



PUBLIC INTEREST ADVOCACY CENTRE
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October 27, 2022

VIA E-MAIL

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Marconi:

**Re: EB-2022-0043 Innpower Corporation
Final Submissions of Vulnerable Energy Consumers Coalition (VECC)**

Please find enclosed the final submissions of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

John Lawford

Counsel for VECC

Copy to: Laura Hampton, Innpower Corporation

EB-2022-0043
INNPOWER CORPORATION

**Application for electricity distribution rates beginning
January 1, 2023**

VECC's Submission October 27, 2023

INNPOWER CORPORATION (InnPower) filed an incentive rate-setting mechanism application with the Ontario Energy Board (OEB) on August 3, 2022 under section 78 of the Ontario Energy Board Act, 1998, S.O. 1998, c. 15, (Schedule B) seeking approval for changes to the rates that InnPower charges for electricity distribution beginning January 1, 2023. VECC's submissions are in relation to InnPower's request to dispose of Group 2 Account balances.

Group 2 Account Balances

InnPower seeks disposition of a credit amount of \$67,453 in additional revenue offsets to be refunded to customers.

Background

As per the OEB's Decision in InnPower's last cost of service proceeding¹, the OEB undertook an audit of InnPower's affiliate transactions to ensure its allocation of costs and approach to costing and applicable revenue complies with the Affiliate Relationships Code (ARC). The Decision and Order also directed InnPower to create two new variance accounts effective January 1, 2018 - one to record the difference between the approved forecast affiliate revenues of \$757,539 and "appropriate actual" revenues as determined by the audit, and the other to record the difference between the approved forecast affiliate expenses of \$704,939 and the fully allocated costs as determined by the audit.²

The audit results were communicated to InnPower by letter dated April 9, 2019.³ The results indicate that in 2018, \$162,871 was recorded in the affiliate revenue variance account and \$95,418 was recorded in the affiliate expenses variance account. The net impact of the audit is a credit amount of \$67,453 in additional revenue offsets to be refunded to customers, subject to OEB approval to dispose of the variance accounts in another proceeding.

The credit amount of \$67,453 was recorded in a Group 2 account (Account 1508) which is normally disposed of during a rebasing application. InnPower was originally scheduled to file a

¹ EB-2016-0085 Decision and Order March 8, 2018, p. 17

² Appendix E, p.1

³ Appendix E, p.2

rebasing application for 2022 rates but the OEB granted a one year deferral. InnPower was granted a second and final rebasing deferral by the OEB for 2023 rates and was further directed by the OEB to seek disposition of the \$67,453 credit amount in its 2023 Price Cap Incentive application,⁴ in advance of its cost of service application for 2024 rates.

For the period January 1, 2018 to December 31, 2021, InnPower incurred (\$9,393.29) in interest for affiliate revenue and \$5,656.32 for affiliate expenses for a net impact of (\$3,736.97). The projected interest for 2022 is (\$2,438.99) for affiliate revenue and \$1,428.88 for affiliate expenses for a net impact of (\$1,010.10). The total net interest for the period January 2018 to December 2022 totals (\$4,476.08).

In the current 2023 Price Cap Incentive application, InnPower seeks disposition of the \$67,453 credit amount plus \$4,746.08 in net interest for the period January 1, 2018 to December 31, 2022 for a total of \$72,199.08.

VECC has reviewed the evidence including interest calculations for the years 2018 to 2022 and supports InnPower's proposal to dispose of the \$67,453 credit amount as directed by the OEB plus \$4,746.08 in net interest for the period January 1, 2018 to December 31, 2022.

⁴ Appendix C, p. 1