

PUC Distribution Inc.

EB-2021-0054

Responses to OEB Staff Questions

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Staff Follow-Up Question – 1

Ref 1: Staff Question - 2

Question:

In the principal adjustment tab of the revised GA Analysis Workform, the “Breakdown of principal adjustments included in the last approved balance” was revised to include principal adjustments of \$1,412,851 in Account 1589 and (\$1,412,851) in Account 1588 for “Account 1589 includes amounts for Class A customers that needs to be adjusted out.” Please confirm that the principal adjustments were permanent 2019 principal adjustments to remove Class A transactions, and therefore, do not need to be reversed as 2020 principal adjustments.

Response:

Yes, the 2019 principal adjustments to remove Class A transactions were permanent and therefore do not need to be reversed as 2020 principal adjustments.

Staff Follow-Up Question - 2

Ref 1: Staff Question - 2

Question(s):

Regarding the principal adjustment to reallocate \$1,028,912 between Accounts 1588 and 1589,

- a) Please confirm that the credit to charge type 148 was recorded in Account 1588, and not Account 1589. Therefore, a principal adjustment for the credit charge type 148 is needed to reallocate amounts from Account 1588 to Account 1589.
- b) The principal adjustments were calculated to be \$1,028,912 by comparing i) the unadjusted GA actual rate reflected in the general ledger, to ii) the adjusted rate of \$0.115/kWh. As noted on page 4 of the OEB's May 15, 2020 [letter](#) regarding *Guidance to Electricity Distributors on Implementing the Emergency Order Regarding the Deferral of a Portion of the Global Adjustment*, the credit charge type 148 is calculated as the total Class B consumption derived by the IESO minus the RPP consumption as submitted by distributors in the RPP settlement process. Therefore, the net charge type 148 (i.e. charge type 148 plus credit to charge type 148) for non-RPP customers based on the IESO invoice may not equal \$0.115/kWh. The reconciling item should therefore, be calculated as the difference between the unadjusted rate as recorded in the general ledger and the actual rate paid to the IESO, which may not be \$0.115/kWh. Please revise the calculation of the reconciling item as necessary.

Response:

a) Yes, the credit to charge type 148 was recorded in Account 1588 and a principle adjustment is needed to reallocate amounts from account 1588 to 1589.

b) PUC allocated costs to the General Ledger based on the unadjusted rate. For the months of April, May and June an adjustment of \$1,092,874 was calculated using the adjusted rate of \$.115/kWh. PUC understands that the actual rate paid to IESO may not be \$0.115/kwh. PUC has calculated the actual rate paid to IESO in Table 1 Below, following the OEB's May 15, 2020 Guidance.

Table 1

i) the total amount for charge type 148 for the unadjusted Class B amount, (i.e. charge type 148 only, excluding the charge type 148 credit for "Non-RPP Class B Deferral Amount as per Emergency Order"), as found on the distributor's settlement statement divided by	\$ 7,036,652	\$ 6,418,218	\$ 5,489,333
ii) the distributor's Class B volumes for the calendar month	46,189,157.95	46,037,051.15	43,987,297.90
Actual Rate paid to IESO	0.15234	0.13941	0.12479

Based on these new actual rates paid to the IESO for the months of April, May and June, the principal adjustment would change from \$1,092,874 to \$954,918. PUC has reproduced Table 1 from OEB Staff Response 3 to show the updated calculation in Table 2 below.

Table 2

						Unadjusted		Unadjusted		Unadjusted
Calendar Month	Non-RPP Class B Including Loss Factor Billed Consumption (kWh)	Including Loss Adjusted Consumption, Adjusted for Unbilled (kWh)	GA Rate Billed to Customers (\$/kWh)	\$ Consumption at GA Rate Billed to Customers	GA Actual Rate Paid to IESO (\$/kWh)	GA Actual Rate Paid to IESO (\$/kWh)	\$ Consumption at Actual Rate Paid to IESO	\$ Consumption at Actual Rate Paid to IESO	Expected GA Price Variance (\$)	Expected GA Price Variance (Unadjusted)
	F	I = F-G+H	J	K = I*J	L		M = I*L		N=M-K	
April	11,484,586	11,484,586	0.13707	\$ 1,574,192	0.11500	0.15234	\$ 1,320,727	\$ 1,749,562	\$ (253,465)	\$ 175,370
May	13,786,691	13,786,691	0.09293	\$ 1,281,197	0.11500	0.13941	\$ 1,585,469	\$ 1,922,003	\$ 304,272	\$ 640,805
June	14,171,956	14,171,956	0.11500	\$ 1,629,775	0.11500	0.12479	\$ 1,629,775	\$ 1,768,518	\$ -	\$ 138,743
Total										\$ 954,918

This reconciling item has been updated in the GA Workform and model submitted with these responses.

Staff Follow-Up Question - 3

Ref 1: Staff Question - 4

Question:

The reconciling item for Impacts of the GA Deferral was quantified to be \$107,604. In the table that calculates the reconciling item, please confirm that the amounts in the “Non-RPP GA Cost \$ in General Ledger” reflect the net charge type 148 in the general ledger (i.e. charge type 148 plus the credit to charge type 148), after any revisions needed in response to Staff Follow-Up Question 2 above. If not, please revise the reconciling item and GA Analysis Workform as needed.

Response:

Yes, the amounts in the “Non-RPP GA cost \$ in General Ledger” reflect the net charge type 148 in the general ledger.