

## InnPower Explanation to Account 1595 – Work form

EB-2015-0081 IRM for January 1, 2016 Rates

### 1595-2016 Analysis

The total claim amounts as of December 31, 2015 and approved for disposition in the EB-2015-0081 Decision and Order<sup>i</sup>, were as follows (principle and interest balances),

Total Group 1 Balance (excluding GA)	\$157,287
RSVA Global Adjustment	\$445,782
Total Claim	<b>\$603,069</b>

### Group 1 Balance 1595 – 2016 Explanation

The total claim value of \$603,069 equals the value in the 1595 2016 Work form in cell F15. The issues at hand for the collection of the disposition or 1595 2016 are as follows,

#### Total Group 1 Balance (excluding GA)

1. Due to an error on Tab 4 in the Rate Generator model IPC did not populate the 1595 Recovery Share portion. As a result, the calculated DVA for the Group 1 Accounts (excluding GA) was \$39,140 versus \$157,287 or a shortfall of \$118,147. The enclosed table reflects the accounts in yellow that were not allocated to rate classes thus resulting in a lower Rate Rider.

EB-2015-0071 Disposition				
Group 1	Account No.	Principal	Interest	
LV Variance Account	1550	\$ 101,817	\$ 1,907	
Smart Metering Entity Charge Variance Account	1551	\$ (4,677)	\$ (83)	
RSVA- Wholesale Market Charge	1580	\$ 6,164	\$ 2,148	
Variance WMS - Sub Account CBR Class B	1580	\$ -	\$ -	
RSVA - Retail Transmission Network Charge	1584	\$ (96,692)	\$ (1,891)	
RSVA - Retail Transmission Connection Charge	1586	\$ (157,935)	\$ (3,006)	
RSVA Power	1588	\$ 183,234	\$ 8,154	
RSVA - Global Adjustment	1589	\$ 443,215	\$ 2,567	
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	\$ (267)	\$ 622	
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	\$ 61,748	\$ (37,469)	
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	\$ -	\$ -	
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	\$ 148,981	\$ (55,468)	
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	\$ 1,254,861	\$ (1,254,861)	
<b>Total of Group 1 Balances</b>		<b>\$ 1,940,449</b>	<b>\$ (1,337,380)</b>	
<b>Total Claim for Group 1 Balances</b>		<b>\$ 603,069</b>		
	1550-1588	\$ 31,911	\$ 7,229	\$ 39,140
	1595	\$ 1,465,323	\$ (1,347,176)	\$ 118,147

2. This issue was brought to IPC's attention during the COS application via letter from the OEB named "InnPower EB-2016-0081 Error in Calculation" received on May 6, 2016. A copy of this letter is enclosed.
  
3. In addition to the incorrect calculated DVA's, (lower than the approved disposition) the DVA was collected for a 24-month timeframe versus a 12-month timeframe. IPC's 2016 tariff was deemed interim until a Decision was rendered on EB-2017-0085. IPC was directed in December 2017 to end all sunset rate riders effective December 31, 2017.
  
4. The two-year recovery period did not capture the originally approved balance for disposition of \$157,287. The variance between the original balance and the collected DVA's is \$48,740, which is still owing to IPC.

Components of the 1595 Account Balances	Approved in Decision for EB-2015-0071				As Allocated in Rate Generator Model		
	Principal Balance Approved for Disposition	Carrying Charges Balance Approved for Disposition	Total Balances Approved for Disposition		Principal Balance Approved for Disposition	Carrying Charges Balance Approved for Disposition	Total Balances Approved for Disposition
	\$ 1,497,234	\$ (1,339,947)	\$ 157,287		\$ 31,911	\$ 7,229	\$ 39,140
<b>Difference from the Approved to Allocated</b>	<b>\$ 118,147</b>		<b>\$ 118,147</b>				
DVA Collected	\$ 108,547		\$ 108,547				\$ 108,547
Variance			\$ 48,740	(E4-E8)			\$ 69,407
Balance owing to IPC for the Total Approved for Disposition			\$ 48,740				

5. In undertaking the 1595 Work form IPC was unsure as to where to reflect the misallocation in bullets 1 – 4, thus the creation of this document. The text box provided in the work form is limiting in explaining the circumstance of the variance.

## RSVA Global Adjustment Portion of 1595 - 2016

The principal and interest balance approved for disposition in 2016 for Account 1589 (Global Adjustment) was \$445,782.

1. The calculation of the GA Rate Rider included the full balance of \$445,782 for an approved timeframe of 12 months.
2. The contributing factor to the GA Rate Rider was that the RR was collected for a 24-month timeframe versus a 12-month timeframe. IPC's 2016 tariff was deemed interim until a Decision was rendered on EB-2017-0085 (Decision and Order was issued on March 8, 2018). IPC was directed in December 2017 to end all sunset rate riders effective December 31, 2017.
3. To this end, the GA Rate Rider was over collected by (\$484,559). The Net amount owing to customers is (\$438,430).

## Supporting OEB Correspondence

---

<sup>i</sup> EB-2015-0081 Decision and Rate Order, December 10, 2015, Page 9

**Ontario Energy  
Board**  
P.O. Box 2319  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416- 481-1967  
Facsimile: 416- 440-7656  
Toll free: 1-888-632-6273

**Commission de l'énergie  
de l'Ontario**  
C.P. 2319  
27<sup>e</sup> étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
Téléphone: 416- 481-1967  
Télécopieur: 416- 440-7656  
Numéro sans frais: 1-888-632-6273



**BY E-MAIL**

May 6, 2016

Brenda L. Pinke  
InnPower Corporation  
7251 Yonge St.  
Innisfil, ON L8S 0J3

Dear Ms. Pinke:

**Re: InnPower Corporation  
Application for Rates  
OEB File Number EB-2015-0081**

A Final Rate Order in the above-noted proceeding was issued by the OEB on December 10, 2015.

The OEB has discovered an error in the final IRM model upon which the 2016 rates were based. Specifically, InnPower did not enter recovery share proportions for Account 1595 in the applicable columns on Sheet 4 of the model. This has resulted in the calculation of rate riders on Sheet 6 for Deferral and Variance Accounts which fail to recover the balance approved for disposition in Account 1595 of \$118,147.

As per the Accounting Procedures Handbook, amounts collected from rate riders are recorded in Account 1595 to offset the amount approved for disposition. The residual balance in Account 1595 is then addressed in a future application. On that basis, no action is required. However, InnPower may wish to propose a resolution in order to address this matter more quickly. You can contact Martha McQuat at 416-440-7606 to discuss any alternatives.

Yours truly,

*Original Signed By*

Lynne Anderson  
Vice President, Applications

**Ontario Energy  
Board**  
P.O. Box 2319  
27th. Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416- 481-1967  
Facsimile: 416- 440-7656  
Toll free: 1-888-632-6273

**Commission de l'énergie  
de l'Ontario**  
C.P. 2319  
27e étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
Téléphone: 416- 481-1967  
Télécopieur: 416- 440-7656  
Numéro sans frais: 1-888-632-6273



**January 9, 2018**

**To: All Parties in the EB-2016-0085 InnPower Corporation (InnPower)  
Application for Rates**

**Re: InnPower Application for Rates Ontario Energy Board (OEB) File Number:  
EB-2016-0085**

This letter addresses certain rate riders approved by the OEB and implemented by InnPower. In undertaking response J2.6 filed with the OEB on October 6, 2017, InnPower confirmed that it had rate riders with an expiry date of December 31, 2016, but which “continued into 2017 per the Interim Rate Order”. The OEB had issued an Interim Rate Order on December 21, 2016, declaring InnPower’s current rates interim effective January 1, 2017 pending a final decision by the OEB in the proceeding.

This letter addresses three rate riders, each with a December 31, 2016 expiry date:

- Rate Rider for Disposition of Capital Gains - approved in EB-2014-0086
- Rate Rider for Disposition of Deferral/Variance Accounts (2016) – approved in EB-2015-0081
- Rate Rider for Disposition of Global Adjustment Account (2016) – approved in EB-2015-0081

The start and end dates for these rate riders were established to dispose of specific approved account balances. To the extent that these rate riders remain in effect as of the date of this letter, the OEB expects InnPower to end these riders effective end of day December 31, 2017, if possible, to avoid further collections and refunds in excess of the approved account balances.

InnPower should inform the OEB in writing when these three rate riders are ended. The OEB will address all rate riders in its final decision in the proceeding.

Please direct any questions relating to this application to the Case Manager, Fiona O'Connell at [Fiona.oconnell@oeb.ca](mailto:Fiona.oconnell@oeb.ca) and OEB Counsel, Ljuba Djurdjevic at [ljuba.djurdjevic@oeb.ca](mailto:ljuba.djurdjevic@oeb.ca).

Yours truly,

*Original signed by*

Kirsten Walli  
Board Secretary