

**InnPower Corporation
EB-2021-0036**

Please note, InnPower Corporation 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

**Ref: 2022 Rate Generator Model, Tab 3. Continuity Scheule, Cell BF32
1595 Analysis Workform, Tab 1595 2017**

The 1595 Analysis workform identifies that was for 2017, however in the Rate Generator Model, under tab 3, the entry for the same amount was made in Account 1595 (2016).

1. Was the principal adjustment made in 2016 or 2017, please also update the Rate Generator Model or 1595 Analysis Workform as required.
2. Has the 2017 principal adjustment been reported as an adjustment to the Reporting and Record Keeping Requirement filings?

Staff Question-2

**Ref: 2022 GA Analysis, Tab: Account 1588, Cell B64
2022 GA Analysis, Tab: Principal Adjustment, Cell J56 & V57**

The 2022 GA Analysis Workform notes that in 2020, there was a Principal Adjustment of \$143,948 and a total activity of \$1,428,143. Account 1588 as a percentage of Account 4705 is 4.9%. There was also a note that the InnPower is currently investigating the large variance due to unaccounted for energy that occurred in 2020.

OEB staff notes that there is an Unaccounted-for Energy Loss of \$301,328 in Account 1589 and (\$301,328) in Account 1588 in 2020.

1. Account 1588 is quite large with respect to Account 4705 (Cost of Power). Please explain the large activity in 2020.

2. Please also explain the large variance in the unaccounted-for energy that occurred in 2020.
3. Please explain why the expected volume variance would be recorded as a principal adjustment in the GA workform.

Staff Question-3

Ref: Sheet 20. Bill Impact

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 OEB staff questions reflects this update.

Staff Question-4

Ref: 1) InnPower_2022_GA_Analysis_Workform_1.0_20210722_20210818, Tab "Account 1588"

2) EB-2021-0036, page 16 of 32

3) Innpower+2021-IRM-Rate-Generator-Model_20201210.xlsb

4) InnPower_2022-IRM-Rate-Generator-Model_20210719_20210818.xlsb

Preamble:

At Reference 1, InnPower states it is currently investigating the large variance in account 1588 due to unaccounted for energy that occurred in 2020.

At reference 2, InnPower states the transaction amount \$1,572,092 shown in the Account 1588 tab of the GA Analysis Workform reflects the continuity schedule amount of \$3,547,294 less \$1,975,202 in the DVA audit adjustments correcting prior year balances.

Question:

- a) Please provide an update on the status of the investigation regarding the large variance in account 1588 due to unaccounted for energy occurred in 2020.
- b) Please confirm if InnPower is seeking disposition for account 1588 even if the difference mentioned above has not been resolved prior to the conclusion of this proceeding.

Staff Question- 5

Ref: 1) EB-2021-0036 – Appendix A - OEB Inspection Report – Group 1 Deferral and Variance Account

2) EB-2021-0036- 2022 Rate Generator Model, Tab 3. Continuity Scheule

3) EB-2020-0033- 2021 Rate Generator Model, Tab 3. Continuity Scheule

Preamble:

As per the Inspection Report cited in reference 1, OEB staff notes that due to a number of errors, InnPower did not conform with the OEB's accounting guidelines and materially misstated the balances as of December 31, 2019 reported for the following accounts:

- Account 1588 (RSVA – Power)
- Account 1589 (RSVA – GA)
- Account 1580 (RSVA – WMS)
- Account 1580 sub-account CBR Class B

Questions:

Please explain the difference in the following table between the two rate models.

Year, account, group	2022 Model	2021 Model
2019, 1580, RSVA	(649,652)	(556,413)
2019, 1580, Class B	(48,372)	17,687
2019, 1588, Power	(1,001,147)	1,267,537
2019, 1589, GA	2,038,364	(390,352)

Staff Question- 6

Ref: InnPower_2022_GA_Analysis_Workform_1.0_20210722_20210818.xlsb

Preamble:

In the 2020 tab of the GA Analysis Workform, InnPower has a reconciling item, as well as associated principal adjustments, in the amount of \$1,934,948 relating to the inspection. The note under principal adjustment says it was included in the 2021 IRM proceeding and disposed. Therefore, it appears that InnPower included the \$1.9M in the 2019 balance disposed in the 2021 IRM application but recorded the \$1.9M in the GL in 2020.

Question:

- a) Please confirm if the \$1.9M was disposed as part of last year's IRM application and that the principal adjustment was recorded in the GL in 2020.

- i. If not confirmed, please explain how the \$1.9M adjustment was treated for DVA disposition purposes and when it was recorded in the GL.
- b) If part a) above is confirmed, the \$1.9M should be captured as a reversal principal adjustment in the 2022 IRM and in the "Principal Adjustments" tab of the GA Analysis Workform. However, there is no such reversal. Please explain why not and revise the GA Analysis Workform as needed.
- c) There are no principal adjustments for Account 1588 in the principal adjustment tab of the GA Analysis Workform relating to the OEB inspection. Please explain how any adjustments from the OEB inspections were treated for DVA disposition purposes in the 2021 proceeding and this proceeding.
 - i. Please indicate when these adjustments were recorded in the GL.