LakelandPower

February 10, 2020
Ontario Energy Board
P.O. Box 2319 27th Floor
2300 Yonge Street
Toronto, Ontario M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary
Regarding: EB-2019-0051 2020 IRM Rate Application

Dear Ms. Walli,

Please find below, Lakeland Power Distribution Ltd.'s responses to Board Staff Questions.

Lakeland Power Distribution Ltd.'s responses and updated models will be filed through the Board's web portal at www.oeb.gov.on.ca, consisting of one (1) electronic copy of the application in searchable/unrestricted PDF format and one (1) electronic copy in Microsoft Excel format of the following complete IRM models:

- 2020 IRM Rate Generator Model (2)
- LRAMVA Workform (2)

Should the board have questions regarding this matter please contact Margaret Maw at mmaw@lakelandholding.com.

Respectfully Submitted,

Margaret Maw

Margaret Maw, CPA CGA
Chief Financial Officer
Lakeland Holding Ltd.

Lakeland Power Distribution Ltd.

EB-2019-0050

Responses to Staff Questions

Staff -1

Re: IRM Rate Generator, Sheet 3 – Continuity Schedule

Account Description	Account #	Lakeland Power Main	Parry Sound	Total	RRR	Variance
Disposition and Recovery/Refund of Regulatory Balances (2016)	1595	$ (52,093.87)	$ -	$ (52,094)	$ (42,512)	$ 9,581
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	$ -	$ 58,807	$ 58,807	$ 58,978	$ 172
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	$ -	$ 46,974	$ 46,974	$ 37,221	$ (9,753)

a. For the Parry Sound Rate Zone, please explain the variance of $172.
b. The sum of the variances for these 1595 accounts sum to zero. Please explain the relationship that exists between these accounts.
c. For the Lakeland Power Main Rate Zone, please confirm that the residual balance in 1596 (2016) will be written off.

LPDL Response – Staff-1

Each month the carrying charges on the remaining balances are booked to one account for all 1595 principle balances. During the RRR process, the balance in the carry charge account was allocated between the various 1595 accounts. When the continuity schedule was completed for 2020 IRM process, it was noticed that the incorrect allocation was submitted on the RRR filing. This has been corrected in the chart below with values taken from the continuity schedule. The $171 an allocation of carrying charges, not principle balances. In addition, while reviewing the Continuity Schedule, it was discovered that the carrying charge amount for Projected Interest from Jan 1, 2019 to Dec. 31, 2019 did not take into account the interest on the 2018 Balances for the period Jan 1-April 30 for anything disposed of in 2019. All Group 1 accounts for Lakeland Power only were affected. The IRM Rate Generator model for Lakeland Power only has been updated. At May 1, 2019, the residual balance in account 1595 (2015) was written off.

Lakeland Power Distribution Ltd.
Reconciliation of Continuity Schedules to 2018 RRR Filing

		Total RRR Filing	Lakeland Principal	Lakeland Interest	Parry Sound Principal	Parry Sound Interest	Difference to RRR Filing	
LV Variance Account	1550	715,447	428,510	10,869	271,652	4,416	0	
Smart Metering Entity Charge Variance Account	1551	(10,910)	(8,335)	(150)	(2,397)	(28)	0	
RSVA - Wholesale Market Service Charge[5]	1580	(899,262)	(728,722)	(23,914)	(119,917)	(3,065)	(23,644)	*1-Note below
Variance WMS – Sub-account CBR Class A[5]	1580	0					0	
Variance WMS – Sub-account CBR Class B[5]	1580	(23,644)	(19,259)	(674)	(3,854)	143	0	
RSVA - Retail Transmission Network Charge	1584	16,539	(87,043)	(3,785)	103,964	3,403	0	
RSVA - Retail Transmission Connection Charge	1586	166,548	79,891	2,702	81,298	2,658	(1)	
RSVA - Power[4]	1588	(278,081)	(279,392)	(10,361)	(62,821)	74,493	0	
RSVA - Global Adjustment[4]	1589	200,592	237,863	7,312	35,932	(80,513)	(2)	
Disposition and Recovery/Refund of Regulatory Balances (2013)[3]	1595	0					0	
Disposition and Recovery/Refund of Regulatory Balances (2014)[3]	1595	0					0	
Disposition and Recovery/Refund of Regulatory Balances (2015)[3]	1595	0					0	
Disposition and Recovery/Refund of Regulatory Balances (2016)[3]	1595	(42,512)	(556,166)	504,072			9,582	
Disposition and Recovery/Refund of Regulatory Balances (2017)[3]	1595	58,978			69,995	(11,188)	171	*2-Note below
Disposition and Recovery/Refund of Regulatory Balances (2018)[3]	1595	37,221			36,144	10,830	(9,753)	*2-Note below
RSVA - Global Adjustment	1589	200,592	237,863	7,312	35,932	(80,513)	(2)	
Total Group 1 Balance excluding Account 1589 - Global Adjustment		(236,032)	(1,151,257)	479,433	377,918	81,519	(23,645)	
Total Group 1 Balance		(35,440)	(913,394)	486,745	413,850	1,006	(23,647)	
LRAM Variance Account	1568	247,306	157,806	5,215	77,355	3,090	3,840	*3-Note below
		211,866	(755,588)	491,960	491,205	4,096	(19,807)	

*1-Note - On RRR Filing, CBR For Class B was shown in sub-account schedule separately but included in 1580 RSVA on Trial balance
The total balance of Account 1580 is $(899262) of which $(23,644) is CBR Class B

1580 excluding CBR	-$	875,618
1580 sub CBR Class B	-$	23,644
1580 Trial balance	-$	899,262

*2-Note - allocation of carry charges was incorrect in RRR filing - net = zero
*3-Note - true up of carry charges and to match with LRAMVA work form

Staff -2

Re: IRM Rate Generator Model

Staff has made the following changes to your model.

a. Based on email correspondence, questions 5 and 6 on sheet 1 were updated to “YES”
b. Sheet 6, class A consumption were updated to match values in email correspondence
c. Sheet 11 column L was updated for the OEB approved 2020 Hydro One Sub-Transmission Rates.
d. Sheet 16, Price escalator was updated to 2%
e. Sheet 17, TOU pricing was updated for November 1, 2019 rates
f. Sheet 20, bill impacts, updated to include the 31.8% Ontario Electricity Rebate.

Please confirm the changes and that Lakeland Power is in agreement with the changes.

LPDL Response – Staff-2

LPDL confirms the changes and is in agreement with the changes. LPDL thanks Board staff for making us aware of the input error and assisting with the updating.

Staff-3

Re: Sheet 20, RTSR's

Retail transmission service rates for Lakeland Power (including Parry Sound) have increased over 10%. Part of the increase is due to the increase in Hydro One Sub-Transmission Rates, please quantify the other components of the increase.

LPDL Response – Staff-3

The model for RTSR was followed as prescribed. The rate change for H1 was an average between Network and Connection of 9% leaving the balance a volume variance netted for the volume change in ratepayer consumption. The volume increase in kW for Network and Connection moved higher by 9% with 5% being explained by increased consumption from rate payers. The months of July and August of 2018 had extreme 15 minute increment spikes due to extreme heat/temperatures.

RTSR Volume and rates variance

	2019 COS		2020 IRM		Rate Variance	Volume Variance	Rate Variance	Volume Variance	Less Consumption	Approximate Resulting Variance
	$	Volume	$	Volume	$	$	%	%	Volume Increase	
H1 Network Charge	$ 1,530,756	479,230	$ 1,771,272	521,269	$ 97,667	$ 142,849	6%	9%	-5%	11%
H1 Connection Charge	$ 1,246,486	494,578	$ 1,518,722	537,810	$ 150,153	$ 122,083	12%	9%	-5%	16%
Total Hydro One	$ 2,777,242	973,808	$ 3,289,994	1,059,079	$ 247,860	$ 264,892	9%	10%	-5%	14%
Billing determinants	kWh	kW	kWh	kW						
Residential	111,053,929		117,326,242					6%		
GS <50	62,361,776		64,098,346					3%		
GS >50		286,220		286,071				0%		
USL	178,072		178,737					0%		
Sentinel		119		113				-5%		
Streetlight		3,183		3,088				-3%		
Total ratepayer	173,593,777	289,522	181,603,325	289,272				5%		

	2019 COS - Units Billed		**2020 IRM - Units Billed**		**% change**		
	Network	Connection	Network	Connection	Network	Connection	
January	41,990	45,765	51,405	54,414	22%	19%	
February	44,515	44,515	52,557	54,944	18%	23%	
March	41,470	43,973	38,331	39,322	-8%	-11%	
April	36,784	37,846	39,412	41,559	7%	10%	
May	31,352	32,789	35,753	37,549	14%	15%	
June	37,650	37,826	42,133	42,574	12%	13%	
July	36,881	38,134	48,012	47,056	30%	23%	spiked on Jul 5 at 3:15 pm - extreme heat/air conditioning
August	38,386	38,639	53,870	54,094	40%	40%	spiked Aug 1 from 4:15pm - extreme heat/air conditioning
September	38,204	40,765	40,848	43,509	7%	7%	
October	34,737	34,992	35,645	37,044	3%	6%	
November	43,151	44,559	40,918	43,359	-5%	-3%	
December	54,111	54,776	42,385	42,385	-22%	-23%	
Total	**479,231**	**494,579**	**521,269**	**537,809**	**9%**	**9%**	

Staff-4

Re: Renewable Generation, Manager's Summary, Page 28
Re: 2019 Cost of Service Application, Chapter 2 Appendices, 2-FA, 2-FB, 2-FC

Lakeland Power has applied to recover capital costs in the amounts of $21,513 related to Renewable Enabling Improvements (REI) and $190,713 related to Expansion Investments. This represents approximately 84% of the actual capital costs ($252,661). Lakeland Power has applied to collect this amount over one year from all provincial ratepayers in the amount of $17,686.

a. On page 8 of the manager's summary, Table 1, Lakeland Power indicates that the balance in account 1531 is $257,224 (as per 2018 RRR filing). Please explain the variance of $4,563 between the actual capital costs and the amount filed in RRR.
b. Please indicate the date when the assets related to these projects were put into service.
c. Which service areas, Lakeland Power – Main or Parry Sound, are these projects associated with?
d. Lakeland Power has applied to recover approximately 84% of the total capital costs over one year from all provincial ratepayers. However, as per EB-2009-0349 (Rate Protection and the Determination of Direct Benefits under Ontario Regulation 330/09) Lakeland Power is entitled to the revenue requirement (less the Direct Benefit) associated with the investment. Lakeland Power filed the workforms in Lakeland Power's 2019 Cost of Service rate application (EB-2018-0050) as referenced above.
    i. Please confirm that Lakeland Power is in agreement with the above statements. If not, please provide an explanation why Lakeland Power is requesting funds from provincial rate payers solely based on only the investments they made and not the revenue requirement.
    ii. Please enter the Opening Accumulated Amortization in Sheet 2-FB, Cell D75.
    iii. OEB Staff has attached a copy of the 2019 Chapter 2 Appendices (specifically tabs 2-FA, 2-FB and 2-FC) filed in Lakeland Power's last CoS application.
        i. Please confirm that Lakeland Power is foregoing the revenue requirements associated with the direct benefit allocation.
        ii. For years 2019-2023, OEB staff has updated the ROE, short term interest rate and long term interest rate on Sheet 2-FB and 2-FC. Please review the tabs and confirm that all inputs are correct.
        iii. In reference to Table 1 below, please confirm that Lakeland Power is in agreement with the 2020 accumulated revenue requirement associated with the provincial benefit. If the values in Table 1 have

changed due to the response to (ii), please provide an updated table.

iv. In reference to Table 1 below, please confirm the annual revenue requirement associated with the provincial benefit for the years 2021, 2022 and 2023.

Table 1

Year	Associated Revenue Requirement				Total Provincial Benefit	Monthly Provinicial Benefit
	REG Improvement		REG Expansion			
	Direct Benefit	Provincial Benefit	Direct Benefit	Provincial Benefit		
2014	$ 53	$ 833	$ 1,513	$ 7,389	$ 8,222	$ 685
2015	$ 107	$ 1,672	$ 3,036	$ 14,823	$ 16,495	$ 1,375
2016	$ 107	$ 1,680	$ 3,051	$ 14,896	$ 16,577	$ 1,381
2017	$ 108	$ 1,685	$ 3,059	$ 14,936	$ 16,621	$ 1,385
2018	$ 108	$ 1,686	$ 3,061	$ 14,944	$ 16,630	$ 1,386
2019	$ 100	$ 1,564	$ 2,841	$ 13,869	$ 15,434	$ 1,286
2020	$ 100	$ 1,563	$ 2,837	$ 13,853	$ 15,416	$ 1,285
Sub-total (2014-2020)	$ 682	$ 10,684	$ 19,398	$ 94,710	$ 105,394	$ 8,783
2021	$ 99	$ 1,558	$ 2,829	$ 13,812	$ 15,370	$ 1,281
2022	$ 99	$ 1,551	$ 2,816	$ 13,750	$ 15,301	$ 1,275
2023	$ 98	$ 1,542	$ 2,799	$ 13,666	$ 15,208	$ 1,267
Total (2014-2023)	**$ 979**	**$ 15,334**	**$ 27,843**	**$ 135,938**	**$ 151,272**	

LPDL Response – Staff- 4

(a) The variance of $4,563 is the capital required for a small number of MicroFit installations. LPDL is not requesting recovery for these and will remove the amount from Account 1531.

(b) The assets related to these projects went into service as per the following;

Project	Service area	Amount	In Service year	Provincial Portion
Centennial MS Upgrade	LP – main	$6,887	2015	$6,474
Golden Beach MS Upgrade	LP – main	$15,999	2015	$15,039
HCI Upgrade – Downtown Falls	LP – main	$142,038	2012	$117,892
HCI Upgrade – Wilson Falls	LP – main	$77,939	2012	$64,689
HCI Upgrade – Cascade St.	Parry Sound	$9,798	2014	$8,132

(c) See chart above

(d)

i. LPDL is in agreement with the statements

ii. The Opening Accumulated Amortization is zero and is entered as such – no amortization has been taken on these projects nor included in prior applications

iii.

  i. LPDL confirms that it is forgoing the revenue requirements associated with the direct benefit allocation

  ii. LPDL confirms that the inputs for ROE, and respective interest rates are correct

  iii. LPDL agrees with the years 2014 to 2020 however, the majority of the capital investment was made in 2011/12 (in service in 2012) and as such believes that the table should include 2012 (half year), 2013 and full year 2014 giving rise to approximately an additional $33 K.

  iv. LPDL confirms that it agrees with the annual revenue requirement associated with the provincial benefit for the years 2021 to 2023 as calculated in Table 1.

Staff-5

Ref: Supporting Documentation (filed in support of 2011-2014 savings)

a. For the Lakeland Power Main rate zone, please file the 2014 Persistence Savings Report. (Note: this report is required to provide support for the 2013 and 2014 incremental savings, as well as 2011 and 2012 persisting savings in each subsequent year to 2017)

b. For the Parry Sound rate zone, please file the 2014 Persistence Savings Report. (Note: this report is required to provide support for the 2011 to 2014 persisting savings claimed in 2015, 2016 and 2017)

LPDL Response – Staff-5

(a) LPDL confirms that it has uploaded the 2014 Persistence Savings Report for both service territories on RESS. (Confirmation # 40005 and 40006)

Staff-6

Ref: Tab 5 of LRAMVA workforms (Lakeland and Parry Sound)

2017 Final Verified Results Report

a. Please confirm that no further persistence reports from 2015 and onwards were issued by the IESO, following the merge of Lakeland Power (Main Rate Zone) and Parry Sound in 2014.
b. Please confirm that Lakeland Power used facility address information to separate the savings by rate zone from 2015-2017, as they are reported by the IESO on a consolidated basis.

Please confirm that the net incremental savings (and savings adjustments) by rate zone in Tables 5-a, 5-b and 5-c (Tab 5 of the LRAMVA workform) sum up to the total IESO verified savings results for all programs in the 2017 Final Verified Results Report.

LPDL Response – Staff-6

(a) LPDL confirms there were no further separate persistence reports from 2015 onwards, just the tab within the 2015/2016/2017 Final Verified Reports.
(b) LPDL confirms that is used the facility address information to separate the savings by rate zone within each of the 2015-2017 Final Verified Reports and also used the address information to determine the rate class with confirmation to billing system
(c) The net incremental savings by rate zone does not sum to the total in the 2017 Final Verified Results Report. In turn it does total the values in the 2015, 2016 & 2017 individual reports as that was the only source documents that had the detail by facility address to separate the savings by zone. LPDL reached out to IESO when it received the 2017 Report to get the changes to the net incremental savings by address and IESO was unable to provide the data. As the difference was immaterial and we were unable to allocate by zone, LPDL utilized the detailed information from each of the individual FINAL VERIFIED Reports by year.

Staff-7

Ref: Tab 1-a of LRAMVA workform

a. If Lakeland Power made any changes to the LRAMVA work form as a result of its responses to the above LRAMVA interrogatories, please file an updated LRAMVA work form, the revised LRAMVA balance requested for disposition, and a table summarizing the revised rate riders.

b. Please confirm any changes to the LRAMVA workform in response to these LRAMVA interrogatories in “Table A-2. Updates to LRAMVA Disposition (Tab 1-a)”.

LPDL Response – Staff-7

(a) LPDL will be filing updated LRAMVA models for adjustments made regarding a number of Staff questions specifically Staff-8, Staff-9, Staff-12.
(b) LPDL confirms that any changes will be in Table A-2

Staff-8
Ref: Lakeland Power (Main Rate Zone) - Tab 3-a / Tab 4 and 5 of LRAMVA workform

There are discrepancies in the rate class allocation of savings between the GS<50 kW and GS>50 kW classes (in Tab 3-a and Tabs 4/5 of the workform) for the following programs:

- 2011 Retrofit Program
- 2013 Retrofit Program
- 2016 Retrofit Program
- 2017 Small Business Lighting Program

It also appears the formula is not carrying over properly for some years (such as 2011 and 2012).

a. Please explain why there is a discrepancy between the rate class allocations between Tab 3-a and Tabs 4/5. Please confirm the correct allocations.
b. Please confirm that the analysis undertaken in Tab 3-a is up-to-date. If not, please provide the data that reconciles the information in Tab 3-a to the rate class allocations used in Tabs 4 and 5 of the LRAMVA workform.

LPDL Response – Staff-8

(a) There was a formula error in the data on Tab 3-a resulting in the information being different than Tabs 4/5. The correct allocations are on Tab 4/5. Specifically the % for GS<50 and GS>50 were corrected on Lines 54, 307 & 490.
(b) LPDL confirms that it has corrected Tab 3-a to match Tabs 4/5

Staff-9

Ref: Lakeland Power (Main Rate Zone) - Tab 2 of LRAMVA workform EB-2012-0145, Decision and Order, Settlement Table 7

Table 2-a includes a template to input the LRAMVA threshold breakdown by rate class. However, the total LRAMVA threshold populated in Tab 2 of the workform is not consistent with the amount noted in Table 7 of Lakeland Power's 2013 Settlement Agreement.

a. Please complete Table 2-a with all kWh forecast savings by rate class. Please ensure that the total LRAMVA threshold noted in Table 2-a matches the approved threshold (of 3,215,031 kWh) in the 2013 Settlement Agreement.

LPDL Response – Staff-9

(a) LPDL did not include the kWh for those rates classes that are billed based on kW. The revised model will have those kWh inputted to match the 2013 Settlement Agreement.

Staff-10

Ref: Lakeland Power (Parry Sound Rate Zone) - Tab 3-a / Tab 4 and 5 of LRAMVA workform

In Tab 3-a, the analysis underpinning the rate class allocations for 2016 and 2017 was provided.

a. For the retrofit program in 2011, 2012, 2013 and 2014, please explain how the rate class allocations between the GS<50 kW and GS 50-4999 kW classes were derived.

LPDL Response – Staff-10

(a) The rate class allocation was determined by looking up each individual facility in PSP's billing system to determine the customer's corresponding rate class. This is available on Tab 3(a), lines 21-26 for 2011, lines 38-49 for 2012, lines 62-70 for 2013, lines 82-109 for 2014 and specifically column I.

Staff-11

Ref: Lakeland Power (Parry Sound Rate Zone) - Tab 2 of LRAMVA workform EB-2010-0140, Decision and Order, p. 8

In the 2011 Decision and Order, Parry Sound was approved of using 10% of its 2011-2014 CDM target (0.416 GWh) as its LRAMVA threshold.

a. Please discuss whether there was explicit approval of the rate class breakdown of the LRAMVA threshold (of 416,000 kWh). If yes, please provide the specific reference. If not, please show how the rate class breakdown of the LRAMVA threshold was determined.

LPDL Response – Staff-11

(a) The rate class breakdown was explicitly derived from the approval in the 2011 Decision of January 17, 2011 page 8. Also, the Board Staff Submissions for EB-2010-0140 dated April 26, 2011, page 6, indicates the split by rate class for the original 25% and was used in the same split for 10%.

"Parry Sound has used a target of 1.0 GWh as its overall 2011 target. Parry Sound has simply divided its 4.0 GWh target equally by 4 years to arrive at the impact in its load forecast. This total impact is 1.0 GWH for 2011, made up of 240,209 kWh in Residential class, 233,128 kWh in the GS<50 kW class and 526,663 in the GS>50 kw Class (Exhibit 3/Tab 2/Schedule 1/Table 3-6)"

Staff-12

Ref: Lakeland Power (Parry Sound Rate Zone) - Tab 3 of LRAMVA workform

In Table 3, the implementation dates of the distribution rates from 2011 and onwards were not populated properly in the template.

a. Please review the entries in row 16 (Table 3 of Tab 3 of LRAMVA workform) and make corrections, as required, to reflect the appropriate implementation year of the distribution rates.

LPDL Response – Staff-12

(a) LPDL has corrected the entries in Row 16 to account for the rate change effective date in 2011 to be June 1 and in 2012 to be January 1. LPDL has also updated the respective distribution volumetric rates attributable to each period.

Staff-13

Ref: Manager's Summary, p. 22

In 2018 the OEB suspended its approvals of Group 1 rate riders on a final basis pending the development of further accounting guidance on commodity pass-through variance accounts.[1]

The OEB issued accounting guidance[2] on the commodity accounts on February 21, 2019. In this letter, the OEB indicated that it expects distributors to consider the accounting guidance in the context of historical balances that have not yet been disposed on a final basis. Distributors are expected to make any adjustments needed prior to filing for final disposition.

a. Is Lakeland Power seeking final disposition of its 2017 Group 1 DVA Account balances (previously approved for disposition on an interim basis) and its 2018 Group 1 DVA Account balances on a final basis as part of the current application?

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[1] OEB letter to all rate-regulated licensed electricity distributors – "Re: OEB's Plan to Standardize Processes to Improve Accuracy of Commodity Pass-Through Variance Accounts." July 20, 2018.

[2] 8 Accounting Procedures Handbook Update – Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589, February 21, 2019.

b. As noted in its Feb 21, 2019 letter, the OEB expects distributors to consider the accounting guidance in the context of historical balances that have not yet been disposed on a final basis. Distributors are expected to make any adjustments needed prior to filing for final disposition. To that end, has Lakeland Power assessed each RPP settlement performed in both 2017 and 2018 in the context of the OEB's February 21, 2019 accounting guidance?

c. If the response to the above is yes, please detail the process that was undertaken and the amount of any adjustments that resulted (by year, by account).

LPDL Response – Staff-13

(a) While LPDL believes that they have assessed each account for any potential prior year adjustments and have found none other than any of those resulting from GA workform process, LPDL would like to request disposition on an interim basis.
(b) LPDL is following the accounting guidance as of September 2019 and will likely be able to confirm a disposition on a final basis for 2017 & 2018 in the 2021 rate process. For the RPP settlement process LPDL has reconciled to November 2018 in the December 2018 submission. For 2017 and 2018, LPDL reassessed each RPP settlement in the context of the accounting guidance of February 21, 2019 and have no yet found any adjustments, the reconciliation continues.
(c) Response to (b) is no.

Staff-14

Ref: GA Analysis Workform

Lakeland Power has prepared a GA Analysis Workform for each of its rate zones. As part of Note 5 of each GA Analysis Workform, it has not quantified the dollar impact related to the difference between the OEB approved and actual loss factors (i.e. Adjustment 7 in Note 5 of each GA Analysis Workform).

a) Please update each GA Analysis Workform to reflect the impact of the difference in approved vs actual loss factors.

LPDL Response – Staff-14

(a) The GA workform instructions explained that if the difference was insignificant (as in LPDL's case) that a reconciling item calculation was not required. To validate if truly insignificant, the calculation regarding line loss is an estimate as below:

   a. LPDL – over recovery – 985,723 kWh x GA avg rate difference (0.0012) = $1,183
   b. PSP – over recovery – 217,134 kWh x GA avg rate difference (0.0012) = $260

(under $2,000 in total)

Staff-15

Ref: Appendix A: GA Methodology Description

In the response provided in question 11 a, Lakeland Power indicates that it trues-up CT 1142 to the actual GA rate in the month after settlement.

a) In the response, Lakeland Power further indicates that its settlement consumption amount is based on smart meter data for the month, as well as estimates to determine the portion that are with a retailer and any non-smart meter volumes. Are those estimates trued-up to actual as part of the following month's true-up? If Lakeland Power believes that those estimated amounts do not require true-up, please explain why.

LPDL Response – Staff-15

(a) LPDL does a true up to those kWh estimates to actual kWh billed statistics with the true-up reconciliation adjustment done quarterly (up until Sept. 2019) and since September 2019, done monthly, two months behind. I.e. In September, the reconciliation would be to actual July.

Staff-16

Ref: Appendix A: GA Methodology Description

Question 11 b asks to describe the process used to true-up the initial split of CT 148 between RPP and Non-RPP customers.

a) The response provided does not seem to address how the percentage split of CT 148 between RPP and Non-RPP customers is trued-up. Please elaborate on the response provided.

LPDL Response – Staff-16

(a) As per LPDL's response in 12 (b) regarding CT 148, LPDL does not use a percentage split between RPP and non-RPP but rather it is based on actual current month kWh for interval customers that pay GA using actual data as per retail settlement provider. The only non-RPP estimated data is the percentage of retailer kWhs. The estimated retailer non-RPP kwhs are trued up in the quarterly (now monthly) true up to actual non-RPP kwhs per actual billed statistics. The actual monthly (interval plus retailer) non-RPP kwhs used in the mentioned annual GA reconciliation is from actual billed statistics.