

**Brantford Power Inc. (Brantford Power)**  
**EB-2020-0006**  
**Supplemental Questions**  
**October 20, 2020**

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

**Ref: IR response to Staff Question-6 c)**

Brantford Power stated the following:

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.

Brantford Power also included the following Table 10:

**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)	-	-	
<b>Total Revised Corrections</b>	<b>1,672,513.86</b>	<b>71,217.98</b>	<b>(1,743,731.84)</b>	<b>-</b>	
Difference to be adjusted	2,084,027.92	(2,084,027.92)	-	-	

- a) Please confirm that the total revised corrections above result in Brantford Power expecting a refund from the IESO of \$1,672,514 for corrections to 2019 IESO RPP settlements (CT-1142).

BPI confirms that the total revised corrections results in an expected refund from the IESO in the amount of \$1,672,514 however, the corrections relate to both CT-1142 and CT-148 this is explained further in section c of this response.

b) Please confirm that the 2019 principal adjustments to Account 1588 should be as follows:

<b>Account 1588 - RSVA Power</b>				
<b>Year</b>	<b>Adjustment Description</b>		<b>Amount</b>	<b>Year Recorded in GL</b>
2019	<i>Current year principal adjustments</i>			
	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	(1,672,514)	2020
	3	Unbilled to actual revenue differences		
	4	Correction of RPP and Non-RPP True-up	80,674	2020
	<b>Total Current Year Principal Adjustments</b>		151,892	

If yes, please submit an updated GA Analysis Workform. (Note that there are no changes required to the DVA continuity schedule.)

BPI does not confirm that the principal adjustments should be as shown in the table above. As explained in section c) (portion iii) of this response, BPI believes the principal adjustments included in its most recent version of the GA analysis workform are as they should remain. The \$919,407 below includes a credit of (\$824,325) related to item c) iii below.

The table is recreated below in Table 1:

**Table 1: Account 1588 – RSVA Power Principal Adjustments**

2019	<i>Current year principal adjustments</i>			
	1	CT 148 true-up of GA Charges based on actual RPP volumes	919,407	2020
	2	CT 1142 true-up based on actuals	(848,189)	2020
	3	Unbilled to actual revenue differences		
	4	Correction of RPP and Non-RPP True-up	80,674	2020
	5			
	6			
	7			
	8			
	<b>Total Current Year Principal Adjustments</b>		151,892	

c) Please provide calculation of the “Other adjustments identified” of \$(1,261,000) and explain in further detail what is meant by “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”.

The category "Other adjustments identified" includes:

- i. \$216,917 relating to revised true-up adjustments of RPP settlement with the IESO as a result of enhancements in obtaining the Weighted Average Cost of Power differences between RPP vs. non-RPP customers. In the enhanced process, BPI used billing reports to estimate the consumption by month and filtered the reports for sale of energy and Non-RPP billing codes to obtain the total cost of energy billed for non-RPP customers in the month. This information was used to input the data required in the input cells of the illustrative model established by the OEB. In BPI's previous process, formula changes to the illustrative model were required and resulted in an assumption that there was no difference in weighted average cost of power pricing for RPP and non-RPP customers. As minor pricing differences are expected, BPI investigated other means of obtaining the required information from its billing system. Table 2 illustrates the differences between the original pricing used in the true-up calculations and the pricing used in the revised true-ups.

**Table 2: Original pricing vs. revised pricing**

	April	May	June	July	August
RPP Energy Price used in initial final true-up	0.0148	0.0075	0.0051	0.0222	0.0164
Revised RPP Energy Price	0.0160	0.0077	0.0052	0.0242	0.0170
RPP kWh Volumes	28,934,769	27,997,946	32,007,383	44,595,332	38,725,155
RPP Settlement - Original True-ups	\$ 427,681	\$ 208,847	\$ 162,558	\$ 990,064	\$ 636,051
RPP Settlement - Revised True-ups	\$ 462,361	\$ 215,878	\$ 166,955	\$ 1,077,692	\$ 659,678
Difference	\$ 34,680	\$ 7,031	\$ 4,397	\$ 87,628	\$ 23,627
	September	October	November	December	Total
RPP Energy Price used in initial final true-up	0.0145	0.0074	0.0206	0.0219	
Revised RPP Energy Price	0.0152	0.0069	0.0211	0.0229	
RPP kWh Volumes	30,226,378	28,562,119	33,120,369	34,885,602	
RPP Settlement - Original True-ups	\$ 438,238	\$ 210,058	\$ 683,000	\$ 764,901	
RPP Settlement - Revised True-ups	\$ 460,152	\$ 198,160	\$ 697,443	\$ 799,996	
Difference	\$ 21,914	\$ (11,898)	\$ 14,443	\$ 35,095	\$ 216,917

- ii. \$219,756 relating to November 2019 true-ups as a result of comparing the revised true-up adjustments to the initial November submission instead of the 1st true-up adjustment that had been recorded in 2019.

- iii. \$824,325 for corrections 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. BPI had initially made some changes to the OEB illustrative model that resulted in the RPP vs Non-RPP Cost of Power Journal Entry True-up of CT 148 being linked to the initial balances recorded in 1588 and 1589 from the accrual of the IESO invoice. As a result, the adjustment to 1588 was not capturing the adjustments to RPP global adjustment that had taken place through the RPP true-up adjustments. As any correction to account 1589 had already been completed through the detailed review of account 1589 in completing the global adjustment workform, the correction as a result of this issue was required between 1588 and IESO Clearing. See Table 3 below for an example.

**Table 3: Example of Correction to GA adjustment for RPP Settlement - June 2019**

June 2019 Example		Due to (from) IESO	1588	1589	Total
CT-148 initially recorded from IESO Invoice accrual	A	-	4,524,035	3,730,596	8,254,631
RPP Global Adjustment settlement with IESO - 1st True-up		(334,496)	334,496		-
RPP Global Adjustment settlement with IESO - 2nd True-up		99,970	(99,970)		-
	B	(234,526)	234,526	-	-
CT-148 Final true-up based on revised corrections	C		4,447,083	3,807,548	8,254,631
Adjustment that was recorded through revised true-up corrections	C - A		(76,952)	76,952	0
Further adjustment required to correct between 1588 and IESO Clearing *		234,526	(234,526)		-

\* As CT-148 adjustment to 1588 should have reflected adjustments that were made during the RPP true-up process, a correction was required to reverse the amount that was recorded between 1588 and IESO Clearing. The total of \$8,254,631 was paid to the IESO for CT-148 as part of the payment of the IESO invoice.