

Staff Question-1

Ref: Tab 6. Class A Consumption Data in the 2021 IRM rate generator; EB-2019-0031, Tab 6. Class A Consumption Data in the 2020 IRM rate generator; Managers summary Page 16-17

OEB Staff notes that there are principal adjustments to 2018 balances in Accounts 1588 and 1589. Based on the 2020 IRM generator model, there were 15 customers that transitioned and were provided twelve equal billing adjustment credits based on the 2018 balances, which did not include the principal adjustments noted above.

1. Please provide the impacts for the 2018 transition customers, had the principal adjustments been accounted for in the total GA balance to be allocated.
2. Does Energy+ intend to make an adjustment for the 2018 transition customers based on the updated GA balance?
 - a. If so, please provide the methodology of how Energy+ will adjust the 2018 transition customers and whether there are any impacts to the 2019 transition customers.

RESPONSE

1. The transactions, disposition amounts and principal adjustments related to 2018 balances in Accounts 1588 and 1589 in the 2021 IRM Model DVA Continuity Schedule are consistent with what was approved in the 2020 IRM Application and 2020 IRM Model. Energy+ has not introduced any adjustments related to the 2018 balances in this application and believes the balances have been appropriately allocated to the 2018 transition customers.

Energy+ has however introduced principal adjustments related to 2017 balances in Accounts 1588 and 1589. The principal adjustment for Account 1589 is a reduction of \$500,200.

In the 2019 Cost of Service Application, 20 transition customers were allocated \$208,774, or 21.21%, of the total 2017 GA Balance of \$984,121 based on their consumption relative to total Class B consumption. Based on this allocation percentage, the reduction of \$500,200 in Account 1589 would result in a reduction of \$106,092 to the transition customers from 2017.

2. In the filed 2021 IRM Application, Energy+ proposed to dispose of the 2017 GA adjustment consistent with how 2019 balances would be disposed. The adjustment of (\$500,200) was allocated between current Class B customers and the 12 transition customers from 2019 using the methodology in the 2021 IRM Model.

Alternatively, the 2017 GA adjustment of (\$500,200) could be allocated between transition customers from 2017 and current Class B customers as follows:

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2017 Transition Customers	(\$106,092)
Current Class B Customers	(\$394,108)
Total	(\$500,200)

The 20 transition customers identified in the 2019 Cost of Service Application are active Energy+ customers and the adjustment could be allocated directly. The following table summarizes the impacts to those customers.

Customer	Total Metered Consumption (kWh) for Transition Customers During the Period They Were Class B Customers	% of kWh	2019 Cost of Service Allocated Balance	2021 IRM Application Allocated Balance	Difference in Allocated Balance	Equal Monthly Payments
Customer 1	66,106,442	40.21%	\$ 83,947	\$ 41,288	\$ (42,659)	\$ (3,555)
Customer 2	12,157,124	7.39%	\$ 15,438	\$ 7,593	\$ (7,845)	\$ (654)
Customer 3	7,709,552	4.69%	\$ 9,790	\$ 4,815	\$ (4,975)	\$ (415)
Customer 4	3,547,716	2.16%	\$ 4,505	\$ 2,216	\$ (2,289)	\$ (191)
Customer 5	2,964,611	1.80%	\$ 3,765	\$ 1,852	\$ (1,913)	\$ (159)
Customer 6	1,333,985	0.81%	\$ 1,694	\$ 833	\$ (861)	\$ (72)
Customer 7	4,396,338	2.67%	\$ 5,583	\$ 2,746	\$ (2,837)	\$ (236)
Customer 8	7,668,704	4.66%	\$ 9,738	\$ 4,790	\$ (4,949)	\$ (412)
Customer 9	2,469,086	1.50%	\$ 3,135	\$ 1,542	\$ (1,593)	\$ (133)
Customer 10	3,281,785	2.00%	\$ 4,167	\$ 2,050	\$ (2,118)	\$ (176)
Customer 11	3,164,446	1.92%	\$ 4,018	\$ 1,976	\$ (2,042)	\$ (170)
Customer 12	8,056,926	4.90%	\$ 10,231	\$ 5,032	\$ (5,199)	\$ (433)
Customer 13	3,139,241	1.91%	\$ 3,986	\$ 1,961	\$ (2,026)	\$ (169)
Customer 14	6,202,606	3.77%	\$ 7,877	\$ 3,874	\$ (4,003)	\$ (334)
Customer 15	4,966,869	3.02%	\$ 6,307	\$ 3,102	\$ (3,205)	\$ (267)
Customer 16	5,929,892	3.61%	\$ 7,530	\$ 3,704	\$ (3,827)	\$ (319)
Customer 17	6,354,470	3.87%	\$ 8,069	\$ 3,969	\$ (4,101)	\$ (342)
Customer 18	610,622	0.37%	\$ 775	\$ 381	\$ (394)	\$ (33)
Customer 19	9,324,967	5.67%	\$ 11,842	\$ 5,824	\$ (6,017)	\$ (501)
Customer 20	5,019,536	3.05%	\$ 6,374	\$ 3,135	\$ (3,239)	\$ (270)
TOTAL	164,404,919	100.00%	\$ 208,774	\$ 102,682	\$ (106,092)	\$ (8,841)

The adjustment of (\$394,108) would need to be applied directly to the Class B customers, and not included as part of the balance that is allocated to the 12 transition customers in the 2021 IRM Model. The 2021 IRM Model would need to be unlocked and manually updated to accomplish this change.

Staff Question-2

Ref: Tab 11. RTSR- UTRs & Sub-Tx in the 2021 IRM rate generator; Tab 12. RTSR-Historical Wholesale in the IRM rate generator.

OEB Staff notes in Tab 12 under the IESO section in June for Network (Cell E24), Line Connection (I24) and Transformation connection (Cell M24), the rates are not consistent with Tab 11.

Please reconcile the amounts and update the Rate Generator Model, as necessary.

RESPONSE

Energy+ has revised Tab 12 of the 2021 IRM Model and has adjusted the June figures in the IESO section for Network, Line Connection and Transformation Connection.

The initial submission was based on rates from the preliminary June IESO statement, which was subsequently adjusted on the Final invoice. The rates on Tab 12 in the 2021 IRM model are now consistent with Tab 11.

Staff Question-3

Ref: Tab 3. Continuity schedule in the 2021 IRM rate generator; Tab 3. Continuity schedule in the 2020 IRM rate generator.

The OEB-Approved Disposition during 2019 in Variance WMS- Subaccount CBR Class B (Account 1580) and RSVA Global Power (Account 1589) have variances between the 2021 and 2020 IRM rate generator model. The amounts for each account and for each year of the rate generator are shown below.

	2020 IRM rate generator	2021 IRM rate generator
Variance WMS- Subaccount CBR Class B (Account 1580)	10,543	9,757
RSVA Global Power (Account 1589)	953,949	745,176

Please reconcile the differences and, if necessary, update the 2021 DVA Continuity Schedule.

RESPONSE

The differences between the 2020 IRM Model and 2021 IRM Model were a result of the disposition balances that were allocated to transition customers for Accounts 1580 and 1589.

Consistent with previous rate applications, Energy+ recorded the disposition amounts for transition customers, as well as their associated recoveries in Accounts 1580 and 1589. Since the approved disposition for transition customers is fully recovered there is no overall impact to the closing balances of the D&V accounts.

Energy+ has revised the 2021 IRM Model Continuity Schedule and the OEB-approved disposition balances are now aligned with the 2020 IRM Model. Energy+ also updated the accounting process for 2020 to ensure that the OEB-approved disposition for transition customers and their associated recoveries are recorded in Account 1595 going forward.

Staff Question-4

Ref: Manager's Summary, Principal Adjustments in 2019 D&V Account Continuity Schedule

On Page 18 of the Manager Summary, Energy+ states: "Table 11: Principal Adjustments from Revised Settlement Process summarizes the adjusting entry for 2019 that was recorded in the GL in 2020. The adjusting entry related to the revised settlement process (\$189,376) for 1588 and \$47,812 for 1589, has been recorded as a principal adjustment on the 2019 D&V Continuity schedule".

Please explain what changes in the settlement process led to these adjustments.

RESPONSE

In the 2020 IRM Application, Energy+ outlined the changes to the settlement process that were required to comply with the new accounting guidance for commodity accounts. Energy+ also confirmed that the changes were implemented as of August 31, 2019.

In 2019, Energy+ completed the required process changes, however the final reconciliation of the 2019 balances back to January 1, 2019 was not completed until 2020. The review was prepared in 2020 so that a completed data set of billing information was available. The reconciliation resulted in adjustments to the 2019 balances that were recorded in the GL in 2020.

Consistent with the methodology approved in the 2020 IRM Application for 2018 balances, Energy+ reconciled the 2019 balances under the new accounting guidance. The principal adjustments result from correcting both revenue and expense to be captured on an actual consumption basis and using the 1st GA Estimate. This addressed any inaccuracies that came from using billed consumption or unbilled estimates for revenue. The correction also addresses the RPP/non-RPP split of GA costs on an actual consumption basis.

The adjustments for 2017 balances were also prepared using this methodology.

Staff Question-5

Ref: Tab 3. Continuity schedule in the 2021 IRM rate generator.

The closing principal balance, adjusted for dispositions in 2020, in Account 1588 is (\$1,009,971), notably driven by the high transactions in 2018 (\$1,701,671). Typically, large balances are not expected for Account 1588 as it should only hold the difference between actual and approved line losses. Please explain the large closing principal balance and 2019 transactions for Account 1588, in consideration of line losses.

RESPONSE

The closing balance of \$1,009,971 in Account 1588 represents the RSVA - Power variance attributable to line losses in 2019, plus adjustments to prior year balances that have been outlined in the GA Analysis Workform.

As Energy+ finalizes the adoption of the new accounting guidance in context of historical balances, the transactions need to be contemplated with the principal adjustments included. The transactions represent what has been recorded to the GL that year. The principal adjustments are used to update balances that could not be recorded to the GL in that year, or reverse adjustments that were posted in the GL that belonged to a prior year.

The following table summarizes the DVA Continuity Schedule for Account 1588.

Year	Opening Balance	Transactions	OEB Approved Disposition	Principal Adjustments	Closing Balance
2017	\$ (3,501,863)	\$ 4,739,358	\$ -	\$ (5,636,070)	\$ (4,398,575)
2018	\$ (4,398,575)	\$ (1,712,440)	\$ (3,560,697)	\$ 1,310,175	\$ (1,240,143)
2019	\$ (1,240,143)	\$ (145,438)	\$ 590,913	\$ 550,865	\$ (1,425,629)
2020	\$ (1,425,629)	\$ (13,961)	\$ (429,619)	\$ -	\$ (1,009,971)

The following table summarizes the DVA Continuity Schedule had the adjustments been recorded in the year they were attributable to. This provides a more reasonable view of the RSVA - Power variances from year to year.

Year	Opening Balance	Transactions	OEB Approved Disposition	Principal Adjustments	Closing Balance
2017	\$ (3,501,863)	\$ (896,712)	\$ -	\$ -	\$ (4,398,575)
2018	\$ (4,398,575)	\$ (402,265)	\$ (3,560,697)	\$ -	\$ (1,240,143)
2019	\$ (1,240,143)	\$ 405,427	\$ 590,913	\$ -	\$ (1,425,629)
2020	\$ (1,425,629)	\$ (13,961)	\$ (429,619)	\$ -	\$ (1,009,971)