

Grimsby Power Incorporated
EB-2024-0027
October 1, 2024

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2025 IRM question

Staff Question-1

Ref 1: 2024 IRM Rate Generator Model, Continuity Schedule, Tab 3

Ref 2: IRM Rate Generator – DVA Tabs Instructions - 2024 Rates

Ref 3: OEB Guidance for Electricity Distributors with Forgone Revenues Due to Postponed Rate Implementation from COVID-19, August 6, 2020, page 5

On July 18, 2023, the OEB issued the DVA Tabs Instructions for the 2024 IRM Rate Generator Model. Pages 1 and 3 noted that Account 1509 - Impacts Arising from the COVID-19 Emergency, Subaccount Forgone Revenues from Postponing Rate Implementation was added to the model. A separate rider is calculated for this account in Tab 7, if the disposition is approved.

Regarding Account 1509, Impacts Arising from the COVID-19 Emergency Account, Sub-account Forgone Revenues from Postponing Rate Implementation, the following steps are noted in the August 6, 2020 guidance:

1. Upon implementation of the forgone revenue rate rider that is calculated from the Forgone Revenue Model, the rate rider transactions will be recorded in the same Forgone Revenues Sub-account. This will draw down the accumulated balance of actual forgone revenues/amounts.
2. Any residual balance after the expiry of the rate riders should be requested for final disposition in a future rate application (cost of service or IRM), once the balance has been audited in accordance with normal deferral and variance account disposition practices.

3. If disposition is approved, the residual balance in the Forgone Revenues Sub-account should be disposed proportionately by customer class and the residual balance will be transferred to Account 1595.

Question(s):

- a) Please update Tab 3 (Continuity Schedule) and Tab 4 as necessary to reflect a balance in Account 1509 – Impacts Arising from the COVID-19 Emergency, Subaccount Forgone Revenues from Postponing Rate Implementation. Please complete the above-noted steps #1, #2, #3.
- b) If this balance is not applicable, please explain.

GPI Response

- a) GPI did not update Tab 3. GPI does not have balance in Account 1509 – Impacts Arising from the COVID-19 Emergency, Subaccount Forgone Revenues from Postponing Rate Implementation. GPI agreed to eliminate the balance and forego the disposition of any balance in account 1509 as part of our Settlement Agreement from our 2022 Cost of Service application. On page 39 of 51 of the settlement proposal from EB-2021-0027 is states:

“The Parties agree that GPI’s proposals for deferral and variance accounts are appropriate, including the proposed disposition of those accounts as shown in Table 19, subject to the following revisions:

- a) *GPI originally proposed to dispose a balance of \$80,199, including approximately \$2,500 recorded in the exceptional pool (e.g., implementation costs of emergency time-of-use rates, CEAP and deferred global adjustment charges for electricity distributors), in Account 1509 – Impacts Arising from the COVID-19 Emergency. GPI agrees to forego disposition of the amounts tracked in Account 1509 – Impacts Arising from the COVID-19 Emergency for the year 2020.”*

The last time the 1509 account showed a balance was 2020.

- b) See response to a) above.

Staff Question-2

Ref: Rate Generator Model, Tab 3, Continuity Schedule

On September 13, 2024, the OEB published the 2024 Quarter 4 prescribed accounting interest rates applicable to the carrying charges of deferral, variance and construction work in progress (CWIP) accounts of natural gas utilities, electricity distributors and other rate-regulated entities.

Question:

- a) Please update Tab 3 (Continuity Schedule) as necessary to reflect the Q4 2024 OEB-prescribed interest rate of 4.40%.

GPI Response

- a) GPI recalculated the projected interest for Q4 2024 with the updated prescribed rate of 4.4%. The total recalculated projected interest on Dec 31, 2023 balance adjusted for disposition is \$19,072.79, down from the initial \$19,818.53. Tab 3 (Continuity Schedule) column BQ was adjusted to reflect the change in the prescribed interest.

Staff Question-3

Ref: Rate Generator Model, Tab 12, RTSR – Historical Wholesale

On Tab 12 of the Rate Generator Model, OEB staff notes that for the month of July, Grimsby Power has reported the January-June IESO Network and Line Connection rates.

IESO Month	Network			Line Connection			Transformation Connection			Total Connection
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	27,157	\$5.60	\$ 152,079	27,958	\$0.92	\$ 25,721		\$0.00		\$ 25,721
February	24,891	\$5.60	\$ 139,390	28,450	\$0.92	\$ 26,174		\$0.00		\$ 26,174
March	25,323	\$5.60	\$ 141,809	26,287	\$0.92	\$ 24,184		\$0.00		\$ 24,184
April	22,308	\$5.60	\$ 124,925	25,686	\$0.92	\$ 23,631		\$0.00		\$ 23,631
May	32,455	\$5.60	\$ 181,748	33,766	\$0.92	\$ 31,065		\$0.00		\$ 31,065
June	34,064	\$5.60	\$ 190,758	36,410	\$0.92	\$ 33,497		\$0.00		\$ 33,497
July	37,879	\$5.60	\$ 212,122	38,394	\$0.92	\$ 35,322		\$0.00		\$ 35,322
August	29,605	\$5.37	\$ 158,979	34,169	\$0.88	\$ 30,069		\$0.00		\$ 30,069
September	55,076	\$5.37	\$ 295,758	55,076	\$0.88	\$ 48,467		\$0.00		\$ 48,467
October	32,545	\$5.37	\$ 174,767	34,091	\$0.88	\$ 30,000		\$0.00		\$ 30,000
November	24,769	\$5.37	\$ 133,010	26,731	\$0.88	\$ 23,523		\$0.00		\$ 23,523
December	25,010	\$5.37	\$ 134,304	28,691	\$0.88	\$ 25,248		\$0.00		\$ 25,248
Total	371,082	\$ 5.50	\$ 2,039,648	395,709	\$ 0.90	\$ 356,902		\$ -	\$ -	\$ 356,902

Question:

- a) Please update the Rate Generator Model for the month of July to reflect the July-December Network and Line Connection values.

GPI Response

- a) The rate column in Tab 12. RTSR – Historical Wholesale is a calculated field. The calculation divides the amount charged by the quantity to provide the rate for the month. In July of 2023 Grimsby Power was charged \$5.60 for Network Service Charge and \$0.92 for Line Connection Service Charge. The images below show charge type 650 and 651 from our July 2023 IESO invoice and the corresponding charges with quantities from charge type lines. GPI did not update the Rate Generator Model Tab 12 as it appropriately reflects charges from July 2023.

**Independent Electricity System Operator
PHYSICAL INVOICE**

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

Issue / Re-Issue Date: 15-AUG-2023

GRIMSBY POWER
INCORPORATED
231 Roberts Road
Grimsby, ON L3M 5N2
Canada

Invoice: [REDACTED]
Invoice Date: 15-AUG-2023
MP ID: [REDACTED]
MP GST/HST: [REDACTED]

Please send payment by WIRE or EFT to:
[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-JUL-2023 To 31-JUL-2023

Charge Type	Description	Amount
650	NETWORK SERVICE CHARGE	\$212,122.40
651	LINE CONNECTION SERVICE CHARGE	\$35,322.48

DP|650|31-JUL-2023|0|0|-212122.4|ONZN|[REDACTED]|C|-37879.0|5.6
DP|651|31-JUL-2023|0|0|-35322.48|ONZN|[REDACTED]|C|-38394.0|0.92

Staff Question-4

Ref 1: EB-2024-0027, Grimsby Power Incorporated, Tab 3, Continuity Schedule, Columns BM and BN

Ref 2: EB-2023-0025, 2024 Rates Application, Decision and Order, Issued January 1, 2024

Ref 3: EB-2022-0035, 2023 Rates Application, Decision and Order, Issued January 1, 2023

Ref 4: EB-2021-002, 2022 Rates Application, Decision and Order, Issued January 13, 2022

Ref 5: Chapter-3-Filing-Requirements-20240618, page. 14

Chapter 3 of the Filing Requirements in Reference 3 specifies that, when the OEB approves the disposition of Deferral and Variance Account (DVA) balances, the approved principal amounts and carrying charges are to be transferred to Account 1595 for the applicable rate year.

OEB staff notes that the transfer of OEB approved disposition amounts from 2022 to 2024 rate applications are not reflected in Account 1595, Sub-account (2024), (2023), (2022) for the respective rate years in Ref. 1.

Question(s):

- a) OEB staff requests that Grimsby Power explain why the transfer of OEB-approved disposition amounts is not reflected in Sub-account 1595 (2024) in Ref. 1

GPI Response

- a) The transfer of OEB approved disposition amounts was not reflected in 1595 (2024) column BM and BN because the 2020 vintage year was not selected in Tab 1. GPI has adjusted the earliest vintage year in which there is a balance in account 1595 to 2020, from 2021 (Tab 1. Information Sheet, cell F47). This opened the continuity schedule to include Disposition and Recovery/Refund of Regulatory Balances (2020). The activity amounts from 1595 (2020) were added to the continuity schedule and the approved disposition amounts for 1595 (2020) were added to column BM and BN. The impact on the total claim is nil.