



Grimsby Power Incorporated

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September 8, 2021

Delivered by RESS
Ms. Christine Long, Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Suite 2700, P.O. Box 2319
Toronto, ON, M4P 1E4

Dear Ms. Long:

Re: EB-2021-0027
Grimsby Power Incorporated 2022 Cost of Service for Electricity
Grimsby Power Cost of Service Error Checking

On August 31, 2021 Grimsby Power received a file containing nine questions regarding Grimsby Power's Application (EB-2021-0027) identified during the error checking process.

Please find Grimsby Power's response to those nine questions on the following pages.

Sincerely,

Amy La Selva
Regulatory and Customer Accounts Supervisor
Grimsby Power Incorporated

**OEB Staff Clarification Questions
Grimsby Power Incorporated
2022 Cost of Service Application
EB-2021-0027
August 31, 2021**

Please ensure that all confidential information filed in response to the clarification questions or supporting documents are removed or treated in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

Question-1

In Appendix 2-AB, the 2016 OEB-approved System O&M is shown as \$1,448k and the actual spending is \$1,287k. In Appendix 2-JA, the 2016 OEB-approved and the actual amounts are reversed.

Grimsby Power Response

The correct amounts for the O&M in 2016 are: approved \$1,287k and actual \$1,448k.

Question-2

The 2022 cost of power is shown as \$29,756,512 in Table 2-18 in Exhibit 1, Tab 1, page 25 of 27, and calculated as \$29,774,890 in Appendix 2-ZB.

Grimsby Power Response

In comparing Table 2-18 and Appendix 2-ZB the calculated value of \$29,774,890 in Appendix 2-ZB is incorrect. Tab 2-ZB of the Chapter 2 Appendices as filed July 30, 2021 is missing the allocation of Transmission Network and Transmission Connection and Low Voltage to RPP for the GS>50 rate class. A formula that was allocating a portion of the kWh to RPP was removed in error this caused the non RPP portion to be too high and reduced the OER.

A total of \$54,498 should have been allocated to RPP for Transmission Network ($17,381\text{kWh} \times \$3.1354 = \$54,498$) and a total of \$25,761 should have been allocated to RPP for Transmission Connection ($17,381\text{kWh} \times \$1.4821 = \$25,761$). A total of \$16,997 should have been allocated to RPP for Low Voltage. The missing allocation changed the OER credit applied by \$18,381. The OER as filed was \$3,024,743 and should have been \$3,043,124 ($\$3,024,743 - \$18,381 = \$3,043,124$).

The change in OER brings the total filed of \$29,774,891 to \$29,756,513. Table 1 below highlights the differences.

Table 1

	2-ZB As Filed July 30, 2021			Table 2-18 Exhibit 2 Tab 1			Difference		
	RPP	non-RPP	Total	RPP	non-RPP	Total	RPP	non-RPP	Total
Electricity Commodity	13,621,134	2,629,989	16,251,123	13,621,134	2,629,989	16,251,123	-	-	-
Global Adjustment non-RPP		11,531,445	11,531,445		11,531,445	11,531,445	-	-	-
Transmission Network	1,027,265	1,426,524	2,453,789	1,081,763	1,372,026	2,453,789	54,498	- 54,498	-
Transmission Connection	459,260	447,470	906,730	485,021	421,709	906,730	25,761	- 25,761	-
Wholesale Market Service	394,282	409,868	804,151	394,282	409,868	804,151	-	-	-
Class A CBR		5,850	5,850		5,850	5,850	-	-	-
Class B CBR	52,571	46,849	99,420	52,571	46,849	99,420	-	-	-
RRRP	65,714	68,311	134,025	65,714	68,311	134,025	-	-	-
Low Voltage	301,225	229,395	530,619	318,222	212,401	530,623	16,997	- 16,994	4
Smart Meter Entity Charge	82,480		82,480	82,480		82,480	-	-	-
Sub Total	16,003,931	16,795,702	32,799,634	16,101,188	16,698,450	32,799,637	97,256	- 97,253	4
OER Credit 18.9%	- 3,024,743		- 3,024,743	- 3,043,124		- 3,043,124	- 18,381	-	- 18,381
Total	12,979,188	16,795,702	29,774,891	13,058,063	16,698,450	29,756,513	78,875	- 97,253	- 18,378

Furthermore, when reviewing 2-ZB and Question 8 Grimsby Power noticed that the Low Voltage rates in 2-ZB were incorrect.

The Low Voltage rates in 2-ZB should match the rates indicated in Table 8-11 of Exhibit 8, Tab 3, Page 4 of 4 below.

Rate Class	Billing Determinants		Allocated Low Voltage Charges	Low Voltage Charge Rates	
	Annualized kWh or kW	Unit of Measure		Low Voltage \$/kWh	Low Voltage \$/kW
Residential	98,116,964	kWh	\$232,197	\$0.0024	
General Service <50 kW	22,618,334	kWh	\$48,037	\$0.0021	
General Service 50 to 4,999 kW	223,982	kW	\$196,018		\$0.8751
Street Lighting	2,087	kW	\$1,340		\$0.6421
Unmetered Scattered Load	311,198	kWh	\$632	\$0.0020	
Embedded Distributor					
Total			\$478,224		

Grimsby Power has updated 2-ZB to include the allocation of Transmission Network, Transmission Connection and Low Voltage to RPP for the GS>50 rate class and corrected the Low Voltage rates. The updates are highlighted in yellow in 2-ZB (Table 3). The updates change the total Cost of Power from \$29,756,513 to \$29,712,018. Table 2 below provides the variances between Table 2-18 from Exhibit 2 and the corrected Cost of Power in 2-ZB.

Table 2

	Table 2-18 Exhibit 2 Tab 1			Corrected 2-ZB			Difference		
	RPP	non-RPP	Total	RPP	non-RPP	Total	RPP	non-RPP	Total
Electricity Commodity	13,621,134	2,629,989	16,251,123	13,621,134	2,629,989	16,251,123	-	-	-
Global Adjustment non-RPP	-	11,531,445	11,531,445	-	11,531,445	11,531,445	-	-	-
Transmission Network	1,081,763	1,372,026	2,453,789	1,081,763	1,372,026	2,453,789	-	-	-
Transmission Connection	485,021	421,709	906,730	485,021	421,709	906,730	-	-	-
Wholesale Market Service	394,282	409,868	804,151	394,282	409,868	804,151	-	-	-
Class A CBR	-	5,850	5,850	-	5,850	5,850	-	-	-
Class B CBR	52,571	46,849	99,420	52,571	46,849	99,420	-	-	-
RRRP	65,714	68,311	134,025	65,714	68,311	134,025	-	-	-
Low Voltage	318,222	212,401	530,623	290,818	190,130	480,949	- 27,404	- 22,271	- 49,674
Smart Meter Entity Charge	82,480	-	82,480	82,480	-	82,480	-	-	-
Sub Total	16,101,188	16,698,450	32,799,637	16,073,784	16,676,179	32,749,963	- 27,404	- 22,271	- 49,674
OER Credit 18.9%	- 3,043,124	-	- 3,043,124	- 3,037,945	-	- 3,037,945	5,179	-	5,179
Total	13,058,063	16,698,450	29,756,513	13,035,839	16,676,179	29,712,018	- 22,224	- 22,271	- 44,495

Table 3 below shows the updated 2-ZB and an updated Table 2-18.

Table 3

		2022 Test Year		RPP		2022 Test Year		non-RPP		Total					
Electricity Commodity	Units	Volume		Rate		\$		Volume		Rate		\$		\$	
Class per Load Forecast															
Residential	kWh	100,933,789				10,460,777.94		1,656,369				31,885			
GS<50kW	kWh	21,572,392				2,235,763		2,077,122				39,985			
GS>50 - 4,999 kW	kWh	8,606,314				891,958		73,432,418				1,413,574			
Streetlights	kWh	-				-		786,065				15,132			
Unmetered Scattered Load	kWh	314,890				32,635		10,496				202			
Embedded Distributor	kWh	-				-		58,660,344				1,129,212			
SUB-TOTAL		131,427,386				13,621,134		136,622,814				2,629,989		\$ 16,251,123	

Global Adjustment non-RPP		Units											
Class per Load Forecast			Volume	Rate	\$	Volume	Rate	\$	Volume	Rate	\$	Total	
Residential	kWh				\$ -							141,089.5	
GS<50kW	kWh				0							176,929.2	
GS>50 - 4,999 kW	kWh				0							6,148,887.5	
Streetlights	kWh				0							66,957.0	
Unmetered Scattered Load	kWh				0							894.1	
Embedded Distributor	kWh				0							4,996,688.1	
SUB-TOTAL			0		0							11,531,445	\$ 11,531,445

Transmission - Network		Units											
Class per Load Forecast			Volume	Rate	\$	Volume	Rate	\$	Volume	Rate	\$	Total	
Residential	kWh		100,933,789	0.0085	854,780	1,656,369	0.0085	14,027					
GS<50kW	kWh		21,572,392	0.0079	170,004	2,077,122	0.0079	16,369					
GS>50 - 4,999 kW	kW		17,381	3.1354	54,498	206,601	3.1354	647,782					
Streetlights	kW			2.3348	-	2,087	2.3348	4,873					
Unmetered Scattered Load	kWh		314,890	0.0079	2,482	10,496	0.0079	83					
Embedded Distributor	kW			4.1472	-	166,110	4.1472	688,892					
SUB-TOTAL					1,081,763			1,372,026				2,453,789	

Transmission - Connection		Units											
Class per Load Forecast			Volume	Rate	\$	Volume	Rate	\$	Volume	Rate	\$	Total	
Residential	kWh		100,933,789	0.0038	384,266	1,656,369	0.0038	6,306					
GS<50kW	kWh		21,572,392	0.0034	73,916	2,077,122	0.0034	7,117					
GS>50 - 4,999 kW	kW		17,381	1.4821	25,761	206,601	1.4821	306,205					
Streetlights	kW		-	1.0870	-	2,087	1.0870	2,269					
Unmetered Scattered Load	kWh		314,890	0.0034	1,079	10,496	0.0034	36					
Embedded Distributor	kW		-	0.6007	-	166,110	0.6007	99,777					
SUB-TOTAL					485,021			421,709				906,730	

Wholesale Market Service									
Class per Load Forecast		Units							
Residential	kWh		Volume	Rate	\$	Volume	Rate	\$	Total
GS<50kW	kWh		100,933,789	0.0030	302,801	1,656,369	0.0030	4,969	
GS>50 - 4,999 kW	kWh		21,572,392	0.0030	64,717	2,077,122	0.0030	6,231	
Streetlights	kWh		8,606,314	0.0030	25,819	73,432,418	0.0030	220,297	
Unmetered Scattered Load	kWh		-	0.0030	-	786,065	0.0030	2,358	
Embedded Distributor	kWh		314,890	0.0030	945	10,496	0.0030	31	
	kWh		-	0.0030	-	58,660,344	0.0030	175,981	
SUB-TOTAL					394,282			409,868	804,151
Class A CBR									
Class per Load Forecast		Units							
Residential			Volume	Rate	\$	Volume	Rate ⁴	\$	Total
GS<50kW					-			-	
GS>50 - 4,999 kW	kWh				-			-	
Streetlights					-	19,499,514	0.0003	5,850	
Unmetered Scattered Load					-			-	
Embedded Distributor					-			-	
					-			-	
SUB-TOTAL					-			5,850	5,850
Class B CBR									
Class per Load Forecast		Units							
Residential	kWh		Volume	Rate	\$	Volume	Rate	\$	Total
GS<50kW	kWh		100,933,789	0.0004	40,374	1,656,369	0.0004	663	
GS>50 - 4,999 kW	kWh		21,572,392	0.0004	8,629	2,077,122	0.0004	831	
Streetlights	kWh		8,606,314	0.0004	3,443	53,932,904	0.0004	21,573	
Unmetered Scattered Load	kWh		-	0.0004	-	786,065	0.0004	314	
Embedded Distributor	kWh		314,890	0.0004	126	10,496	0.0004	4	
	kWh		-	0.0004	-	58,660,344	0.0004	23,464	
SUB-TOTAL					52,571			46,849	99,420
RRRP									
Class per Load Forecast		Units							
Residential	kWh		Volume	Rate	\$	Volume	Rate	\$	Total
GS<50kW	kWh		100,933,789	0.0005	50,467	1,656,369	0.0005	828	
GS>50 - 4,999 kW	kWh		21,572,392	0.0005	10,786	2,077,122	0.0005	1,039	
Streetlights	kWh		8,606,314	0.0005	4,303	73,432,418	0.0005	36,716	
Unmetered Scattered Load	kWh		-	0.0005	-	786,065	0.0005	393	
Embedded Distributor	kWh		314,890	0.0005	157	10,496	0.0005	5	
	kWh		-	0.0005	-	58,660,344	0.0005	29,330	
SUB-TOTAL					65,714			68,311	134,025
Low Voltage - No TLF adjustment									
Class per Load Forecast		Units							
Residential			Volume	Rate	\$	Volume	Rate	\$	Total
GS<50kW			96,532,817.16	\$ 0.0024	231,679	1,584,146.96	0.0024	3,802	
GS>50 - 4,999 kW			20,631,780.47	\$ 0.0021	43,327	1,986,553.83	0.0021	4,172	
Streetlights			17,381	\$ 0.8751	15,210	206,601	0.8751	180,797	
Unmetered Scattered Load			-	\$ 0.6421	-	2,087	0.6421	1,340	
Embedded Distributor			301,159.77	\$ 0.0020	602	10,038.66	0.0020	20	
					-			-	
SUB-TOTAL					290,818			190,130	480,949
Smart Meter Entity Charge									
Class per Load Forecast			Customers	Rate	\$	Customers	Rate	\$	Total
Residential			11,213	0.57	76,699			-	
GS<50kW			845	0.57	5,782			-	
SUB-TOTAL					82,480			-	82,480
SUB- TOTAL					16,073,784			16,676,179	32,749,963
OER CREDIT ³		18.90%			(3,037,945)			0	(3,037,945)
TOTAL					13,035,839			16,676,179	29,712,018

The change in the Cost of Power changes the revenue requirement. Grimsby Power has filed updated versions of Chapter 2 Appendices (updated 2-ZB and 2-OA), updated Revenue Requirement Workform, updated Cost Allocation Model, updated Tariff Schedule and Bill Impacts and an updated PILs model to reflect the updated Cost of Power amount.

Question-3

The 2022 depreciation expense is shown as \$1,320,933 in Table 4-1 of Exhibit 4, Tab 1, page 2 of 9, and calculated as \$1,320,629 in Appendix 2-BA.

Grimsby Power Response

Table 4-1 of Exhibit 4, Tab 1 shows an incorrect value for the depreciation expense. The correct depreciation expense is \$1,320,629 as calculated in Appendix 2-BA. Below is an updated Table 4-1:

Description	2016 Board Approved	2022 Test Year	Variance \$	Variance %
Operations, Maintenance and Administration	3,134,546	3,998,267	863,721	27.55%
LEAP	7,528	8,485	957	12.71%
Property Tax	27,594	43,800	16,206	58.73%
Total Recoverable OM&A Expenses	3,169,668	4,050,552	880,884	27.79%
Depreciation	1,000,584	1,320,629	320,045	31.99%
PILs	36,311	268,205	231,894	638.63%
TOTAL	4,206,562	5,639,386	1,432,823	34.06%

Question-4

Regarding SAIDI and SAIFI measures, it was stated in Exhibit 1 that “By excluding 2019 adverse weather statistic, which represented 80% of the SAIFI and 72% of the SAIDI, SAIFI would have been 0.69 and SAIDI would have been 1.39.” (Exhibit 1, Tab 3, page 16 of 28). In Exhibit 2, it was stated that “The April and May 2019 events had a significant impact to GPIs reliability metrics. Excluding these two events from the calculations would have yielded a SAIDI of 1.56 and SAIFI of 2.01 for 2019.” (Exhibit 2, Tab 3, Attachment 1, page 33 of 678). Please reconcile or explain the difference.

Grimsby Power Response

The SAIDI and SAIFI measures provided in those two examples are based on two different sets of criteria. The set of criteria used in Exhibit 1 deals with the removal of adverse weather events to show the impact of weather on Grimsby Power’s reliability statistics. The criteria in Exhibit 2 is focused on removing two specific events dealing with equipment failures that occurred in April and May of 2019. The events removed in April and May were not adverse weather events so we would not be able to reconcile the two statistics.

After further review, the statement in Exhibit 1 is confirmed to be accurate were as the statement in Exhibit 2 needs to be corrected. The two specific events in April and May

of 2019 did have a significant impact on Grimsby Powers reliability however excluding the two specific events from the calculations would have yielded a SAIDI of 3.87 and a SAIFI of 3.06.

Question-5

In section 2.3.3 of the Filing Requirements, it was stated that “The balances recorded in Account 4375, Revenues from Non Rate-Regulated Utility Operations, and Account 4380, Expenses of Non Rate-Regulated Utility Operations, must reconcile to the balances recorded in Appendix 2-N – Shared Services and Corporate Cost Allocation for the three historic years, the bridge year and the test year. Any differences must be reconciled.” It appears balances recorded in Account 4375 and Account 4380 in Appendix 2-H do not reconcile to the balances recorded in Appendix 2-N for the historical years (2016-2020), bridge year (2021) and the test year (2022).

Grimsby Power Response

The balances in Account 4375 and Account 4380 in 2-H do not reconcile to 2-N because Grimsby Power does not book the expense for related party transactions to 4380. GPI accounts for the revenue from related party transaction in account 4375 but accounts for the expense in account 5615.

Question-6

The 2022 capital expenditure for the Replace Pad Mounted Transformer project is shown as \$56,521 in Table 44 in Exhibit 2, Tab 3, Attachment 1, page 108 of 678, and shown as \$84,253 in Appendix 2-AA.

Grimsby Power Response

The correct 2022 capital expenditure for the Replace Pad Mounted Transformer project is \$56,521, as shown in Table 44 in Exhibit 2, Tab 3, Attachment 1, page 108 of 678.

The amount of \$84,253 in Appendix 2-AA should be split between the Replace Pad Mounted Transformer project, \$56,521 and Primary Cable Testing program, \$27,732.

The Appendix 2-AA was changed accordingly.

Question-7

With respect to retail service charges, it was stated that “Grimsby Power is not proposing any changes to the retail service charges in this application.” Please clarify whether Grimsby Power is proposing to maintain the retail service charges at the 2021 level or to update them in accordance with the OEB’s decision.

Grimsby Power Response

It is GPI's intention to update retail service charges in accordance with the OEB's decision.

Question-8

The low voltages charges for the General Service greater than 50 kW rate class and Street Light rate classes are \$0.8751 and \$0.6421 per Table 8-11 of Exhibit 8 but are entered as \$0.8752 and \$0.6419 on the tariff of rates and charges.

Grimsby Power Response

The correct low voltage charges are \$0.8751 and \$0.6421 as per Table 8-11 of Exhibit 8. GPI has updated the tariff of rates and charges accordingly.

Question-9

Please enter the period of rate recovery (# years) in Tab 1, cell H17 of the LRAMVA workform.

Grimsby Power Response

Grimsby Power has updated the LRAMVA workform Tab 1, cell H17 to reflect 1 year as the period of rate recovery. An updated LRAMVA workform has been submitted.