

EB-2023-0109

Newmarket-Tay Power Distribution Ltd.

2023 IRM Application

Responses to VECC Interrogatories

EB-2023-0109

**Newmarket-Tay Power Distribution Ltd.
Application to dispose of balances in certain
deferral and variance accounts.**

VECC Interrogatories April 17, 2023

VECC-1

Ref: Decision and Rate Order EB-2022-0050 Page 10

The Decision states “After a review of the evidence, the OEB has determined that the disposition of balances in Accounts 1588 and 1589 will require further adjudication, because their disposition may give rise to rate retroactivity. The OEB’s concern in this regard relates to the double entries in Account 1589 in 2020, where the 2020 balance was disposed on a final basis in Newmarket-Tay Power’s 2022 IRM decision and order. Therefore, for the Newmarket-Tay rate zone, the OEB only approves the disposition of a debit balance of \$1,230,137 as of December 31, 2021, including interest projected to April 30, 2023, for Group 1 accounts on a final basis. This amount excludes a debit balance of \$925,296 in Accounts 1588 and 1589.

Please discuss Newmarket-Tay Power’s view of the disposition of balances in Accounts 1588 and 1589 and if this gives rise to rate retroactivity. If not, why not.

Response:

NT Power’s view of the disposition of balances in Accounts 1588 and 1589 is to follow the OEB’s decision that the disposition of the balances in Accounts 1588 and 1589 will require further adjudication. The OEB has discretion to determine on a case-by-case basis whether to make a retroactive adjustment based on the particular circumstances of each case, and with respect to Accounts 1588 and 1589 the OEB addressed this explicitly in its letter “Adjustments to Correct for Errors in Electricity Distributor “Pass-Through” Variance Accounts After Disposition” October 31, 2019 which VECC cites in VECC-4.

VECC-2

Ref: EB-2022-0050 Manager's Summary Page 15

The application states "NT Power reconciled the 2021 GA accounts for NTRZ and MRZ post the 2021 yearend due to staffing issues."

- a) When did Newmarket-Tay Power reconcile the 2021 GA Accounts? Please provide the date.
- b) When is the 2021 yearend?
- c) Please explain the staffing issues and their contribution to the current reconciliation.
- d) Please explain if the staffing issues persist.
- e) Please discuss how the staffing issues have been/will be resolved.
- f) When does Newmarket-Tay Power plan to reconcile the 2022 yearend?

Response:

- a) NT Power reconciled the 2021 GA accounts in October 2022.
- b) The 2021 yearend is December 31, 2021.
- c) The staffing issues and impact to the 2021 GA workform reconciliation was due to the COVID pandemic and the resulting staffing issues. Staffing issues such as turnover, stress leave and difficulty hiring experienced staff. This resulted in the 2021 GA workform reconciliation being completed in October 2022.
- d) The staffing issues have persisted and have caused the 2022 GA workform reconciliation to be completed by Q3 2023.
- e) Staffing issues have been addressed or will be addressed by hiring two staff, training staff and documentation of the reconciliation process. Note NT Power has hired staff from outside the industry due to the limited regulatory human resource pool.
- f) Please see response 2d).

VECC-3

Ref: Manager's Summary Page 15

NTRZ had submitted a post settlement class A adjustment in October 2020 for (\$768,874) and accrued the adjustment in December 2020 by debiting AR IESO and crediting GA 1589. It was determined the IESO posted the adjustment on the December 2020 invoice in September 2021. The adjustment was reversed in 2021 crediting AR IESO and debiting GA 1589.

- a) Please provide the IESO December 2020 invoice and the adjustment in September 2021.
- b) Why did the IESO post the adjustment in September 2021?
- c) When was the adjustment reversed?

Response:

- a) Please see Appendix A for the IESO December 2020 invoice. NT Power confirmed with the IESO in September 2021 that the IESO posted the adjustment within the December 2020 IESO invoice.
- b) Please see response 3a).
- c) NT Power reversed the December 2020 adjustment accrual in 2021.

VECC-4

Ref: OEB letter “Adjustments to Correct for Errors in Electricity Distributor “Pass-Through” Variance Accounts After Disposition” October 31, 2019 Page 2

The letter states:

“Where an accounting or other error is discovered after the balance in one of the above-listed variance accounts has been cleared by a final order of the OEB, the OEB will determine on a case-by-case basis whether to make a retroactive adjustment based on the particular circumstances of each case, including factors such as:

- whether the error was within the control of the distributor
- the frequency with which the distributor has made the same error
- failure to follow guidance provided by the OEB
- the degree to which other distributors are making similar errors”

Please provide Newmarket-Tay Power’s response to the above factors.

Response:

NT Power provided the response to this question via OEB Staff-7a)ii) file link [NTPower_IRR_20230123.PDF](#) as follows:

The error was outside the control of NT Power due to IESO staffing changes which caused delays confirming when the adjustment was recorded by the IESO. The IESO initially advised the Oct 2020 post settlement adjustment would be on the Feb or March 2021 IESO invoice. NT Power attempted to confirm the posting of the adjustment within the Feb 2021 invoice several times and a response was provided Sept 2021 that the adjustment was in fact posted to the Dec 2020 invoice. NT Power did not fail to follow OEB guidance for handling GA adjustments as the error was a result of timing to confirm when the adjustment was reflected on the IESO invoice. NT Power has not made this type of error in the past and is not aware other distributors have made similar errors.

**Independent Electricity System Operator
PHYSICAL INVOICE**

Independent Electricity System Operator
Station A, Box 4474
Toronto, ON
M5W 4E5

HST: 870513959RT0002

Issue / Re-Issue Date: 15-JAN-2021

NEWMARKET - TAY POWER
DISTRIBUTION LTD.
590 Steven Court
Newmarket, ON L3Y 6Z2
Canada

Invoice: PI00033086
Invoice Date: 15-JAN-2021
MP ID: 102105
MP GST/HST: R121489629RT0001

Please send payment by WIRE or EFT to:

Bank Name: [REDACTED]
Bank ID Number: [REDACTED]
Bank Account Number: [REDACTED]

Bank Acc Type: [REDACTED]
Bank Transit Number: [REDACTED]

For all inquiries contact:
IESO Account Representative
Tel: 905-403-6900
Toll Free: 1-888-448-7777

Comments:

Charges for settlement statements issued: From 01-DEC-2020 To 31-DEC-2020

Charge Type	Description	Amount
101	NET ENERGY MARKET SETTLEMENT FOR NON-DISPATCHABLE LOAD	\$836,007.76
102	TR CLEARING ACCOUNT CREDIT	\$0.98
142	REGULATED PRICE PLAN SETTLEMENT AMOUNT	\$534,923.82
147	CLASS A GLOBAL ADJUSTMENT SETTLEMENT AMOUNT	\$598,659.08
148	CLASS B GLOBAL ADJUSTMENT SETTLEMENT AMOUNT	\$4,891,916.74
150	NET ENERGY MARKET SETTLEMENT UPLIFT	\$26,311.05
155	CONGESTION MANAGEMENT SETTLEMENT UPLIFT	\$40,072.27
169	STATION SERVICE REIMBURSEMENT DEBIT	\$1,024.56
183	GENERATION COST GUARANTEE RECOVERY DEBIT	\$16,560.94
186	INTERTIE FAILURE CHARGE REBATE	(\$339.15)
250	10-MINUTE SPINNING MARKET RESERVE HOURLY UPLIFT	\$8,314.10
252	10-MINUTE NON-SPINNING MARKET RESERVE HOURLY UPLIFT	\$5,521.43
254	30-MINUTE OPERATING RESERVE MARKET HOURLY UPLIFT	\$3,977.52
450	BLACK START CAPABILITY SETTLEMENT DEBIT	\$564.53
451	HOURLY REACTIVE SUPPORT AND VOLTAGE CONTROL SETTLEMENT DEBIT	\$6,154.93
452	MONTHLY REACTIVE SUPPORT AND VOLTAGE CONTROL SETTLEMENT DEBIT	\$689.15
454	REGULATION SERVICE SETTLEMENT DEBIT	\$13,988.52
650	NETWORK SERVICE CHARGE	\$355,230.40

651	LINE CONNECTION SERVICE CHARGE	\$93,077.32
652	TRANSFORMATION CONNECTION SERVICE CHARGE	\$223,577.48
753	RURAL RATE SETTLEMENT CHARGE	\$25,843.25
900	GST/HST CREDIT	(\$156,852.21)
950	GST/HST DEBIT	\$1,052,427.09
1350	CAPACITY BASED RECOVERY AMOUNT FOR CLASS A LOADS	\$1,704.89
1351	CAPACITY BASED RECOVERY AMOUNT FOR CLASS B LOADS	\$10,977.20
1412	FEED-IN TARIFF PROGRAM SETTLEMENT AMOUNT	(\$50,109.12)
1416	CONSERVATION AND DEMAND MANAGEMENT-COMPENSATION SETTLEMENT CREDIT	(\$5,235.35)
1420	ONTARIO ELECTRICITY SUPPORT PROGRAM SETTLEMENT AMOUNT	(\$80,720.77)
1463	RENEWABLE GENERATION CONNECTION - MONTHLY COMPENSATION AMOUNT SETTLEMENT DEBIT	\$842.23
1477	COVID-19 ENERGY ASSISTANCE PROGRAM (CEAP) SETTLEMENT AMOUNT	(\$6,895.00)
1550	DAY-AHEAD PRODUCTION COST GUARANTEE RECOVERY DEBIT	\$7,355.01
1650	FORECASTING SERVICE BALANCING AMOUNT	\$414.01
2148	CLASS B GA PP CORRECTION SETTLEMENT AMOUNT	(\$847,301.33)
9980	SMART METERING CHARGE	\$24,762.51
9983	ONTARIO ELECTRICITY REBATE SETTLEMENT AMOUNT	(\$285,710.36)
9990	IESO ADMINISTRATION CHARGE	\$63,550.75

Invoice Total:

SCAD

7,411,286.23

Payment Due Date 19-JAN-2021**This invoice also constitutes a debit/credit note for GST/HST purposes**