

Festival Hydro Inc. (Festival Hydro)

OEB Staff Questions

2021 IRM Application

EB-2020-0022

October 22th, 2020

*Responses to OEB Staff questions, including supporting documentation, must not include personal information unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

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Reference: (i) IRM Rate Generator Model, Tab 3: Continuity Schedule

(ii) EB-2019-0035 Decision and Rate Order 20191212, Page 9

Festival Hydro has reported in Tab 3 of the IRM Model that the “Principal Disposition during 2020- instructed by OEB” and the “Interest Disposition during 2020- instructed by OEB” in Account 1580 RSVA- Wholesale Market Service Charge in 2020 was a credit of \$93,033 and debit of \$3,238, respectively. OEB staff notes that as per the 2019 IRM Decision and Rate Order, the principal and interest disposition in Account 1580 was a credit of \$101,170 and debit of \$2,659, respectively.

		2020			
Account Descriptions	Account Number	Principal Disposition during 2020 - instructed by OEB	Interest Disposition during 2020 - instructed by OEB	Closing Principal Balances as of Dec 31, 2019 Adjusted for Disposition during 2020	Closing Interest Balances as of Dec 31, 2019 Adjusted for Disposition during 2020
Group 1 Accounts					
LV Variance Account	1550	16,415	1,236	71,979	(335)
Smart Metering Entity Charge Variance Account	1551	(26,705)	(378)	(3,857)	(609)
RSVA - Wholesale Market Service Charge ⁵	1580	(93,033)	3,238	(121,135)	(3,466)
Variance WMS – Sub-account CBR Class A ⁵	1580			0	0
Variance WMS – Sub-account CBR Class B ⁵	1580	(8,137)	(579)	(29,024)	76
RSVA - Retail Transmission Network Charge	1584	(12,845)	1,264	(77,031)	(3,189)
RSVA - Retail Transmission Connection Charge	1586	134,543	1,459	50,133	3,522
RSVA - Power ⁴	1588	(325,675)	(12,930)	22,730	(1,979)
RSVA - Global Adjustment ⁴	1589	(180,157)	6,406	158,542	(3,286)
Disposition and Recovery/Refund of Regulatory Balances (2014 and pre-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			(0)	1
Disposition and Recovery/Refund of Regulatory Balances (2017) ³	1595	(80,472)	(24,293)	1	0
Disposition and Recovery/Refund of Regulatory Balances (2018) ³	1595			68,080	17,784
Disposition and Recovery/Refund of Regulatory Balances (2019) ³ <small>Refer to the Filing Requirements for disposition eligibility.</small>	1595			(13,722)	7,707
RSVA - Global Adjustment	1589	(180,157)	6,406	158,542	(3,286)
Total Group 1 Balance excluding Account 1589 - Global Adjustment		(395,909)	(30,983)	(31,846)	19,512
Total Group 1 Balance		(576,066)	(24,577)	126,696	16,226
LRAM Variance Account (only input amounts if applying for disposition of this account)	1568	236,830	6,202	222,633	5,586
Total including Account 1568		2019 LRAM (339,236)	2019 LRAM (18,375)	349,329	21,812

a) Please review the Account 1580 RSVA- Wholesale Market Service Charge disposition amounts in 2020 and provide an explanation for the noted

discrepancies. OEB staff is of the understanding that the balances in Account 1580 are being subtracted with sub-account CBR Class B.

- b) If required, please make any necessary adjustments to the Continuity Schedule in the 2021 IRM Rate Generator Model.

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Reference: (i) IRM Rate Generator Model, Tab 3: Continuity Schedule

On Tab 3 the “Projected Interest from Jan 1, 2020 to Dec 31, 2020 on Dec 31, 2019 balance adjusted for disposition during 2020” (column BQ) for Accounts 1550, 1551, 1580, 1584, 1586, 1588, and 1589, amounts were calculated using the formula:

$$BQ\#\# = BM\#\#*((0.0218*(6/12))+ (0.0057*(6/12)))$$

Typically, the projected interest (column BQ) is calculated using the “Closing Principal Balances as of Dec 31, 2019 Adjusted for Disposition during 2020” (column BO) instead of the “Principal Disposition during 2020- instructed by OEB” (column BM).

Account Descriptions	Account Number	2020				Projected Interest from Jan 1, 2020 to Dec 31, 2020 on Dec 31, 2019 balance adjusted for disposition during 2020 ²
		Principal Disposition during 2020 - instructed by OEB	Interest Disposition during 2020 - instructed by OEB	Closing Principal Balances as of Dec 31, 2019 Adjusted for Disposition during 2020	Closing Interest Balances as of Dec 31, 2019 Adjusted for Disposition during 2020	
Group 1 Accounts						
LV Variance Account	1550	16,415	1,236	71,979	(335)	226
Smart Metering Entity Charge Variance Account	1551	(26,705)	(378)	(3,857)	(609)	(367)
RSVA - Wholesale Market Service Charge ⁵	1580	(93,033)	3,238	(121,135)	(3,466)	(1,279)
Variance WMS – Sub-account CBR Class A ²	1580			0	0	
Variance WMS – Sub-account CBR Class B ²	1580	(8,137)	(579)	(29,024)	76	(112)
RSVA - Retail Transmission Network Charge	1584	(12,845)	1,264	(77,031)	(3,189)	(177)
RSVA - Retail Transmission Connection Charge	1586	134,543	1,459	50,133	3,522	1,850
RSVA - Power ⁴	1588	(325,675)	(12,930)	22,730	(1,979)	(4,478)
RSVA - Global Adjustment ⁴	1589	(180,157)	6,406	158,542	(3,286)	(2,477)
Disposition and Recovery/Refund of Regulatory Balances (2014 and pre-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			(0)	1	
Disposition and Recovery/Refund of Regulatory Balances (2017) ³	1595	(80,472)	(24,293)	1	0	
Disposition and Recovery/Refund of Regulatory Balances (2018) ³	1595			68,080	17,784	936
Disposition and Recovery/Refund of Regulatory Balances (2019) ³	1595			(13,722)	7,707	(189)
RSVA - Global Adjustment	1589	(180,157)	6,406	158,542	(3,286)	(2,477)
Total Group 1 Balance excluding Account 1589 - Global Adjustment		(395,909)	(30,983)	(31,846)	19,512	(3,590)
Total Group 1 Balance		(576,066)	(24,577)	126,696	16,226	(6,067)
LRAM Variance Account (only input amounts if applying for disposition of this account)	1568	236,830	6,202	222,633	5,586	3,256
Total including Account 1568		(339,236)	(18,375)	349,329	21,812	(2,811)

- a) Please explain why the projected interest (column BQ) was calculated using column BM as noted in the above formula instead of column BO.
- b) If required, please make necessary adjustments to the Continuity Schedule in the 2021 IRM Rate Generator Model.

OEB Staff- 3

Reference: (i) GA Analysis Workform

OEB staff notes in the GA Analysis Workform that there is no principal adjustment in the current year for Account 1588 and 1589 for the following 3 adjustments:

1. CT 148 true-up of GA Charges based on actual RPP volumes
 2. CT 1142 true-up based on actuals
 3. Unbilled to actual revenue differences
- a) Please confirm that Festival Hydro has recorded these true-ups in the general ledger in 2019, and therefore, no principal adjustments are needed in the DVA continuity schedule/ GA Analysis Workform.

OEB Staff- 4

Reference: (i) GA Analysis Workform

Festival Hydro's approved loss factor is 1.0291 and the calculated loss factor from the GA Analysis Workform is 1.1025, a difference of 7.13%. Please explain the difference and revise the GA Analysis Workform as needed.

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Reference: EB-2020-0022, Page 7

Festival Hydro notes that it continues to carry a balance of \$5,683 from the 2016 LRAMVA disposal and requests this balance be rolled into the approved 2021 1595 sub-account rate rider.

- (a) Please confirm that Festival Hydro continues to carry a residual balance of \$5,683 from the 2016 disposal that is solely related to the LRAMVA balance.
- (b) Please discuss why Festival Hydro believes it is appropriate to transfer a residual balance from the 1595 (2016) sub-account to the 1595 (2021) sub-account, considering the residual balance is related to the 2016 vintage year and should only be cleared once on a final basis.

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Reference: (i) LRAMVA Workform, Tab 5

An LRAMVA balance adjustment to the 2017 savings for the Retrofit program and LRAMVA balance adjustments to the 2018 savings from the Save on Energy Small Business, and Business Refrigeration Local programs are being sought.

- (a) Please identify the source documentation for these LRAMVA balance adjustments. If this documentation was not submitted as part of the initial application submission, please provide a copy.

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Reference: (i) LRAMVA Workform, Tab 5

Festival Hydro is claiming a 2018 LRAMVA balance for the Save on Energy Coupon program, including the Instant Discount program. The electricity savings for this program could not be reconciled to the submitted IESO LDC CDM Program Results, IESO Participation and Cost, or project-level savings reports.

- (a) Please explain the calculations used to arrive at the 2018 LRAMVA balances for the Save on Energy Coupon program, including the Instant Discount program. In the response, please identify the source documentation of all input values.

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Reference: (i) LRAMVA Workform, Tab 5

(ii) IESO Savings Persistence Report

The electricity savings persisting from 2015 claimed on Tab 5 of the LRAMVA Workform could not be reconciled to the submitted IESO Savings Persistence Report.

- (a) Please provide the details and calculations used to arrive at the 2015 persisting electricity savings. In the response, please confirm the source documentation of the claimed electricity savings persisting from 2015.

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Please provide an updated IRM Model Rate Generator model and LRAMVA Workform, reflecting any changes required in response to OEB Staff questions. Please record all changes in Tab 1-a of the LRAMVA Workform.