



Ontario
Energy
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BY EMAIL

September 28, 2022

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Marconi:

Re: EB-2022-0043 Application for 2023 Rates

In accordance with Procedural Order #1, please find attached the Ontario Energy Board (OEB) staff interrogatories in the above proceeding. The applicant and intervenors have been copied on this filing.

InnPower Corporation's responses to interrogatories are due by October 13, 2022.

Any questions relating to this letter should be directed to Kelli Benincasa at Kelli.Benincasa@oeb.ca or at 416-440-7624. The Board's toll-free number is 1-888-632-6273.

Yours truly,

Kelli Benincasa

Kelli Benincasa
Incentive Rate Setting & Regulatory Accounting

Encl.

**OEB Staff Interrogatories
InnPower Corporation
EB-2022-0043**

Please note, InnPower Corporation (InnPower) is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff interrogatories 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*.

OEB Staff – 1

Group 1 DVA accounts

Ref. 1: Manager's Summary, page 13

Ref 2: IRM Rate Generator, Tab.3 Continuity Schedule

In Reference 1, InnPower Corporation indicated the total balance of group 1 accounts is \$3,256,736 excluding Global adjustment. This amount does not match the balance of \$3,149,425 for the total group 1 balance excluding Global Adjustment in the continuity schedule of the IRM rate generator.

Question:

- a) Please confirm the balance of the group 1 accounts sought for disposition in the current application including and excluding the global adjustment balance.

OEB Staff – 2

Account 1588

Ref. 1: InnPower_2023_GA_Analysis_Workform_1.0_20220527.xlsb, Tab Account 1588

Ref. 2: EB-2021-0036, InnPower's Response to Staff question2

In reference 1, the total activity for account 1588 in the calendar year 2021 is about 2.0% when compared to the cost of power purchased. In response to Staff questions in EB-2021-0036 and as indicated in the account 1588 tab of the 2023 GA Analysis Workform, InnPower Corporation indicated there were several factors inaccurately reported for the years 2012 to 2016 in EB-2016-0085, including the supply facilities loss factor and wholesale consumption. InnPower Corporation concluded that as a result of

the inaccuracies reported, the loss factor of 1.0604 for the period 2017-2021 was understated resulting in an accumulation of costs not recovered in account 1588.

Question:

- a) Please further explain the large activity in Account 1588 in 2021.
- b) Please provide a correct calculation for the approved loss factor (i.e. reproduce Appendix 2-R in InnPower's last rebasing application) and compare it to the original Appendix 2-R as approved in InnPower's last rebasing application for the incorrect inputs used.
- c) Please provide quantify the impact of the incorrect approved loss factor on Account 1588.

OEB Staff – 3

Accounts 1584 - RSVA-Retail Transmission Network Charge, and Account 1586- RSVA Retail Transmission Connection Charge

Ref. 1: InnPower_2023-IRM-Rate-Generator-Model_20220721_20220803.xlsb

Ref. 2: dec_rate order_2022-IRM-Rate-Generator-Model_20211209.xlsb

In Reference 2, the transactions registered in 2020 for these two accounts were \$341,505 and \$319,070 respectively. In Reference 1, the transactions recorded in 2021 increased to \$650,424 and \$602,005.

Question:

- a) Please explain the drivers behind this significant increase in the transactions recorded in these two accounts.

OEB Staff – 4

Accounts 1588 and 1589

Ref. 1: InnPower_2022_GA_Analysis_Workform_1.0_20210722_20211105.xlsb

Ref. 2: InnPower_2023-IRM-Rate-Generator-Model_20220721_20220803.xlsb

Ref. 3: EB-2022-0043, page 14

As per the principal adjustment tab of InnPower's 2022 GA Analysis Workform shown in the tables below, the principal adjustments were included in the 2020 account 1589 and 1588 balances for disposition as they were recorded in the GL in 2021 instead of 2020.

The 2021 transactions in the 2023 DVA continuity schedule should agree with the 2021 transactions recorded in InnPower's GL, which would include the noted principal adjustments. Therefore, it appears that the adjustments would be double counted for disposition purposes if they are not reversed in the 2021 account 1589 and 1588 balances.

Account 1589 – RSVA Global Adjustment

<i>Current year principal adjustments</i>		
1	CT 148 true-up of GA Charges based on actual Non-RPP volumes	25,527 2021
2	Unbilled to actual revenue differences	(394) 2021
3	Unaccounted for energy loss	\$ 301,238 2021
4	Impact of GA deferral	26,939 2021
5		
6		
7		
8		
Total Current Year Principal Adjustments		353,310
Total Principal Adjustments to be Included on DVA Continuity Schedule/Tab 3 - IRM Rate Generator Model		2,782,026

Account 1588 – RSVA Power

<i>Current year principal adjustments</i>		
1	CT 148 true-up of GA Charges based on actual RPP volumes	(25,527) 2,021
2	CT 1142/142 true-up based on actuals	(128,534) 2,021
3	Unbilled to actual revenue differences	338,289 2,021
4	Unaccounted for energy loss	(301,238) 2,021
5	Impact of GA deferral	(26,939) 2,021
6		
7		
8		
Total Current Year Principal Adjustments		(143,948)
Total Principal Adjustments to be Included on DVA Continuity Schedule/Tab 3 - IRM Rate Generator Model		(2,412,632)

In reference 3, InnPower Corporation stated:

Please note, the prior year's principal adjustments have not been included in the current year's principal adjustment column (i.e. rate generator model), as they have been accounted for in the disposition amounts recorded during 2022. Including them as a reversal in the current year's balance would duplicate the amounts.

Question:

- Please explain InnPower's statement in consideration of the above and adjust the evidence if required.

OEB Staff – 5

Ref: IRM Rate Generator Tab 17, 19 and 20 Smart Meter Entity (SME) Charge

OEB staff has updated the SME charge from \$0.43 to \$0.42.

Question:

- a) Please confirm this is correct.

OEB Staff – 6

Ref. 1: IRM Rate Generator Tab 18

Ref. 2: Managers Summary Pages 16 – 17

In the approval for InnPower to defer its Cost of Service (CoS), the OEB requested InnPower seek disposition of a Group 2 account in the amount of (\$67,453) in its 2023 rate application, which is normally disposed of during a CoS application. In the Decision and Order for InnPower's last CoS proceeding (EB-2016-0085), two new variance accounts were created Account 1508 – Other Regulatory Assets, Sub-account differences in Revenue from Affiliate Services Account 1508 – Other Regulatory Assets, Sub-account differences in Expenses from Affiliate Services.

Question:

- a) Please provide an Excel spreadsheet of the rate rider calculations for the Group two accounts.
- b) Please update Tab 18 for the rate riders calculated.

OEB Staff – 7

Ref. 1: Managers Summary Page 18

Ref. 2: IRM Rate Generator Tab 6.1 GA, Tab 7, Tab 19 and Tab 20

InnPower has requested a 24-month recovery for the Sentinel Rate class to mitigate rate impacts over 10%.

Question:

- a) Please confirm OEB staff has updated Tabs 6.1 GA, Tab 7, Tab 19 and Tab 20 for the Sentinel rate class correctly.

OEB Staff – 8

Ref. 1: Managers Summary Page 17

The 2021 CDM Guidelines (section 8) require distributors filing an application for 2023 rates to seek disposition of all outstanding LRAMVA balances related to previously established thresholds, including approval of LRAM-eligible amounts in future years (arising from persisting savings) until a distributor's next rebasing application, unless a distributor does not have complete information on eligible savings.

Questions:

1. Please confirm that the Niagara-on-the-Lake Hydro will not be seeking to dispose of any balance in the LRAMVA due to LRAM-eligible CDM activities funded by the IESO through the Conservation First Framework or Interim Framework in a future year's application.
 - a) If not confirmed, please explain why a request for disposition was not submitted as part of this application.
 - b) If confirmed, please also confirm that InnPower has verified that, relative to the LRAMVA threshold (if any) established in InnPower most recent rebasing application, the balance in the LRAMVA, and any prospective LRAM-eligible amounts until the next rebasing, are either zero or a debit (i.e., not a credit that would need to be refunded to customers).