Acct 1588)	Allocated to Non-RPP (Acct 1589)
		A	B	C = A * B	D	E = D - C	F	G
1	Jul-18	1,238,064	\$0.0774	\$95,789	\$19,302	-\$76,487	-\$54,196	-\$22,291
2	Aug-18	1,153,652	\$0.0749	\$86,409	\$18,554	-\$67,854	-\$47,655	-\$20,200
3	Total	2,391,716		\$182,198	\$37,856	-\$144,341	-\$101,851	-\$42,491

The kWh's reported in Column A of the above Table, represent the kWh's originally reported to the IESO as Class A consumption. Therefore, these kWh's were billed by the IESO as part of the Class A allocation, rather than being billed at the higher Class B Actual rate. When the metering configuration was corrected, the IESO advised that this would occur on a prospective basis starting in September 2018. Accordingly, the Entegrus – St. Thomas IESO invoiced amounts for Class A GA and Class B GA were not impacted for July 2018 or August 2018. This resulted in a realized benefit to customers of \$144,341 (which is a credit to customers). Entegrus has followed the approved allocation methodology and this credit to customers is allocated between Accounts 1588 and 1589 as reflected in the chart.

b)

- i. Entegrus confirms the customer still qualified for Class A status subsequent to the revised bill.
- ii. There were no other impacts, aside from the above amount, on any other Class A or Class B customers as a result of this revised bill.
- iii. Since this amount represents a GA savings to customers, Entegrus proposes the credit balance be disposed of to customers as filed in the Application.

QUESTION 4

Please see the attached spreadsheet (Tab. Analytical Review). Please provide the following:

- a) Please update the consumption volumes in the highlighted area for both 2014 DVA rate rider and 2014 GA rate rider.
- b) It appears that the under-recovery of the 2014 GA rate rider is due to the overstatement of the Non-RPP residential kWh in 2014 IRM application. Please explain the reasons why the Non-RPP billing determinant used for Residential customer GA rate rider was much higher than the 2014 and 2015 actual data.

Response

- a) Entegrus – St. Thomas has updated the volumes in the highlighted areas.
- b) The billing determinants used in the 2014 IRM Application represent the 2012 billing determinants reported in RRR 2.1.5. Between 2012 and actual disposition of this rate rider starting in 2014, St. Thomas Energy Inc. continued to experience a decline in the residential retailer enrollment as shown in the annual RRR non-RPP kWh reporting. The larger portion of the under-recovery is related to the continued decrease of General Service > 50 kW load experienced as a result of the economic downturn described in the Application, PDF Page 35.

Additionally, as requested on the November 4, 2019 Conference Call:

- Entegrus – St. Thomas confirms that since 2015, the St. Thomas rate zone has maintained relatively steady billing determinants for all rate classes. However, Entegrus – St. Thomas notes the subset of non-RPP Residential kWh's has only remained stable in 2017 and 2018.
- Entegrus – St. Thomas confirms the residual balance of \$200,312 in Account 1595-2014 requested for disposition represents the 2014 Group One DVA Disposition amounts refunded in January – April 2015, offset by the 2014 Global Adjustment Disposition amounts collected in January – April 2015 (as approved in the original disposition).