

**ERTH Power Corporation  
EB-2021-0021**

Please note, ERTH Power Corporation (ERTH Power) 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*.

Please also note, OEB staff has updated the IRM Rate Generator Model attached to these questions for both rate zones in the following areas:

- Tab 11 Uniform Transmission Rates:<sup>1</sup>
  - Network Service Rate \$/kW 5.13
  - Line Connection Service Rate \$/kW 0.88
  - Transformation Connection Service Rate \$/kW 2.81
- Tab 11 Hydro One Sub-Transmission Rates:<sup>2</sup>
  - Network Service Rate \$/kW 4.3473
  - Line Connection Service Rate \$/kW 0.6788
  - Transformation Connection Service Rate \$/kW 2.3267
- Tab 16 cell B12 the Price Escalator has been updated with a value of 3.30%<sup>3</sup>
- Tab 17 Inflation Factors for Retail Service Charges have been updated to 3.30%<sup>4</sup>
- Tab 17 cell F39 Specific charge for access to the power poles - per pole/year (with the exception of wireless attachments) has been updated to \$34.76 and reference to approval on an interim basis has been removed on Tab 19

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<sup>1</sup> EB-2021-0276, Decision and Rate Order, December 16, 2021

<sup>2</sup> EB-2021-0032, Decision and Rate Order, December 14, 2021

<sup>3</sup> EB-2021-0212, Decision and Order, November 18, 2021

<sup>4</sup> EB-2021-0301, Decision and Order, November 25, 2021

OEB staff reproduced parts of ERTH Power's Account 1595 entries at Reference 1 for the Main Rate Zone:

Account 1595 (2018)		Account 1595 (2020)	
OEB-Approved Disposition during 2019 (Principal)	OEB-Approved Disposition during 2019 (Interest)	OEB-Approved Disposition during 2020 (Principal)	OEB-Approved Disposition during 2020 (Interest)
(1,046,735)	(65,132)	(177,081)	(88,916)

**Question(s):**

- a) OEB staff was unable to reconcile the amounts in the table above with the balances approved for disposition during ERTH Power's 2018 and 2020 IRM proceedings. Please provide the details used to arrive at these input amounts.

***ERTH Power used the following amounts to calculate the Account 1595 (2018) OEB Approved Principal and Interest balances for EB-2017-0038:***

OEB APPROVED DISPOSITION AMOUNTS -EB-2017-0038			
	Approved Principal Amount Dec. 2018	Approved Interest Amount Dec. 2018	Total Approval for 2016 Balances
1550 -Low Voltage	\$ 1,341,022.00	\$ 36,504.00	\$ 1,377,526.00
1551-Smart Meter Entity Variance	\$ (11,341.00)	\$ (242.00)	\$ (11,583.00)
1580-Wholesale Market Service	\$ (1,485,151.00)	\$ (44,452.00)	\$ (1,529,603.00)
1580-CBDR-Class B	\$ 98,953.00	\$ 2,986.00	\$ 101,939.00
1584-Network	\$ 55,210.00	\$ 1,244.00	\$ 56,454.00
1586-Connection	\$ 234,472.00	\$ 9,270.00	\$ 243,742.00
1588-Power	\$ 307,104.00	\$ 11,838.00	\$ 318,942.00
1588 -Global Adjustment	\$ 1,002,728.00	\$ 31,531.00	\$ 1,034,259.00
1595-2012 DVAD	\$ (612,925.00)	\$ 8,048.00	\$ (604,877.00)
1595-2014 DVAD	\$ 657,279.00	\$ (14,734.00)	\$ 642,545.00
1595-2015-DVAD	\$ (58,326.00)	\$ 5,457.00	\$ (52,869.00)
1508-Deferred IFRS Transition Costs	\$ 300,613.00	\$ 5,110.00	\$ 305,723.00
1508-OEB Cost Assessment	\$ 63,001.00	\$ 670.00	\$ 63,671.00
1568-LRAM	\$ 348,410.00	\$ 11,902.00	\$ 360,312.00
1576 -Accting Chgs -CGAAP	\$ (1,194,314.00)	\$ -	\$ (1,194,314.00)
<b>SubTotal</b>	<b>\$ 1,046,735.00</b>	<b>\$ 65,132.00</b>	<b>\$ 1,111,867.00</b>

***ERTH Power has discovered an error in recording the approved balances for 1595 (2020) in which some transactions from the customer rate rider were recorded as the approved balance. The correct Account 1595 (2020) approval is as follows:***

<b>Account 1595 (2020)</b>	
<b>OEB-Approved Disposition during 2020 (Principal)</b>	<b>OEB-Approved Disposition during 2020 (Interest)</b>
-174,867	-88,916

***The approved disposition of Principal and Interest for EB-2019-0033 was calculated as follows:***

<b>ERTH Power Main Rate Zone</b>				
<b>1595 Approved Disposition during 2020 -EB-2019-0033</b>				
		<b>Principal</b>	<b>Interest</b>	<b>TOTAL</b>
1550	\$	427,931	9506	
1551	-\$	13,514	-548	
1580	-\$	171,274	2476	
1580 CBDR B	-\$	1,793	-422	
1584	-\$	81,389	-776	
1586	\$	7,228	-342	
1595 (2016)	-\$	446,543	\$ 55,218.00	-\$ 391,325
TotL Group 1	-\$	279,354	\$ 65,112	-\$ 391,325
LRAM	\$	454,221	\$ 23,804	\$ 478,025
<b>TOTAL APPROVAL</b>	<b>\$</b>	<b>174,867</b>	<b>\$ 88,916</b>	<b>\$ 86,700</b>

***ERTH Power will remit a revised Continuity Schedule to reflect the above changes. There will be no changes to the total balances in account 1595 (2020) but the split between approved dispositions and transactions that occurred during 2020.***

## **OEB Staff-2: Goderich Rate Zone**

**Reference:** (1) IRM Rate Generator Model, Tab 3: Continuity Schedule

OEB staff has reproduced parts of ERTH Power's Account 1595 entries at Reference 1 for the Goderich Rate Zone:

<b>Account 1595 (2020)</b>	
<b>OEB-Approved Disposition during 2020 (Principal)</b>	<b>OEB-Approved Disposition during 2020 (Interest)</b>
(326,570)	(32,621)

**Question(s):**

- a) OEB staff was unable to reconcile the amounts in the table above with the balances approved for disposition during ERTH Power's 2020 IRM proceeding. Please provide the details used to arrive at these input amounts.

***ERTH Power has discovered an error in the Continuity schedule for Goderich Rate zone Account 1595 (2020). The Approved Disposition during 2020 should be as follows and as updated on the Continuity Schedule submitted with these revisions. The error occurred between the 2020 transactions and the Approved disposition during 2020 and did not affect the ending total amount of Principal and Interest for 1595 (2020). The Transaction during 2020 for 1595 (2020) have been updated on the Continuity schedule as well.***

Account 1595 (2020)	
OEB-Approved Disposition	OEB-Approved Disposition
-355,966	-30,926

***The above OEB approved disposition during 2020 for the Goderich rate zone was calculated as the table below from EB-2019-0033:***

Goderich Rate Zone			
1595 Approved Disposition during 2020 -EB-2019-0033			
	Principal	Interest	Total
1551	-\$ 2,437	-81	
1580	-\$ 10,964	941	
1580 CBDR B		-240	
1584	-\$ 64,881	-2008	
1586	\$ 62,213	3017	
1588	\$ 120,291	7089	
1589	\$ 168,302	18285	
	\$ 272,524	\$ 27,003	\$ 299,527
LRAM	\$ 86,408	\$ 3,923	\$ 90,331
Tax Sharing	-\$ 2,966		-\$ 2,966
Total Approval	\$ 355,966	\$ 30,926	\$ 386,892

As per Reference 1, the total claim amount in Account 1595 (2017) is a debit balance of \$5,990. OEB staff notes that in ERTH Power's 2017 IRM proceeding, the OEB approved a tax sharing amount of \$509 to be recorded in Account 1595 (2017) for disposition at a later date<sup>5</sup>. ERTH Power also did not dispose of any Group 1 balances in that proceeding.

**Question(s):**

- a) OEB staff was unable to reconcile the \$5,990 total claim amount in Account 1595 (2017). Please provide the details used to arrive at this balance.

***ERTH Power realizes that there should be no Account 1595 (2017) but it should be under Account 1595 (2018). It was filed in the 2020 year end RRR 2.1.7 as 1595-2017 as well. ERTH Power will adjust the Continuity schedule and move it to the 1595-2018 row and will submit a RRR revision request for the above amount.***

***The \$5,990 total claim is made up of the following:***

1595 (2018) 2020 year end Principal Balance	\$	33,758
1595 (218) 2020 year end Interest Balance	-\$	28,025
Interest Calculated for Jan 1, 2021 to April 30, 2022	\$	257
<b>Total Claim 1595-2018</b>	<b>\$</b>	<b>5,990</b>

***As well, the 1591-2018 claim should be filed as 1595-2019 as approved in the rate application EB-2019-0033. The Continuity schedule has been updated to reflect this change. ERTH Power will submit a RRR revision to reflect the 1595-2019 change as well.***

**OEB Staff-4: Both Rate Zones**

**Reference:** (1) Summary, pages 13, 29

It states that ERTH Power has determined that there is a billing inconsistency with respect to one of its wholesale metering points billed on its IESO invoice and is currently reviewing the findings with IESO staff. As such ERTH Power is not requesting disposition of these balance on an interim or final basis at this time for its Main Rate Zone or Goderich Rate Zone.

**Question(s):**

- a) Please provide any updates to the investigation with the IESO.

***ERTH Power is still in the process of reviewing the issue with the IESO and its settlement provider to determine the nature of the inconsistencies. Once the review is complete all adjustments will be filed and balances confirmed.***

- b) Please explain whether the billing inconsistency pertains to both rate zones.
- i. If it does not, please explain why disposition of Group 1 balances has not been requested for the unaffected rate zone.

***ERTH Power merged its Customer Information System in 2019 and as such receives a single IESO invoice. While we acknowledge that the billing inconsistency only applies to the Main Rate Zone the entire invoice is impacted and in order to be certain that the amounts allocated to each rate zone is accurate ERTH prefers to defer approval of these balances until the entire review is finalized.***

## **OEB Staff-5: Both Rate Zones**

**Reference:** (1) Summary, pages 13, 29

In the decision and orders for ERTH Power's 2020 and 2021 rate applications,<sup>5</sup> the OEB directed ERTH Power to file and address specific items in its application for 2022 rates. ERTH Power is currently investigating a billing inconsistency with the IESO and is not requesting disposition of Account 1588 and Account 1589.

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<sup>5</sup> EB-2016-0112, Decision and Rate Order, dated March 30, 2017

<sup>6</sup> EB-2019-0033 and EB-2020-0019, respectively

### **Question(s):**

- a) Please explain whether ERTH Power has addressed all the other items required per the 2020 and 2021 decision and rate orders, aside from the billing inconsistency that is currently being investigated.

***ERTH Power notes that the billing inconsistency currently being investigated is the item that needs to be addressed in order to correct the issues noted in its 2020 and 2021 applications.***

- b) Please confirm whether ERTH Power will be in a position to request disposition of Group 1 balances for both rate zones by its 2023 rate application.

***ERTH Power confirms that it will be in a position to request disposition of Group 1 balances for both rate zones before its 2023 rate application is filed.***

## **OEB Staff-6: Both Rate Zones**

**Reference:** (1) IRM Rate Generator Model, Tab 2: Current Tariff Schedule  
(2) IRM Rate Generator Model, Tab 4: Billing Det. for Def-Var

### **Question(s):**

- a) Please confirm the accuracy of the data at Reference 1 and 2 above for both rate zones. Otherwise, please outline any required changes for OEB staff to make.

***ERTH Power confirms the accuracy of both references above.***