

Brantford Power Inc.- (Partial) Responses
OEB Staff Questions
EB-2020-0006
October 13, 2020

Brantford Power Inc. (Brantford Power)
EB-2020-0006

Staff Question-1

Ref: Rate Generator Model, Tab 4 Billing Det. for Def-Var

Ref: Rate Generator Model, Tab 15 RTSR Rates to Forecast

A portion of Tab 4 and Tab 15 are reproduced below:

Tab 4 – Billing Det. for Def-Var

Threshold Test		
Total Claim (including Account 1568)		\$2,502,982
Total Claim for Threshold Test (All Group 1 Accounts)		\$2,502,982
Threshold Test (Total claim per kWh) ²		Enter kWh
Currently, the threshold test has been met and the default is that Group 1 account balances will be disposed. If you are requesting not to dispose of the Group 1 account balances, please select NO and provide detailed reasons in the manager's summary.		YES

Tab 15 – RTSR Rates to Forecast

Rate Class	Rate Description	Unit	Adjusted RTSR-Network	Loss Adjusted Billed kWh	Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR-Network
37 Residential Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0000	0	0	0	0.0%	0	0.0000
38 General Service Less Than 50 KW Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0000	0	0	0	0.0%	0	0.0000
40 General Service 50 To 4.999 KW Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	4.5555		1,459,897	6,650,540	92.4%	6,650,540	4.5555
41 Embedded Distributor Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	4.5555		97,683	444,994	6.2%	444,994	4.5555
42 Sentinel Lighting Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	4.2537		968	2,419	0.0%	2,419	4.2537
44 Street Lighting Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	4.3828		21,979	96,329	1.3%	96,329	4.3828
45 Unmetered Scattered Load Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0000	0	0	0	0.0%	0	0.0000
47 The purpose of this table is to update the re-aligned RTS Connection Rates to recover future wholesale connection costs.									
Rate Class	Rate Description	Unit	Adjusted RTSR-Connection	Loss Adjusted Billed kWh	Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR-Connection
48 Residential Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0000	0	0	0	0.0%	0	0.0000
49 General Service Less Than 50 KW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0000	0	0	0	0.0%	0	0.0000
50 General Service 50 To 4.999 KW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	3.3011		1,459,897	4,819,275	92.5%	4,819,275	3.3011
51 Embedded Distributor Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	3.3011		97,683	322,462	6.2%	322,462	3.3011
52 Sentinel Lighting Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	3.0933		569	1,751	0.0%	1,751	3.0933
53 Street Lighting Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	3.0477		21,979	66,986	1.3%	66,986	3.0477
54 Unmetered Scattered Load Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0000	0	0	0	0.0%	0	0.0000

OEB staff notes that there were several formula errors in Tab 4, Cell C30 and Tab 5, Cells J39 & 40, 45, 50 & 51 & 56.

OEB staff has made the necessary corrections to the Rate Generator Model and provided it along with these questions.

Please confirm Branford Power's acceptance of the revised model.

BPI Response:

BPI confirms the model provided by OEB staff is consistent with BPI's expectation and the figures presented in the Application document. Many of the formulas in question are run through macros and not available for BPI to view/review. The outcomes in the model provided by OEB staff were consistent with those in BPI's version of the model as it was uploaded in August. BPI notes, a further version of the model with changes proposed as a result of these OEB Staff Questions will be provided shortly.

Staff Question-2**Ref: 2020 IRM Model, Tab 20 – Bill Impacts**

OEB staff notes that the % change in the impact of RTSRs for the “Connection and/or line and Transformation Connection” on every rate class exceeds 4% (from -4.64% to -5.36%).

- a) Please explain the reasoning for the change in RTSRs.

BPI Response:

BPI believes the RTSR decreases are driven by a decrease in wholesale billings (units) between 2018 and 2019 leading to a decrease to the wholesale billings to be collected throughout 2021. BPI notes that 2021 Uniform Transmission Rates have not yet been released and therefore the wholesale billings forecast is based on unchanged rates (as compared to 2020- current year rates). Should the wholesale rates be updated to increase (as expected), the % impact of RTSRs may change.

Staff Question-3

Ref: Account 1595 Analysis Workform, Tab 1595 (2017)

Ref. EB-2016-0058, Decision and Rate Order, November 24, 2016

A portion of reference 1 is reproduced below:

Step 1	Year in which this worksheet relates to	2017	Principal Balance Approved for Disposition	Carrying Charges Balance Approved for Disposition	Total Balances Approved for Disposition
	Components of the 1595 Account Balances:				
	Total Group 1 and Group 2 Balances excluding Account 1589 - Global Adjustment		-\$2,778,621	\$25,564	-\$2,753,057
	Account 1589 - Global Adjustment		\$1,613,940	\$24,341	\$1,638,281
	Total Group 1 and Group 2 Balances		-\$1,164,681	\$49,905	-\$1,114,776

OEB staff is unable to reconcile the principle balance of (\$2,778,621) and carrying charges of balances for the line item "Total Group 1 and Group 2 Balances excluding Account 1589 – Global Adjustment" to the amounts approved for disposition as per the OEB's decision in EB-2016-0058.

- a) Please reconcile the two figures and make any updates, as necessary.

BPI has included a screen shot, below, from BPI's Settlement Proposal underpinning the Decision and Order in EB-2016-0058.

Brantford Power Inc.
EB-2016-0058
Settlement Proposal
Filed: 11/3/2016
Page 38 of 42

Table 26: DVA Account Disposition- Summary

Account		Principal Amount	Interest Amount	Total Disposition
Group 1 Accounts				
Smart Metering Entity Charge Variance Account	1551	(4,783)	(12)	(4,795)
RSVA - Wholesale Market Service Charge	1580	(2,021,784)	(26,735)	(2,048,519)
Variance WMS – Sub-account CBR Class B	1580	226,094	754	226,848
RSVA - Retail Transmission Network Charge	1584	(249,136)	(3,531)	(252,667)
RSVA - Retail Transmission Connection Charge	1586	30,328	892	31,220
RSVA - Power (excluding Global Adjustment)	1588	(1,546,522)	(17,713)	(1,564,235)
RSVA - Global Adjustment (including disposition to new Class A customers below)	1589	1,613,940	24,341	1,638,281
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	-	21,326	21,326
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595	(68,146)	11,754	(56,392)
Total Group 1 Accounts		(2,020,009)	11,076	(2,008,933)
Group 2 Accounts				
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	236,852	18,571	255,423
Other Regulatory Assets - Sub-Account - Other	1508	160,511	14,886	175,396
Retail Cost Variance Account - Retail	1518	24,924	858	25,782
Retail Cost Variance Account - STR	1548	46,642	4,684	51,326
RSVA - One-time	1582	-	-	-
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	18,253	868	19,121
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	(18,780)	(3,089)	(21,869)
Total Group 2 Accounts including PILS and Tax		468,402	36,778	505,179
LRAM Variance Account	1568	159,721	2,052	161,772
IFRS/GAAP Transition				
IFRS- CGAAP Transition PP&E Amounts Balance + Return Component6	1575	227,206	-	227,206
Accounting Changes Under CGAAP Balance + Return Component6	1576	-	-	-
Total IFRS/GAAP Accounts		227,206	-	227,206
TOTAL DISPOSITION		(1,164,681)	49,905	(1,114,776)
Class A DVA Dispositions*				
RSVA - Global Adjustment - Class A Customers (incl. in 1589 balance above)	1589	80,168	1,209	81,377

In the table above, the total GA Disposition (Account 1589) is Principal of \$1,613,940 + Interest of \$24,341 for a total disposition of \$1,638,281.

The total amount for disposition is a Principal Amount of (1,164,681) + \$49,905 Interest Amount for a total disposition of (\$1,114,776).

This results in a non-1589 Disposition of (\$2,778,621) in principal plus \$25,564 of interest for a total non-GA disposition of (\$2,753,057).

	Principal Amount	Interest Amount	Total Disposition	
Account 1589	\$ 1,613,940	\$ 24,341	\$ 1,638,281	(A)
Total Disposition	-\$ 1,164,681	\$ 49,905	-\$ 1,114,776	(B)
Total Disposition less 1589	-\$ 2,778,621	\$ 25,564	-\$ 2,753,057	C=A-B

BPI notes there is a small discrepancy in the allocation of 1589 Balance between Class A and (non-RPP) Class B in when reviewing the table above and the DVA Model supporting the Decision and Order in the 2017 COS. As shown in the table below, the overall 1589 balance is consistent between the two documents, as well as the amount included in the Account 1595 Workform.

2017 COS Decision/Settlement Agreement		
Total 1589 Disposition	1,638,281	Table 26
Class A 1589 Disposition (included above)	- 81,377	Table 26
Class B 1589 Disposition	1,556,904	
2017 COS Settlement- DVA Model		
Class B 1589 Disposition	1,557,844	Tab 5
Class A 1589 Disposition	80,437	Tab 5a
Total 1589 Disposition.	1,638,281	
Difference in Total 1589 Disposition	-\$ 0	
Difference in allocation to Class A/B	-\$ 940	

Staff Question-4

Ref: A portion of IRM Rate Generator, Tab 6, Section 3a - Class A Consumption Data is reproduced below

Transition Customers - Non-loss Adjusted Billing Determinants by Customer				2019		2018	
Customer	Rate Class			January to June	July to December	January to June	July to December
Customer 1	GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kWh		4,512,521.76	1,912,753.44	161,947	4,523,837
		kW		20,370	7,700	6,583	10,691
		Class A/B		A	A	B	A
Customer 2	GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kWh		3,086,545.32	3,128,931.00	2,485,458.72	2,492,520.66
		kW		7,665	7,034	5,906	6,618
		Class A/B		A	A	B	A
Customer 3	GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kWh		3,969,202.44	3,890,344.64	4,292,127.28	4,477,963.84
		kW		19,248	23,494	17,654	18,547
		Class A/B		A	A	B	A
Customer 4	GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kWh		4,620,882.47	4,206,402.19	3,391,811.58	3,654,088.47
		kW		11,422	10,637	8,483	9,646
		Class A/B		A	A	B	A
Customer 5	GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kWh		2,639,764.11	2,881,391.38	2,670,324.76	2,997,585.31
		kW		6,020	5,798	5,827	6,163
		Class A/B		A	A	B	A
Customer 6	GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kWh		3,665,390.12	3,020,512.88	86,498.72	3,380,009.08
		kW		5,544	4,688	769	5,285
		Class A/B		A	A	B	A

a) Customers #1 & 6

With respect to Customers #1 and #6, please confirm the accuracy of the Non-loss Adjusted billing determinants for both customers for the period of January to June 2018, given the large variance between those figures and the ones reported in July to December 2018.

BPI has reviewed the customer's data for both customers #1 and 6 and confirms the accuracy of the non-loss adjusted billing determinants reported in Tab 6, Section 3a – Class A Consumption Data.

Customer 12	GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kWh		4,086,622	4,046,660	-	1,839,407
		kW		8,042	7,834	-	4,234
		Class A/B		B	A	B	B

b)

With respect to Customer #12, please explain why cells H63 and H64 for January to June 2018 have been left blank.

Customer 12 began service in October 2018 therefore the non-loss adjusted billing determinants reported for the period of January to June 2018 was intentionally entered as zero and is accurate.

Staff Question-10

Ref: GA Analysis Workform, GA 2019 tab

Under Note 5 – Reconciling items of the GA 2019 tab, Brantford Power included the following item #9:

9	Over estimate unbilled revenue from 2018	\$ (484,889)	Removing over estimated unbilled revenue from 2018?
---	--	--------------	---

- a) Please confirm that the (\$484,889) overestimate from 2018 was reversed in the GL in 2019 – i.e. a debit of \$484,889 was included in the 2019 Transactions in the Year of \$3,024,393.

BPI confirms that the overestimate in unbilled revenue was reversed in the 2019 GL and the Transactions in the year of \$3,024,393 includes the reversal.

Staff Question-11

Ref: GA Analysis Workform, GA 2018 and GA 2019 tabs

Under Note 5 – Reconciling items, Brantford Power noted the following loss factor variances for 2018 and 2019:

2018	\$ 287,382	Variance between the loss factor used for billings (based on 2017 COS) and calculated actual losses
2019	\$ 1,870	Variance between the loss factor used for billings (based on 2017 COS) and calculated actual losses

- a) Given that there was no large year-over-year change in consumption, please explain the large variance between 2018 and 2019 loss factor variances.

BPI used somewhat different approaches in the calculations for 2018 and for 2019. In both cases, the non-RPP Class B monthly kWh losses were estimated and then multiplied by the posted GA rate for the month. The following are the differences in how this was accomplished:

Billed Losses

- For **2018**, the billed losses were assumed to be 3.2%, which is in line with BPI's billing loss factor for secondary-connected customers. With 2018 billings occurring in the prior billing system, BPI is unaware of any report in that system which would have calculated the actual billed loss factor for non-RPP Class B customers.
- For **2019**, as a result of new reports from the new billing system, BPI was able to calculate the actual loss factor billed for non-RPP Class B customers. Because some customers in this group are billed using the loss factor for primary metered customers, a lower billed loss factor was used.

Actual Losses

- For **2018**, the actual line losses were calculated on an annual basis, consistent with the calculation of losses in the RRR. This actual annual loss percentage was applied to each of the months as the "true line losses".
- For **2019**, the monthly actual line losses were calculated based on internal reports. This approach allows for the same month's monthly estimated losses to be applied to the GA pricing for a given month.