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

BPI Preamble: Model Changes

BPI has attached updated models which incorporate the following updates:

Discussion of adjustments made to Account 1588

Please see the response to question Staff-Question-6 below for further details. As a result of BPI's investigation into the balance in 1588, re-adjustments/ adjustments were required, bringing the 2019 activity to $(345,616) (principal only) and the overall balance for disposition in 1588 to $742,343 (inclusive of interest and projected interest). The 2019 activity is in line with BPI's expectation for a reasonable regular activity level in this account. As a result of this change, the total group one balance for disposition has changed to $390,297. This total claim amount does not meet the threshold for DVA disposition. As a result, BPI is no longer proposing to dispose of the DVA account balances.

Table 1: Summary of Updated 1588 Balance

Item	Activity	*Cell-Tab 3 Rate Generator*
Total Transactions During 2019	1,113,876	*BD28*
Prior Yr Adj included in activity above	(1,611,384)	
	(497,508)	
Add: Adjustments made in 2020	151,892	
Normal 2019 Activity	**(345,616)**	
Total Adjustments	**(1,459,492)**	*BF28*

RRR Revision Request- Consumption

BPI notes that since submitting its IRM Application, it submitted a RRR revision request to update certain consumption statistics. While the amounts corrected were low, BPI reviewed the expected impacts of the correction on the rates output from the IRM model, if DVA disposition were to proceed. Despite most rate riders remaining the same as initially filed, the consumption updates resulted in changes to the rate adjustments (for Global Adjustment and CBR disposition), which are more sensitive to allocation changes. Further changes are also required to the Global Adjustment Work Form. BPI requests that OEB staff make updates to the Global Adjustment Work Form in accordance with Table 2-B. BPI has assessed the expected impact on the Global Adjustment Work Form outcomes, and believes these adjustments will *lessen* the

unexplained variance level (therefore no additional variance analysis would be required).
Both sets of changes are set out in the tables below:

Table 2-A: Summary of Consumption updates

Customer Classification	Original Application	Updated Consumption	Change
RESIDENTIAL SERVICE CLASSIFICATION	294,043,295	292,180,865	(1,862,430)
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	93,634,886	93,124,427	(510,459)
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	541,896,113	544,236,477	2,340,364
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	41,261,684	41,261,684	0
SENTINEL LIGHTING SERVICE CLASSIFICATION	196,340	194,958	(1,382)
STREET LIGHTING SERVICE CLASSIFICATION	7,102,106	7,147,042	44,936
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	1,570,125	1,559,095	(11,030)
STANDBY POWER SERVICE CLASSIFICATION	-	-	-
Total	979,704,549	979,704,549	0

Table 2-B Summary of Consumption Updates- Impacts to Global Adjustment Workform

Classification	Original Application	Updated Consumption	Change
Total Metered excluding WMP	932,356,870	932,356,870	0
RPP	400,940,673	398,130,900	(2,809,773)
Non RPP	531,416,197	534,225,970	2,809,773
Non-RPP Class A	200,352,505	200,352,505	-
Non-RPP Class B*	331,063,692	333,873,465	2,809,773

As a result, BPI has worked with Board Staff to update the consumption statistics to reflect the revision request in the attached IRM model. The adjustments were made to the model attached by Board Staff as part of Staff Question -1, so that if DVA disposition is required, the resultant rates can be calculated with the updated consumption.

Summary of Changes/Impacts

- RTSR rates for small classes or those classes billed based on kW have changed slightly, as shown in the table below:

Table 3: Summary of Updates to RTSRs

	Filed Rates	Updated Rates	
Retail Transmission Rate - Network Service Rate			
Residential Service Classification	$ 0.0083	$ 0.0083	0.00%
General Service Less Than 50 kW Service Classification	$ 0.0073	$ 0.0073	0.00%
General Service 50 To 4,999 kW Service Classification	$ 2.5130	$ 2.5200	0.28%
Embedded Distributor Service Classification	$ 2.5130	$ 2.5200	0.28%
Sentinel Lighting Service Classification	$ 2.3466	$ 2.3530	0.27%
Street Lighting Service Classification	$ 2.4178	$ 2.4244	0.27%
Unmetered Scattered Load Service Classification	$ 0.0044	$ 0.0044	0.00%
Retail Transmission Rate - Line and Transformation Connection Service Rate			
Residential Service Classification	$ 0.0060	$ 0.0060	0.00%
General Service Less Than 50 kW Service Classification	$ 0.0053	$ 0.0054	1.89%
General Service 50 To 4,999 kW Service Classification	$ 1.8137	$ 1.8188	0.28%
Embedded Distributor Service Classification	$ 1.8137	$ 1.8188	0.28%
Sentinel Lighting Service Classification	$ 1.6940	$ 1.6988	0.28%
Street Lighting Service Classification	$ 1.6745	$ 1.6791	0.27%
Unmetered Scattered Load Service Classification	$ 0.0053	$ 0.0054	1.89%

- The total Group 1 DVA balance has been reduced to $390,297, as shown below. BPI notes, as a result of the response to Staff Question-5 and a limitation in the entries in Tab 3 of the Rate Generator Model, there has been a reallocation of $803 between Account 1580-(RSVA WMS) and Sub-Account 1580-(CBR Class B). BPI notes that while this reallocation is not intentional, it is not material, however the original allocation of balances is correct.

Table 4: Summary of Updated DVA Balances (Detail)

Account Descriptions	Account Number	Principal Eligible for Disposition	Interest (Including Projected Interest)	Total Eligible for Disposition	Disposition Proposed by BPI?
LV Variance Account	**1550**	$ -	$ -	**$ -**	
Smart Metering Entity Charge Variance Account	**1551**	$ (44,051)	$ (1,934)	**$ (45,985)**	No
RSVA - Wholesale Market Service Charge	**1580**	$ 105,746	$ 10,217	**$ 115,963**	No
Variance WMS – Sub-account CBR Class A	**1580**	$ -	$ (0)	**$ (0)**	No
Variance WMS – Sub-account CBR Class B	**1580**	$ (557,938)	$ (24,176)	**$ (582,115)**	No
RSVA - Retail Transmission Network Charge	**1584**	$ 50,139	$ (2,172)	**$ 47,967**	No
RSVA - Retail Transmission Connection Charge	**1586**	$ 387,864	$ 17,041	**$ 404,905**	No
RSVA - Power	**1588**	$ 680,253	$ 62,090	**$ 742,343**	No
RSVA - Global Adjustment	**1589**	$ (259,285)	$ (87,787)	**$ (347,072)**	No
Disposition and Recovery/Refund of Regulatory Balances (2017)	**1595**	$ 11,254	$ 43,037	**$ 54,291**	No
Total Group 1 Balance Eligible for Disposition		**$ 373,981**	**$ 16,316**	**$ 390,298**	

Table 5: Comparison of DVA Balances – Original vs Update (with 1588 impact Reconciliation)

		Original Application- Total Claim	Updated Model- Total Eligible Claim	Change
LV Variance Account	**1550**	$ -	$ -	$ -
Smart Metering Entity Charge Variance Account	**1551**	$ (45,985)	$ (45,985)	$ -
RSVA - Wholesale Market Service Charge	**1580**	$ 115,160	$ 115,963	$ 803
Variance WMS – Sub-account CBR Class A	**1580**	$ -	$ (0)	$ (0)
Variance WMS – Sub-account CBR Class B	**1580**	$ (581,311)	$ (582,115)	$ (803)
RSVA - Retail Transmission Network Charge	**1584**	$ 47,967	$ 47,967	$ -
RSVA - Retail Transmission Connection Charge	**1586**	$ 404,905	$ 404,905	$ -
RSVA - Power	**1588**	$ 2,855,027	$ 742,343	$ (2,112,684)
RSVA - Global Adjustment	**1589**	$ (347,071)	$ (347,072)	$ (1)
Disposition and Recovery/Refund of Regulatory Balances (2017)	**1595**	$ 54,291	$ 54,291	$ -
Total Group 1 Balance Eligible for Disposition		$ 2,502,983	$ 390,298	$ (2,112,686)
Account Number		Principal	Interest	Total Claim
1588	Original	$ 2,764,281	$ 90,746	$ 2,855,027
1588	Adjusted	$ 680,253	$ 62,090	$ 742,343
Change		$ (2,084,028)	$ (28,656)	$ (2,112,684)

- The Group 1 DVA balance no longer meets the threshold for disposition, as shown below:

Table 6: Updated DVA Disposition Threshold

Threshold Test		
Total Claim (including Account 1568)	$390,297	
Total Claim for Threshold Test (All Group 1 Accounts)	$390,297	
Threshold Test (Total claim per kWh) [2]	$0.0004	**Claim does not meet the threshold test.**
As per Section 3.2.5 of the 2019 Filing Requirements for Electricity Distribution Rate Applications, an applicant may elect to dispose of the Group 1 account balances below the threshold. If doing so, please select YES from the adjacent drop-down cell and also indicate so in the Manager's Summary. If not, please select NO.	**NO**	

- Rate Riders and monthly adjustments for Class A transition customers are no longer required as a result of the threshold for disposition not being met.

BPI has included two attachments:

- **Attachment Staff Questions-A:** A Rate Generator Model which incorporates the DVA changes, shows the DVA continuity schedule beginning with 2015, and incorporates the RRR consumption updates.
- **Attachment Staff Questions –B**: A Global Adjustment Analysis work form which now depicts the additional adjustments made to Account 1588 in the "Principal Adjustments" tab.

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										
38										
39	Residential Service Classification	Retail Transmission Rate - Network Service Rate	$/kWh	0.0000	0	0	0	0.0%	0	0.0000
40	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
41	General Service 50 To 4,999 kW Service Classification	Retail Transmission Rate - Network Service Rate	$/kW	4.5555		1,459,897	6,650,540	92.4%	6,650,540	4.5555
42	Embedded Distributor Service Classification	Retail Transmission Rate - Network Service Rate	$/kW	4.5555		97,683	444,994	6.2%	444,994	4.5555
43	Sentinel Lighting Service Classification	Retail Transmission Rate - Network Service Rate	$/kW	4.2537		568	2,416	0.0%	2,416	4.2537
44	Street Lighting Service Classification	Retail Transmission Rate - Network Service Rate	$/kW	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
46										
47	The purpose of this table is to update the re-aligned RTS Connection Rates to recover future wholesale connection costs.									
48	Rate Class	Rate Description	Unit	Adjusted RTSR-Connection	Loss Adjusted Billed kWh	Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR-Connection
49										
50	Residential Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0000	0	0	0	0.0%	0	0.0000
51	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
52	General Service 50 To 4,999 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	3.3011		1,459,897	4,819,275	92.5%	4,819,275	3.3011
53	Embedded Distributor Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	3.3011		97,683	322,462	6.2%	322,462	3.3011
54	Sentinel Lighting Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	3.0833		568	1,751	0.0%	1,751	3.0833
55	Street Lighting Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	3.0477		21,979	66,986	1.3%	66,986	3.0477
56	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(Application Attachment A in pdf 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. Please note, BPI has provided an updated model as **Attachment A** which reflects certain updates identified in response to OEB Staff's Questions (as outlined in the "preamble section").

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 deceases 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			
	Components of the 1595 Account Balances:		Principal Balance Approved for Disposition	Carrying Charges Balance Approved for Disposition	Total Balances Approved for Disposition
	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.

The following table is a screen shot from BPI's Settlement Proposal underpinning the Decision and Order in EB-2016-0058.

Table 7: DVA Disposition in 2017 Cost of Service

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*

EVIDENCE REFERENCES:
Appl. Attachment 9-A; E9/T1/S1; 9-Staff-62; 9-Staff-64; 9-Staff-65; 9-Staff-66; 9-Staff-68; 9-EP-54; 9-SEC-27; 9-VECC-47; Undertaking JT13; Attachment JT12; TC Pg 69-70.

SUPPORTING PARTIES:
All

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).

Table 8: Summary of DVA Disposition in 2017 Cost of Service

	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 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.

Table 9: Reconciliation- 2017 DVA Disposition (DVA Model vs Settlement Table)

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

Customer	Rate Class		2019 January to June	2019 July to December	2018 January to June	2018 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
	99 k IFICA	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
	99 kW SERVICE CLASSIF	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
	99 k (kW	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 bulling determinants reported for the period of January to June 2018 was intentionally entered as zero and is accurate.

Staff Question-5
Ref: Rate Generator Model, Tab 3 DVA continuity schedule

The filed DVA continuity schedule reflects opening balances from the closing December 31, 2017 balances. However, Brantford Power's DVA balances were last approved on a final basis as of December 31, 2015 in the 2017 Cost of Service proceeding (EB-2016-0058). Brantford Power's 2016 and 2017 DVA balances were approved only on an interim basis in the 2019 IRM proceeding (EB-2018-0020). Furthermore, Brantford Power has since made adjustments to the 2017 Account 1588 balance, as noted in the 2020 IRM proceeding (EB-2019-0022).

a) Please re-file the DVA continuity schedule with the opening balances starting from the last closing balances approved for disposition on a final basis, which would be the December 31, 2015 balances.

Brantford Power has provided the DVA Continuity Schedule beginning with December 31, 2015 balances as requested with the Attachment A Rate Generator model. Please note, BPI has not updated the Class A transition customer schedules for the years 2016 and 2017 in this version, which were not required in the initial filing. The Class A transition customer consumption in those years would not have been relevant to the disposition of the current balances under review which were accrued throughout 2018 and 2019.

BPI notes, as a result of limitations in the input cells in Tab 3 of the DVA schedule, a variance of $803 (offsetting) have been created between the sub-accounts of 1580-RSVA WMS and 1580- Sub Account CBR Class B.

Staff Question-6
Ref: Manager's Summary, 1.5.6 Review and Disposition of Group 1 DVAs

Brantford Power states that further internal analysis on its DVA balances is required (pg. 13):

> "*During the finalization of the Global Adjustment Work Form, BPI determined the need for certain adjustments to the account balance in 1589, some of which also affected the balances in account 1588 (please see details in section "Differences from RRR Trial Balance" below). The adjustments related to transactions during 2019. As a result of these adjustments, the account activity in account 1588 for 2019 is no longer in line with expectations, as the activity in 1588 should be limited to the impact of the differences between the billing loss factor and actual losses on power purchases for RPP customers.*
>
> *BPI is further investigating this account activity; however it is likely that further adjustments to the 1588 and possibly 1589 account balances may be required. BPI is actively working towards explaining the account balance in 1588, and should an explanation and any resultant balance adjustments be determined, BPI will inform the OEB, and at that time BPI may also request that the OEB consider final disposition for the account balances, if appropriate."*

Brantford Power goes on to state the following regarding differences in the RRR trial balance (pg. 15):

> *"In preparation for the filing of this Application and the required Global Adjustment Variance Analysis Workform, BPI reviewed its processes for splitting consumption between RPP and Non RPP for IESO True Ups. During this review, BPI identified an enhancement to the reports used for estimating this consumption split which better mirrors actual billings. As a result, adjustments to 1588 and 1589 were identified, consisting both of adjustments between the two accounts as well as adjustments with the IESO."*

a) Please describe the difference between the processes for estimating consumption split before and after the "enhancement to the reports."

In April 2019, BPI implemented a new billing and customer information system. During the transition from the prior billing system to the new billing system, many "behind the scenes" elements changed, for example the segmentation of customer classes, certain elements of billing logic, and the format and logic of regular reporting from the system. Initially, following the implementation of the new system, BPI used a data-intensive process to estimate the split between RPP and non-RPP consumption and to estimate the allocation of GA billings to a consumption month. This process depended on a data-intensive report, and which required manual calculations with manual filtering for certain rate/customer type identifiers.

The "enhancement to the reports" refers to BPI's use of an additional new report obtained in 2020, for the purposes of determining the split between RPP and Non RPP Global Adjustment consumption as well as automating some of the existing processes through formula calculations. The new report provides the consumption month for Global Adjustment billings in a way which allows isolation of RPP and Non RPP kWh and dollars. The new report needs less manual intervention, updating and calculations (and therefore is less prone to errors) and provides a more accurate outcome.

b) Please confirm that the adjustments causing Account 1588 to be no longer in line with expectations relate to the enhanced reporting used to estimate consumption split, which resulted in a debit to Account 1588 of $2,155,246 ($1,743,732 from CT-148 true-up and $411,514 from CT-1142 true-up). If not, please explain.

This was correct at the time of filing the Application, however BPI has determined that a significant portion of these adjustments should not have impacted Account 1588 (please refer to response (c) below).

BPI also wishes to clarify that, aside from the enhancement to the reporting, the use of the enhanced reporting has resulted in corrections to issues resulting from the data-intensive, manual process previously used. BPI has not fully isolated the impact of the enhanced reporting vs. issues corrected.

c) Please provide an update on BPI's investigation into the balances for Accounts 1588 and 1589 and whether further adjustments will be required.

BPI has now completed a thorough investigation into the account 1588 and 1589 balances. As part of this investigation, BPI has reviewed, among other items, the following:

- Investigated better use of available reports from new billing system to verify balances entered into monthly G/L for 1588/1589;

- Review monthly unbilled revenue adjustments to reconcile back to consumption amounts;
- Review of original IESO charge types recorded in each account, reconciling to the IESO submissions and IESO invoices;
- Revisit true up files based on OEB Accounting Guidance and the associated models;
- Checking for deviations from the model provided with OEB's Accounting Guidance and verifying whether formula adjustments were required/appropriate;
- Investigating new methods for determining breakdown for Cost of Power rates between RPP and Non-RPP;
- Double-Checked adjustments in true-up calculation files for consistency with G/L entries; and
- Overall reasonability test for account activity at a monthly level, considering loss factor, consumption, and monthly pricing changes.

The review required a significant amount of time and thorough analysis with input from multiple departments including Regulatory, Billing and Finance.

These review steps resulted in the changes outlined below to the 1588 balances for 2019, as well as identifying process improvements which will be applied to the settlement and true up processes going forward.

BPI has determined that the original mapping of the adjustments between IESO settlement and 1588 impact as a result of the CT-1142 corrections should have been reversed (as shown below).

Additional adjustments to 1588 were identified during this detailed review into the account as well. The majority of the adjustments listed under "Other adjustments identified" of $(1,261,000) relate to a correction to the application of the Accounting Guidance related to the sequencing and posting of global adjustment true up adjustments for the RPP settlement process to 1588 as well as further enhancements to the calculation of Weighted Average Cost of Power for RPP vs. Non-RPP.

Table 10: Summary of Updates to Account 1588 Balance

	Owing from (to) IESO	1588	1589	
Corrections per IRM Application	(411,514.06)	2,155,245.89	(1,743,731.84)	-
Remapping of Aug IRM adj b/w 1588 and IESO Settlement	411,514.05	1,332,217.79	(1,743,731.84)	-
Other adjustments identified	1,260,999.81	(1,260,999.81)	-	-
Total Revised Corrections	1,672,513.86	71,217.98	(1,743,731.84)	-
Difference to be adjusted	2,084,027.92	(2,084,027.92)	-	-

As shown in Table 6 and Table 10 above, no further adjustments have been identified relating to the 1589 balance.

Staff Question-7
Ref: Manager's Summary, 1.5.6 Review and Disposition of Group 1 DVAs, pg. 19

As discussed in Brantford Power's 2020 IRM filing (EB-2019-0022), Brantford Power states that it reviewed its 1588 and 1589 2016 through 2018 balances in the context of the February 21, 2019 update of the OEB's Accounting Guidance. A summary of the adjustments is as follows:

Table 1.5.6I: 1588 Accounting Guidance Adjustments from 2020 IRM

Description	Impact on 1588	
	Debit	Credit
2017 Difference between BPI's true-up and the OEB accounting Guidance True-ups	666,597	
2018 Difference between BPI's true-up and the OEB accounting Guidance True-ups	*953,855*	

Brantford Power further states that it "now incorporates the difference between final pricing and RPP pricing on the consumption difference between estimated and actual consumption as part of the true up process."

a) Please confirm that the adjustments in 2017 and 2018 as noted in Table 1.5.6I above are a result of Brantford Power previously not "incorporating the difference between final pricing and RPP pricing on the consumption difference between estimated and actual consumption as part of the true up process."

BPI confirms that the adjustments noted above are a result of Brantford Power previously not "incorporating the difference between final pricing and RPP pricing on the consumption difference between estimated and actual consumption as part of the true up process." BPI notes that as previously stated in its 2020 IRM application EB-2019-0022 immaterial differences also resulted from the change in GA rate used as part of the OEB's accounting guidance implementation. BPI's prior process was to use the IESO posted GA rate rather than the GA Billed rate from the IESO invoice as done in the illustrative model.

b) If yes to a), please explain what is meant by "the difference between final pricing and RPP pricing." If possible, please refer to a specific step of the OEB's Illustrative Commodity Model to explain what Brantford Power's new process addresses.

In reference to BPI's 2020 IRM application EB-2019-0022 interrogatory responses BPI provided the following explanation to B-Staff-7 a) v.:

"The "final pricing" referred to would more correctly have been called the RPP pricing difference, that is, the difference between the RPP pricing/kWh/peak "bucket" (which is constant throughout the process) and COP+ GA/kWh (which is estimated in the initial settlement). The pricing difference for RPP TOU is determined by calculating the weighted average price of power and adjusted for the actual global adjustment rate and comparing this to the RPP rates. The weighted average price of power is calculated by dividing the actual cost of power by the actual kWh purchased for the month, adjusted to remove the non-designated interval kWh. The actual posted global adjustment rate is included in the "final pricing" difference for RPP. An illustrative example is included in IR-Table-2 below.

IR-Table-2-Illustrative final pricing for Weighted Average Price of Power

BPI method previously used:			
	Cost of Power	$ 1,000,000.00	A
	Actual kWh purchased	75,000,000.00	
	LESS: Non-designated interval kWh	(35,000,000.00)	
	Total kWh purchased	40,000,000.00	B
	Weighted Average Price of Power	$ 0.0250000	C=A/B
	Actual GA rate /1000	$ 0.0740400	D
	Final Price	**$ 0.0990400**	**E=C+D**

This method for calculating the final RPP price difference is consistent before and after the issue was noted. The issue was a result of the RPP revenue rate not being applied to the estimated and actual consumption differences for TOU customers."

The tab reference to the OEB's Illustrative model is the "RPP vs non-RPP TU JE"

Through BPI's investigation into the 1588 balance BPI enhanced its processes for determining the weighted average price of power between RPP vs. Non-RPP customers using billing reports from BPI's new billing system.

c) If no to a), please explain what resulted in the adjustments in 2017 and 2018.

N/A

Staff Question-8
Ref: GA Analysis Workform, Principal Adjustments tab

For Account 1588, Brantford Power noted the following principal adjustments in 2018 and 2019:

2018	*Current year principal adjustments*		
1	CT 148 true-up of GA Charges based on actual RPP volumes	27,741	2019
2	CT 1142 true-up based on actuals	(36,810)	2019
3	Unbilled to actual revenue differences		
4	*2017* Adjustment - Accounting Guidance implementation	666,597	2019
5	2018 Adjustment - Accounting Guidance implementation	953,855	2019
6			
7			
8			
	Total Current Year Principal Adjustments	1,611,384	

2019	*Current year principal adjustments*		
1	CT 148 true-up of GA Charges based on actual RPP volumes	1,743,732	2020
2	CT 1142 true-up based on actuals	411,514	2020
3	Unbilled to actual revenue differences		
4	Correction of RPP and Non-RPP True-up	80,674	2020
5			
6			
7			
8			
	Total Current Year Principal Adjustments	2,235,920	

a) Please confirm that line items #1 and #2 in the above tables have been calculated differently for 2018 and 2019. Specifically, in 2018, line items #1 and #2 were calculated using consumption split prior to the enhancement of reports used to estimate consumption, while in 2019 line items #1 and #2 were calculated using the enhanced reporting.

The adjustments to 2019 were calculated using the enhanced reporting (used in August 2020) and addressed some issues observed in the initial true up processes which were implemented after converting to a new billing system in **April 2019**, as well as process enhancements and improvements to accuracy. The 2018 adjustments were calculated from the prior billing system. BPI has no reason to believe the same issues addressed in the 2019 adjustments were present in 2018. BPI does not believe the process enhancements would have been possible in the prior billing system.

b) If yes to a), please explain why Brantford Power did not also adjust the consumption splits in 2018 to ensure greater accuracy of the allocation of GA charges (CT-148) and settlement of the RPP variance (CT-1142).

BPI did not have the same report available in 2018 as 2018 billings were completed in the prior billing system (billing system was converted in April of

2019). The enhancement addressed issues with the reporting and process initially set up in the new billing system beginning in April 2019.

c) If yes to a), please calculate the adjustments to Accounts 1588 and 1589 in 2018 using the enhanced reporting for estimating consumption splits.

As discussed above, BPI is not aware of a similar "enhanced report" available from the prior billing system and therefore cannot recalculate the adjustments for 2018.

d) If no to a) (i.e. the same process was used to calculate line items #1 and #2 in 2018 and 2019), please explain why there is such a large variance between 2018 and 2019 amounts.

While the same process was not used, the adjustments identified for 2019 include adjustments resulting from an issue discovered in some of the original true ups in 2019, which was then corrected using the enhanced reports.

e) Please provide calculation of the 2019 adjustments of line items #1 and #2:

1	CT 148 true-up of GA Charges based on actual RPP volumes	1,743,732
2	CT 1142 true-up based on actuals	411,514

Please see the tables below for a monthly breakdown of the amounts, including the original and revised kWh underpinning each monthly adjustments.

Table 11: Monthly Details CT148 True Up

1589 Monthly Adjustments	April			May			June			July			August		
RPP vs Non-RPP used in 2019 True-ups															
	kWh Volumes	**%**	**$**	**kWh Volumes**	**%**	**$**	**kWh Volumes**	**%**	**$**	**kWh Volumes**	**%**	**$**	**kWh Volumes**	**%**	**$**
Account 4705 /1588	28,861,150	51.36%	**$ 3,558,586**	28,457,016	51.82%	**$ 3,586,398**	32,419,403	53.87%	**$ 4,447,083**	42,067,919	53.09%	**$ 4,054,503**	40,515,730	57.33%	**$ 5,100,478**
Account 4707 / 1589	27,330,027	48.64%	**$ 3,369,798**	26,456,190	48.18%	**$ 3,334,237**	27,757,163	46.13%	**$ 3,807,547**	37,165,799	46.91%	**$ 3,582,037**	30,149,715	42.67%	**$ 3,795,513**
	56,191,176	100.00%	**$ 6,928,384**	54,913,207	100.00%	**$ 6,920,636**	60,176,566	100.00%	**$ 8,254,631**	79,233,718	100.00%	**$ 7,636,541**	70,665,445	100.00%	**$ 8,895,991**
Revised RPP vs Non-RPP Allocations															
	kWh Volumes	**%**		**kWh Volumes**	**%**		**kWh Volumes**	**%**		**kWh Volumes**	**%**		**kWh Volumes**	**%**	
Account 4705 /1588	28,934,769	51.49%	**$ 3,567,663**	27,997,946	50.99%	**$ 3,528,543**	32,007,383	53.19%	**$ 4,390,565**	44,595,332	56.28%	**$ 4,298,095**	38,725,155	54.80%	**$ 4,875,065**
Account 4707 / 1589	27,256,408	48.51%	**$ 3,360,721**	26,915,260	49.01%	**$ 3,392,093**	28,169,182	46.81%	**$ 3,864,066**	34,638,385	43.72%	**$ 3,338,445**	31,940,290	45.20%	**$ 4,020,926**
	56,191,176	100.00%	**$ 6,928,384**	54,913,207	100.00%	**$ 6,920,636**	60,176,566	100.00%	**$ 8,254,631**	79,233,718	100.00%	**$ 7,636,541**	70,665,445	100.00%	**$ 8,895,991**
Adjustment required															
Account 4705 / 1589			**9,077.26**			**(57,855.96)**			**(56,518.15)**			**243,591.96**			**(225,413.41)**
Account 4707 / 1589			**(9,077.26)**			**57,855.96**			**56,518.15**			**(243,591.96)**			**225,413.41**

1589 Monthly Adjustments	September			October			November			December			
RPP vs Non-RPP used in 2019													
	kWh Volumes	**%**	**$**	**kWh Volumes**	**%**	**$**	**kWh Volumes**	**%**	**$**	**kWh Volumes**	**%**	**$**	
Account 4705 /1588	27,054,440	45.29%	**$ 3,312,917**	23,466,214	40.50%	**$ 3,207,432**	29,915,262	49.28%	**$ 2,829,967**	33,411,894	53.50%	**$ 2,970,782**	
Account 4707 / 1589	32,678,605	54.71%	**$ 4,001,617**	34,469,652	59.50%	**$ 4,711,414**	30,789,032	50.72%	**$ 3,219,165**	29,040,081	46.50%	**$ 2,850,859**	
	59,733,045	100.00%	**$ 7,314,534**	57,935,866	100.00%	**$ 7,918,846**	60,704,295	100.00%	**$ 6,049,132**	62,451,974	100.00%	**$ 5,821,642**	
Revised RPP vs Non-RPP Allocations													
	kWh Volumes	**%**		**kWh Volumes**	**%**		**kWh Volumes**	**%**		**kWh Volumes**	**%**		
Account 4705 /1588	30,226,378	50.60%	**$ 3,701,332**	28,562,119	49.30%	**$ 3,903,955**	33,120,369	54.48%	**$ 3,295,455**	34,885,602	55.85%	**$ 3,251,205**	
Account 4707 / 1589	29,506,667	49.40%	**$ 3,613,201**	29,373,747	50.70%	**$ 4,014,891**	27,675,321	45.52%	**$ 2,753,677**	27,580,924	44.15%	**$ 2,570,437**	
	59,733,045	100.00%	**$ 7,314,534**	57,935,866	100.00%	**$ 7,918,846**	60,795,690	100.00%	**$ 6,049,132**	62,466,526	100.00%	**$ 5,821,642**	
Adjustment required													Totals
Account 4705 /1588			**388,415.65**			**696,523.38**			**465,488.53**			**280,422.58**	1,743,731.84
Account 4707 / 1589			**(388,415.65)**			**(696,523.38)**			**(465,488.53)**			**(280,422.58)**	(1,743,731.84)

Table 12: Monthly Details CT1142 True Up

1588 Monthly Adjustments	April		May		June		July		August	
	kWh Volumes	$ RPP Settlement	kWh Volumes	$ RPP Settlement	kWh Volumes	$ RPP Settlement	kWh Volumes	$ RPP Settlement	kWh Volumes	$ RPP Settlement
RPP amounts used in 2019 true-ups	28,861,150	$ (1,612,177)	28,457,016	$ (1,446,670)	32,419,403	$ (1,905,612)	42,067,919	$ (1,449,510)	40,515,730	$ (2,365,656)
Revised RPP amounts	28,934,769	$ (1,616,343)	27,997,946	$ (1,423,205)	32,007,383	$ (1,881,638)	44,595,332	$ (1,538,595)	38,725,155	$ (2,261,699)
Adjustment required	(73,619)	$ 4,166	459,070	$ (23,466)	412,019	$ (23,974)	(2,527,413)	$ 89,085	1,790,575	$ (103,957)

	September		October		November		December			
	kWh Volumes	$ RPP Settlement	kWh Volumes	$ RPP Settlement	kWh Volumes	$ RPP Settlement	kWh Volumes	$ RPP Settlement		
RPP amounts used in 2019 true-ups	27,054,440	$ (1,451,513)	23,466,214	$ (1,433,610)	29,915,262	$ 204,220	33,411,894	$ 474,958		
Revised RPP amounts	30,226,378	$ (1,620,891)	28,562,119	$ (1,750,264)	33,120,369	$ 280,817	34,885,602	$ 414,732	TOTAL	
Adjustment required	(3,171,938)	$ 169,378	(5,095,905)	$ 316,653	(3,205,106)	$ (76,597)	(1,473,708)	$ 60,226	$ 411,514	

Staff Question-9

Ref: GA Analysis Workform, GA 2019 tab

Under Note 5 – Reconciling items of the GA 2019 tab, Brantford Power included the following item #1b:

1b	CT 148 True-up of GA Charges based on Actual Non-RPP Volumes - current year	$ (1,743,732)	Items recorded in GP in 2020 that related to 2019 November and December true ups, Apr - Dec True-up corrections

a) If not already provided in **Staff Question-8 e)** above, please show the breakdown of the ($1,743,732) between Nov-Dec 2019 true-ups vs. Apr-Dec true-up corrections.

Please see Table 11 above. Annually, it is expected there may be further adjustments to the final months of the year following the "year end" cut off due to the timing of the final true ups. The original true ups to CT148 for November and December between 1588 and 1589 recorded in 2020 were about $4.7M, and this level of adjustment was not in line with expectations, and was a contributing driver of the detailed 1589 balance review conducted in July/August of 2020 prior to the submission of the Application (leading to their inclusion in the explanation above). The total adjustments quoted above in item #1b address the November/December true ups as well as other issues throughout April- December.

b) Please confirm that the Apr-Dec true-up corrections related to "enhancement to the reports used for estimating consumption split which better mirrors actual billings."

The April-Dec true ups relate to the enhancement to the reports and processes in two ways:

1) The enhancements do not require the same level of manual intervention, updates, calculations, and processing, which eliminated issues and errors with the original calculations; and
2) The new reporting eliminates some of the need to estimate allocation of billed amounts to consumption month.

The true-up corrections are a result of the use of the enhanced reports, and address both items above—correcting historical errors and enhancing previous estimation processes.

c) If yes to b), why were only Apr-Dec true-ups needed to be corrected? What about Jan-Mar 2019, and the years since last final disposition (i.e. 2016, 2017, 2018)?

As discussed above, the issues corrected through the enhanced reporting related to a report/process which was initiated upon conversion to a new billing system. BPI has no reason to believe that similar issues affected the balances billed in the prior billing system (up to April 2019.). As previously discussed, the initial process was dependent on manual updates and calculations, and quite data-intensive, creating opportunity for error over the months. BPI does not believe the enhancements available in the new billing system, which eliminate some of the need for estimation, would have been available in the previous billing system.

d) If no to b), please explain what the Apr-Dec true-up corrections related to.
N/A please see above.

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.