

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

**Staff Question-11**

**Ref: Staff Question-2b filed November 1, 2019**

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

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.

- a) Does Grimsby Power mean that it is also reviewing 2017 and 2018 data?

**Grimsby Power Response**

- a) Yes Grimsby Power is also reviewing 2017 and 2018 data.

**Staff Question-12**

**Ref: Staff Question-2c filed November 1, 2019**

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

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.

- a) Does Grimsby mean that adjustments to Group 1 DVA balances that have yet to be disposed on a final basis have not yet been quantified?

**Grimsby Power Response**

- a) Adjustments to Group 1 DVA, if any, have yet to be determined or quantified. The balances in 1588 and 1589 have not been disposed of on a final basis.

### Staff Question-13

**Ref: Staff Question-7h filed November 1, 2019**

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

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.

- a) Based on a discussion with OEB staff, does Grimsby Power mean that it was unable to provide the Account 1588 analytical review for 2017 because of limitations in its billing system? Please explain.

#### Grimsby Power Response

- a) The process for the 1588 analytical review was quite labour intensive as the reports need to be pulled individually month by month from the billing system. After discussions with OEB staff it was determined that the 2017 review was not required.

### Staff Question-14

**Ref: IRM Model, Tab 3, filed November 6, 2019**

**IRM Model, Tab 3, filed November 1, 2019**

OEB staff held a conference call with Grimsby Power on November 5, 2019. Subsequent to this call, Grimsby Power filed revised information on November 6, 2019. At the above noted first reference, Grimsby Power filed an updated IRM model, including Tab 3 the DVA continuity schedule, further to the version provided at the second reference (i.e. version filed as part of interrogatory responses).

- a) Please confirm and explain that the only changes that were made between these two models were to revise the following cells which generated changes to the requested Account 1588 and Account 1589 balances in this proceeding. If this is not the case, please explain.
- i. Cell AL28 – updated to remove an adjustment made by Grimsby Power in this proceeding to the Account 1588 December 31, 2016 principal balance that was cleared on a final basis in its 2018 IRM proceeding
  - ii. Cell AV28 – updated to align the Account 1588 2017 adjustment to that filed in the 2019 IRM DVA continuity schedule filed on December 13, 2018
  - iii. Cell AV29 – updated to align the Account 1589 2017 adjustment to that filed in the 2019 IRM DVA continuity schedule filed on December 13, 2018
  - iv. Cell BF28 – updated to reflect the reversal of a component of the Account 1588 2017 adjustment, as well as including a 2018 adjustment

- v. Cell BF29 – updated to reflect the reversal of the Account 1589 2017 adjustment, as well as including a 2018 adjustment

## Grimsby Power Response

- a) i) Grimsby Power confirms that cell AL28 was updated to remove an adjustment in this proceeding to Account 1588 December 31, 2016 principal balance that was cleared on a final basis in its 2018 IRM proceeding. The amount in cell AL28 was changed from 253,781 to 334,776 which matches the principal balance at December 31, 2016 that was cleared on a final basis in the 2018 IRM proceeding.
- ii.) Grimsby Power confirms that cell AV28 was updated to align the Account 1588 2017 adjustment to that filed in the 2019 IRM DVA continuity schedule filed December 13, 2018. The amount in cell AV28 was changed from (87,520) to 6,525 and aligns with the 2017 adjustment filed in the 2019 IRM DVA continuity schedule.
- iii) Grimsby Power confirms that cell AV29 was updated to align the Account 1589 2017 adjustment to the figure filed in the 2019 IRM DVA continuity schedule filed December 13, 2018. The amount in cell AV29 was changed from 141,563 to (141,563) and now aligns the 1589 2017 adjustment filed December 13, 2018.
- iv) Grimsby Power confirms that cell BF28 was updated to reflect the reversal of a component of the Account 1588 2017 adjustment as well as including a 2018 adjustment. The amount in cell BF28 was changed from 70,885 to (16,635) which includes the reversal of the 2017 adjustment in 2018.
- v) Grimsby Power confirms that cell BF29 was updated to reflect the reversal of the Account 1589 2017 adjustment as well as including a 2018 adjustment. The amount in BF29 was changed from (116,738) to 24,825 to reflect the reversal of the 2017 adjustment in 2018.

No other cells were updated in the continuity schedule.

Staff Question-14	Cell	Continuity Schedule November 1, 2019	Continuity Schedule November 6, 2019	Notes
i)	AL28	253,781	334,776	Updated to add 80,995 back in to the opening balance to align with amount disposed on a final basis
ii)	AV28	87,520	6,525	Updated to align with adjustment filed in the 2019 IRM continuity schedule filed December 13, 2018
iii)	AV29	141,563	141,563	Updated to align account 1589 2017 adjustment to that filed in the 2019 IRM DVA continuity schedule
iv)	BF28	70,885	16,635	Updated to reflect the reversal of the 1588 2017 adjustment of (87,520) and include the 2018 adjustment 70,885
v)	BF29	116,738	24,825	Updated to reflect the reversal of the account 1589 2017 adjustment of (116,738) and include the 2018 adjustment 141,563

## **Staff Question-15**

**Ref: IRM Model, Tab 3, filed November 6, 2019**  
**Reconciliation of Account 1588, filed November 6, 2019**  
**Staff Question-3 filed November 1, 2019**  
**Staff Question-7 filed November 1, 2019**

At the above noted first reference, Grimsby Power filed an updated IRM model, in particular Tab 3, the DVA continuity schedule.

At the above noted second reference, Grimsby Power filed an updated spreadsheet with two tabs that break down the Account 1588 balances as at December 31, 2017 and December 31, 2018. This spreadsheet addresses Grimsby Power's answers shown at the above noted third and fourth references (Staff Question #3 and Staff Question #7).

OEB staff notes that the spreadsheets filed at the above noted first reference and second reference do not reconcile.

- a) Please update the spreadsheet (both Q3 and Q7 tabs) filed at the above noted second reference so that it reconciles with the DVA continuity schedule filed at the above noted first reference.
- b) Please revise the response to Staff Question 3 and Staff Question 7.

## **GPI Response**

### **b) Revised response to Staff Question 3**

The amount identified in Staff Question-3 of \$106,233, now revised to \$193,753, is the total claim amount for account 1588 in the continuity schedule in the 2020 IRM application filed November 6, 2019.

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 continuity schedule balance.

<b>Principal Balance 1588 December 31, 2017 as per Continuity Schedule</b>	<b>\$ 251,772</b>
OEB Approved Principal Disposition in 2018	\$ (205,155)
Principal Activity 2018	\$ 204,919
Adjustments in Principal 2018	\$ 70,885
Adjustments in Principal 2017	\$ (87,520)
<b>Closing Principal Balance as of Dec 31, 2018</b>	<b>\$ 234,900</b>
<b>Interest Balance 1588 December 31, 2017 as per Continuity Schedule</b>	<b>\$ 4,986</b>
Interest Activity 2018	\$ 2,099
OEB Approved Interest Disposition in 2018	\$ (2,538)
<b>Closing Interest Balance as of December 31, 2018</b>	<b>\$ 4,547</b>
OEB Approved Principal Disposition in 2019	\$ (46,616)
OEB Approved Interest Disposition in 2019	\$ (1,715)
Projected Interest on Dec 31, 2018 balance	\$ 2,637
<b>Approved Dispositions and Projected Interest</b>	<b>\$ (45,693)</b>
<b>Total Claim Amount 1588</b>	<b>\$ 193,753</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 \$188,284. 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 \$188,284 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 wholesale 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%

b) Revised response to Staff Question 7

- 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 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 removal of interest which reconciles to the closing principal balance of \$234,900 as of December 31, 2018 as per the continuity schedule.

Reconciliation of Account 1588 - 2018		
	Principal Adjustments	Was the amount a "Principal Adjustment" in the previous year? (Y/N)
<b>1588 General Ledger Balance December 31, 2018 as per 2.1.7 RRR Filing</b>	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		
<b>Sub-Total Reversals from previous year (A):</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	70,885	
9. Other - Closing Interest Amounts as of December 31, 2018	- 4,547	From Continuity Schedule Cell BL28 4,547
<b>Sub-Total Principal Adjustments for 2018 consumption (B)</b>	66,338	
<b>Total Principal Adjustments shown for 2018 (A + B)</b>	66,338	
<b>Bal. For Disposition - 1588 (should match Total Claim column on DVA Continuity Schedule)</b>	234,900	Matches Cell BG28 of the Continuity Schedule Closing Principal as of Dec 31, 2018

- b) The last line in the table above matches the December 31, 2018 closing principal balance in cell BG28 of the continuity schedule submitted November 6, 2019. The closing principal balance as of December 31, 2018 as per the continuity schedule is \$234,900.
- c) The balance in a) and b) match the total principal at December 31, 2018. The difference between the G/L balance and the principal amount at December 31, 2018 is the 2018 true up adjustment of \$70,885 and the closing interest at December 31, 2018 of \$4,547.
- d) The table below reconciles the GL balance at December 31, 2017 of \$169,238 to the closing principal amount at December 31, 2017 as per the continuity schedule submitted November 6, 2019 of \$251,772. The difference between the G/L balance and the principal amount at December 31, 2017 is the 2017 true up amount of \$87,520 and the closing interest at December 31, 2017 of \$4,986.

Reconciliation of Account 1588 - 2017		
	Principal Adjustments	Was the amount a "Principal Adjustment" in the previous year? (Y/N)
<b>1588 General Ledger Balance December 31, 2017 as per 2.1.7 RRR Filing</b>	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>	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		
9. Other - Closing Interest Amounts as of December 31, 2017	- 4,986	From Continuity Schedule Cell BB28 4,986
<b>Sub-Total Principal Adjustments for 2018 consumption (B)</b>	- 4,986	
<b>Total Principal Adjustments shown for 2018 (A + B)</b>	82,534	
<b>Bal. For Disposition - 1588 (should match Total Claim column on DVA Continuity Schedule)</b>	251,772	Matches Cell of the Continuity Schedule AW28 Closing Principal as of Dec 31, 2017

- e) The revised table for the 2018 1588 balance shows a principal balance of \$234,900. This is an increase from \$147,380 (continuity schedule filed November 1, 2019) of \$87,520. This change reflects the reversal of a component of the Account 1588 2017 adjustment.

The revised table for the 2017 1588 balance shows a principal balance of \$251,772. This is an increase from \$76,732 (continuity schedule filed November 1, 2019) of \$175,040. This change represents the removal of an adjustment to account 1588 December 31, 2016 principal balance and the alignment of the 1588 2017 balance to the 2019 IRM DVA continuity schedule filed December 13, 2018.

- f) See the table in response to question c).
- g) The large amounts in the table are related to true ups in their respective years.
- 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.