

Festival Hydro Inc. EB-2021-0024

Please note, Festival Hydro Inc. is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff questions and any other supporting documentation, do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

Staff Question-1

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

Festival Hydro has inputted a credit amount of \$75,724 for account 1595 (2021) under the "Principal Disposition during 2021- instructed by OEB" and a debit amount of \$5,929 for the same account under the "Interest Disposition during 2021- instructed by OEB".

Account Descriptions	Account Number	Principal Disposition during 2021 - instructed by OEB	Interest Disposition during 2021 - instructed by OEB	Closing Balance 31, 2021
Group 1 Accounts				
LV Variance Account	1550	71,978	655	
Smart Metering Entity Charge Variance Account	1551	(3,857)	(662)	
RSVA - Wholesale Market Service Charge ⁵	1580	(121,135)	(5,131)	
Variance WMS – Sub-account CBR Class A ⁵	1580			
Variance WMS – Sub-account CBR Class B ⁵	1580	(29,025)	(323)	
RSVA - Retail Transmission Network Charge	1584	(77,031)	(4,248)	
RSVA - Retail Transmission Connection Charge	1586	50,133	4,212	
RSVA - Power ⁴	1588	22,730	(1,666)	
RSVA - Global Adjustment ⁴	1589	158,542	(1,106)	
Disposition and Recovery/Refund of Regulatory Balances (2015 and pre-2015) ³	1595			
Disposition and Recovery/Refund of Regulatory Balances (2016) ³	1595			
Disposition and Recovery/Refund of Regulatory Balances (2017) ³	1595			
Disposition and Recovery/Refund of Regulatory Balances (2018) ³	1595			
Disposition and Recovery/Refund of Regulatory Balances (2019) ³	1595			
Disposition and Recovery/Refund of Regulatory Balances (2020) ³	1595			
Disposition and Recovery/Refund of Regulatory Balances (2021) ³	1595			
<i>Not to be disposed of until two years after rate rider has expired and that balance has been audited. Refer to the Filing Requirements for disposition eligibility.</i>	1595	(75,724)	5,929	
RSVA - Global Adjustment requested for disposition	1590	158,542	(1,106)	

OEB staff was unable to reconcile these amounts with the balances approved for disposition during Festival Hydro's 2021 IRM proceeding. Please provide the details used to arrive at these input amounts.

OEB Staff-2

Reference: (i) GA Analysis Workform

Tab “GA 2020” of GA Analysis Workform shows a reconciling item #5 Impact of GA deferral of (\$978,146).

The Account 1588 Reasonability test on Tab “Account 1588” of the GA Analysis Workform is not completed for 2020 because the Account 4705 balance is not pulled from the RRR 2.1.7.

OEB staff completed the analysis for 2020 using the 2020 RRR 2.1.7 balance reported for Account 4705 as below:

	Account 1588 - RSVA Power			Account 4705 - Power Purchased	Account 1588 as % of Account 4705
Year	Transactions ¹	Principal Adjustments ¹	Total Activity in Calendar Year		
2020	- 967,372	-	- 967,372	29,283,484	-3.3%

- a) Please provide the supporting calculation for the reconciling item #5, impact of GA deferral, of (\$978,146) by month.
- b) Please confirm the Account 1588 reasonability test for 2020 as calculated by OEB staff in the table above.
 - i) If confirmed, please explain why the 2020 transactions recorded in Account 1588 exceed 1% of Account 4705 amounts for that year.
 - ii) If not confirmed, please provide a revised calculation as applicable.

OEB Staff-3

Reference: (i) Account 1595 Analysis Workform
(ii) Manager's Summary, page 5

In explaining the variance between the 2020 RRR filing and the balance on the DVA continuity schedule, Festival Hydro states that:

Account 1595 (2018) does not agree to the 2020 RRR filing as a principle [sic] adjustment has been made in the continuity in the amount of \$(14,151) to correct for an error in the 2018 transactions which was identified while completing the 1595 workform as part of this Application. Festival Hydro will book the adjustment to the account within 2021 general ledger.

Festival Hydro is requesting the disposition of Account 1595 (2018) balance of \$72,940 in this application and has provided an analysis workform for this sub-account.

Per review of the Account 1595 analysis workform, OEB staff notes that the residual balance of \$72,940 in Account 1595 (2018) mainly comes from the residual balance of \$84,659 associated with 2018 GA amounts. Specifically, the GA rate rider for the rate class GS 50 to 4,999 KW was under-collected by Festival Hydro due to the actual billed consumption being less than half of the forecasted consumption when the rate riders were derived.

OEB staff reproduced the part of the analysis in Account 1595 Analysis Workform for this rate class's GA rate rider as shown below:

Rate Class	Unit	Allocated Balance to Rate Class as Approved by OEB	Denominator Used in Rider Calculation as Approved by OEB (annualized)	Calculated Rate Rider as Approved by OEB	Projected Consumption over Recovery Period	Billed Consumption (kWh/kW) that the rider was applied against**	Forecasted versus billed Consumption Variance (kWh/kW)	Calculated Variance (\$)	Calculated Variance (%)
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kWh	\$157,651	283,793,824	\$0.0006	283,793,824	125,107,592	158,686,232	\$95,212	60.4%

- a) Please explain why the actual billed consumption for GS 50 to 4,999 kW rate class was much lower than the projected consumption over the recovery period when the 2018 GA rate riders were derived and approved by the OEB.

Staff Question-4

Reference: (i) LRAMVA Workform, Tab 5 (2015-2020 LRAM)
(ii) IESO Final Verified Report (LDC Savings Persistence tab)

2015

The energy savings persisting from 2015 in Tab 5 of the LRAMVA Workform were reconciled to the IESO Final Verified Report (LDC Savings Persistence tab) with the exception of the following program:

- Efficiency: Equipment Replacement Incentive Initiative (specifically, adjustment to 2015 savings and streetlight adjustment to 2015 savings)

However, savings persistence values for the Efficiency: Equipment Replacement Incentive Initiative were reconciled to Tab 5 of the prior year LRAM Workform.

Please provide the details and calculations used to arrive at the 2015 persisting energy savings. In your response, please confirm the source documentation of the claimed energy savings persisting from 2015. If this documentation was not submitted as part of the initial application submission, please provide a copy.

2016

The energy savings persisting from 2016 in Tab 5 of the LRAMVA Workform were reconciled to the IESO Final Verified Report (LDC Savings Persistence tab) with the exception of the following program:

- Save on Energy Retrofit Program (specifically, Streetlighting adjustment to 2016 savings and, 2nd and 3rd adjustment to 2016 savings)

However, savings persistence values for the Save on Energy Retrofit Program were reconciled to Tab 5 of the prior year LRAM Workform for the “streetlight adjustment to 2016 savings” and “2nd adjustment to 2016 savings.” The “3rd adjustment to 2016 savings was reconciled to the current year LRAMVA WIP file.

Please provide the details and calculations used to arrive at the 2016 persisting energy savings. In your response, please confirm the source documentation of the claimed

energy savings persisting from 2016. If this documentation was not submitted as part of the initial application submission, please provide a copy.

2017, 2018 & 2019 Save on Energy Retrofit Program

The energy savings persisting from 2017, 2018, and 2019 in Tab 5 of the LRAMVA Workform could not be reconciled for the adjustments to 2017, 2018, and 2019 savings for the Save on Energy Retrofit Program.

Please provide further information on the savings adjustments, particularly the “second adjustment to 2017 savings” and the adjustments to 2018 and 2019 savings for the Save on Energy Retrofit Program. In your response, please discuss how the LRAMVA WIP file was developed and the source of the information.

2018

OEB staff was unable to reconcile the 2018 savings to IESO’s Savings Final Verified Report or P&C report for the Save on Energy Heating and Cooling Program.

Please provide the details and calculations used to arrive at the 2018 energy savings. In your response, please confirm the source documentation of the claimed energy savings.

2019

The energy savings persisting from 2019 claimed in Tab 5 of the LRAMVA Workform could not be reconciled for the Business Refrigeration Local Program.

Please provide details and calculations used to arrive at the 2019 energy savings and the persisting savings until 2028 for the aforementioned program. In your response, please confirm the source of the claimed electricity savings. If this documentation was not submitted as part of the initial application submission, please provide a copy.

Staff Question-5

Reference:

(i) IRM Rate Generator Model, Tab 4: Billing Det. for Def-Var

A selection has not been made for the checkbox at cell J4 for the above reference. Please confirm the volumetric data on Tab 4 of the IRM Rate Generator Model is accurate. If not, please outline any required changes for OEB Staff to make.

Staff Question-6

Reference: (i) IRM Rate Generator Model, Tab 20: Bill Impacts

OEB staff has identified that the Non-RPP Retailer Average Price and Average IESO Wholesale Market Price used at the above reference were incorrectly entered as \$0.2689. OEB staff has updated the pricing to reflect the correct amount of \$0.1060. Please confirm that the model included with these staff questions reflects this update.

Staff Question-7

Reference: (i) GA Analysis Workform, Tab: GA 2020

Festival Hydro notified OEB staff by email of its RRR revision made for the Class A Consumption (kWh) as shown below:

DATA TO BE CHANGED
As Filed:
*
Class A Consumption KWH = 250,809,335.18 KW = 561,209.59
As Revised:
*
Class A Consumption KWH = 250,776,395.88 KW = 561,209.59

OEB Staff has updated Note 2 on the "GA 2020" tab of the GA Analysis Workform accordingly. Please confirm the Note 2 data accurately reflects the revisions Festival Hydro made to its RRR filing. If not, please outline any required changes for OEB Staff to make.