

Grimsby Power Incorporated (Grimsby Power)
EB-2020-0025

Staff Question-1

Ref: Manager's Summary, p. 14

Grimsby Power states that to dispose of the (\$17,652) balance in account 1598, it is proposing a volumetric rate rider of (\$0.0003) for all Non RPP Class B customers with the exception of the Embedded Distributor. Please confirm the reference to a (\$17,652) balance in account 1598 belongs to account 1589.

Grimsby Power Response

Grimsby Power confirms that the reference to (\$17,652) belongs to 1589 not 1598. On page 14 there was a typo and 1598 was typed instead of 1589.

Staff Question-2

Ref: Rate Generator Model, Tab 3

The closing 2019 principal balance for Account 1588, adjusted for dispositions during 2020, is \$189,136. Typically, large balances are not expected for Account 1588, as it should only hold the difference between actual and approved line losses associated with RPP-related commodity costs. Please explain the large closing 2019 principal balance for Account 1588 in consideration of line losses.

Grimsby Power Response

Grimsby Power provided an analytical review of account 1588 for 2019 as Appendix H of the IRM submitted August 17, 2020.

In the review submitted there was a difference of (17,866) between the UFE variance and the 2019 DVA transactions. Grimsby Power reviewed the quantities used in the 2019 analytical review to determine the impact of losses on the 2019 balance.

Upon review Grimsby Power noticed that the unaccounted for loss was high for the month of December. Grimsby Power went back to the settlement for December 2019 and noticed that the split between RPP and Non RPP was abnormal. In the true up submission for the settlement of the COP and GA for RPP customers the percentage allocated to RPP customers for approximately 55% and the percentage allocated to Non RPP was approximately 45%. This is inconsistent with usage patterns between RPP and Non RPP that is typically somewhere around 50/50. The reason behind the high percentage split for RPP was that when the true up was completed the unbilled kWh for December was not removed but the actual kWh for December was added.

To correct the error the unbilled kWh for December was removed and the 1588 review and commodity model and was adjusted to reflect the change and quantify the impact of the change. After removing the December unbilled kWh's the retail volume decreased reducing the RPP revenue used in the true up.

Furthermore, there were kWh's were booked in December that related to November invoicing. To correct this 120,225 kWh's were moved to November from December again reducing December retail volumes and changing the percentage of wholesale volume for RPP. Again, adjustments were made in the 1588 review and commodity model to quantify the impact of the change.

Another correction was made to October where the second tier of RPP volume was high due to a formula error. The correction changed the quantities allocated to the tiered and TOU volumes changing the revenues and costs associated with RPP customers. Again, adjustments were made in the 1588 review and commodity model to quantify the impact of the changes.

After those adjustments, the IESO would owe Grimsby Power an additional \$106,838 dollars reducing the 2019 DVA transactions by \$106,838.

The table below shows the difference between the initial 2nd true up and the 2nd true up reflecting the changes noted above.

Original					RPP				
Original 2nd True Up					Revised 2nd True Up				
Month	RPP Revenue True Up	Energy True Up	Global Adjustment True Up	Total	Month	RPP Revenue True Up	Energy True Up	Global Adjustment True Up	Total
October	\$ 91,699.53	\$ 1.23	\$ 14,569.03	\$ 77,129.28	October	-1685,784132	1.23	(1,895.50)	\$ 208.49
November	\$ (20,581.54)	\$ 7,279.34	\$ (28,178.79)	\$ 317.90	November	488,5731659	6,239.27	(12,535.73)	\$ 6,785.03
December	\$ 89,723.48	\$ (6,782.84)	\$ 93,452.23	\$ 3,054.09	December	6,671.17	6,782.74	33,218.67	\$ (33,330.24)
Total	\$ 160,841.47	\$ 497.73	\$ 79,842.47	\$ 80,501.27	Total		(7,549.28)	(18,787.44)	\$ 26,336.72

Difference Between Original 2nd True Up and Revised 2nd True Up
- 76,920.79
6,467.13
- 36,384.33
-106,837.99

Grimsby Power has provided an updated 1588 Analytical Review below.

Account 1588 RSVA Analytical Review

1. RPP Customers Unaccounted for Energy (Line Loss) Variance

2019	Energy Wholesale kWh Volumes (Note 1)	Energy Retail kWh Volumes	Weighted Average RPP Price Billed	Expected Monthly UFE Variance - RPP
	A	B	C	D= (A-B)XC
January	10,730,013.18	10,638,809.30	0.1077	\$ 9,822.26
February	9,312,724.10	9,240,859.43	0.1164	\$ 8,367.05
March	9,475,255.38	9,419,559.24	0.1082	\$ 6,028.10
April	8,166,937.38	8,043,902.06	0.1390	\$ 17,102.22
May	8,037,139.25	8,049,864.14	0.1300	\$ 1,653.78
June	9,343,698.63	9,279,847.43	0.1430	\$ 9,130.06
July	13,938,831.42	13,932,438.24	0.1216	\$ 777.60
August	12,265,771.66	12,186,556.39	0.1433	\$ 11,351.70
September	9,627,910.81	9,484,721.03	0.1377	\$ 19,178.90
October	8,312,513.54	8,196,762.59	0.1446	\$ 16,734.30
November	9,414,537.09	9,192,462.67	0.1222	\$ 27,139.65
December	10,540,477.21	10,496,240.39	0.1151	\$ 5,082.45
Total	119,165,809.54	118,162,022.90		\$ 129,610.52

Note 1: the energy wholesale kWh Volumes should include the energy supplied by embedded generator

2. Non-RPP Unaccounted for Energy (Line Loss) Variance

2019	Energy Wholesale kWh Volumes	Weighted Average Energy Price (HOEP)	Total Cost	Energy Retail kWh Volumes	Weighted Average Energy Price (HOEP)	Total Revenues	Non-RPP UFE (Line loss) Variance
	a	b	c= a x b	d	e (should equal to b)	f= d x e	g= c-f
January	8,480,747.87	0.02869	\$ 243,295.45	8,411,053.73	0.02869	\$ 241,296.07	\$ 1,999.38
February	8,077,311.93	0.02929	\$ 236,504.34	8,016,950.82	0.02929	\$ 234,726.96	\$ 1,767.38
March	8,565,258.78	0.02798	\$ 239,665.42	8,516,569.00	0.02798	\$ 238,303.03	\$ 1,362.39
April	7,605,447.97	0.01664	\$ 126,586.69	7,495,113.15	0.01664	\$ 124,750.25	\$ 1,836.44
May	9,188,768.35	0.01131	\$ 103,886.17	9,202,848.79	0.01131	\$ 104,045.36	\$ -159.19
June	10,034,572.23	0.00597	\$ 59,919.17	9,967,951.97	0.00597	\$ 59,521.36	\$ 397.81
July	13,244,541.88	0.02024	\$ 268,088.04	13,238,629.81	0.02024	\$ 267,968.37	\$ 119.67
August	12,085,857.61	0.01688	\$ 204,064.32	12,009,729.17	0.01688	\$ 202,778.93	\$ 1,285.39
September	10,277,848.05	0.01549	\$ 159,160.26	10,129,990.89	0.01549	\$ 156,870.58	\$ 2,289.68
October	9,488,598.86	0.00812	\$ 79,013.86	9,506,403.46	0.00812	\$ 79,078.78	\$ 64.92
November	9,829,171.81	0.02116	\$ 208,033.75	9,991,733.75	0.02116	\$ 211,474.36	\$ 3,440.61
December	10,030,788.13	0.02473	\$ 248,022.34	9,719,139.93	0.02473	\$ 240,316.49	\$ 7,705.85
Total	116,918,913.48		\$ 2,176,239.80	116,206,114.47		\$ 2,161,140.54	\$ 15,099.26

3. Reasonableness Check on Account 1588 net transaction in the year

Table 40 - Account 1588 Balance Explanation

	1588 - RSVA Power - Balance Explanation
RPP LIFE Variance 2019	per above
Non-RPP LIFE Variance 2019	per above
Total LIFE Variance - expected in Account 1588	144,710
Transaction Debit/(Credit) during 2019 (per the DVA continuity schedule)	\$ 153,183
Difference \$	(8,473)
Difference %	-6%

Please explain if the difference is greater than 10%

In terms of losses on average, there is approximately 0.7% of unaccounted for losses.

Staff Question-3

Ref: GA Workform, Principal Adjustments Tab

Grimsby Power noted an adjustment to Account 1589 for \$116,738 related to the reversal of 2018 CT 148 true up of GA charges posted in 2019.

Note 5 Reconciling Items

Item	Amount	Explanation	Principal Adjustment on DVA Continuity Schedule	Principal Adjustments If "no", please provide an explanation
Net Change in Principal Balance in the GL (i.e. Transactions in the Year)	\$ (133,676)			
CT 148 True-up of GA Charges based on Actual Non-RPP		DR \$116,738 to reverse 2018 true up posted in 2019. This is a material amount and an adjustment has been made in the continuity schedule for 1589. The impact of the 2018 posted in 2019 on 1588 is an increase of \$70,884.51.	Yes	
1a Volumes - prior year	\$ 116,738			

Account 1589 - RSVA Global Adjustment			
Year	Adjustment Description	Amount	Year Recorded in GL
	Reversals of prior approved principal adjustments (auto-populated from table above)		
1	CR \$116,738 due to decrease in amount allocated to Non RPP from	116,738.00	2019
2			
3			
4			
5			
6			
7			
8			
	Total Reversal Principal Adjustments	116,738	

Account 1588 - RSVA Power			
Year	Adjustment Description	Amount	Year Recorded in GL
	Reversals of prior approved principal adjustments (auto-populated from table above)		
1	DR \$70,884.51 increase due to true up booked in 2019	(70,884.51)	2019
2			
3			
4			
5			
6			
7			
8			
	Total Reversal Principal Adjustments	(70,885)	

- Please explain why there is not a correspondent reversal entry for \$116,738 for Account 1588.
- Please explain why there are no similar adjustments for CT 148 true-ups made in 2019.
- Please enter the year in Note 8 (cells A43 and M43)

Grimsby Power Response

In 2019 Grimsby Power booked amounts in 1588 and 1589 that belonged to 2018. Those entries were booked as an adjustment to the continuity schedule in 2018 and thus needed to be reversed in 2019.

- The changes in kWh's, energy price and global adjustment in the true up from 2018 impacted account 1588 with an increase in RPP GA of \$116, 738 and an increase in the difference between the RPP revenue and the actual cost of energy (RPP revenue was higher) \$70,885.

The \$116,738 for RPP customers was reduced by the \$45,853 settled with the IESO for a total impact to 1588 of \$70,885.

- There are no similar true ups for 2019 because all adjustments for 2019 were booked in 2019.
- Grimsby Power has entered the year in Note 8.

Staff Question-4

Ref: Rate Generator Model, Tab 16

Grimsby Power chose Group 2 for the applicable stretch factor. Please updated Tab 16 of the Rate Generator Model to reflect that Grimsby Power is in the first grouping as per the latest PEG report.

Grimsby Power Response

In the initial submission, Grimsby Power chose Group 2 as the applicable stretch factor because the PEG report was not yet available. Grimsby Power has changed Tab 16 or the Rate Generator Model to reflect that it is now in Group 1.