

Midland Power Utility Corporation
EB-2017-0060
November 13, 2017

Staff Question - 1

Ref: Cell C63 from Tab 3. Continuity Schedule has been reproduced below.

³ The individual sub-accounts as well as the total for all Account 1595 sub-accounts is to agree to the RRR data. Differences need to be explained. For each Account 1595 sub-account, the transfer of the balance approved for disposition into Account 1595 is to be recorded in "OEB Approved Disposition" column. The recovery/refund is to be recorded in the "Transaction" column. The audited balance in the account is only to be disposed a year after the recovery/refund period has been completed. Generally, no further transactions would be expected to flow through the account after that. Any vintage year of Account 1595 is only to be disposed once on a final basis. No further dispositions of these accounts are generally expected thereafter, unless justified by the distributor. Select the "Check to dispose of account" checkbox in column BT if the sub-account is requested for disposition.

Ref: A Portion of the Tab 3 Continuity Schedule has been reproduced below.

Disposition and Recovery/Refund of Regulatory Balances (2012) ³	1595	<input checked="" type="checkbox"/> Check to Dispose of Account	818	0	(0)
Disposition and Recovery/Refund of Regulatory Balances (2013) ³	1595	<input checked="" type="checkbox"/> Check to Dispose of Account	98	0	0
Disposition and Recovery/Refund of Regulatory Balances (2014) ³	1595	<input checked="" type="checkbox"/> Check to Dispose of Account	492	8,000	(6,583)
Disposition and Recovery/Refund of Regulatory Balances (2015) ³	1595	<input checked="" type="checkbox"/> Check to Dispose of Account	488,768	(898)	0

Midland Power is requesting disposition of account 1595-2012 debit balance of \$818, account 1595-2013 debit balance of \$98, account 1595-2014 debit balance \$492, and account 1595-2015 credit balance \$898.

- A. Please confirm whether Midland Power has requested disposition of these sub-accounts previously.
- B. When did the rate rider relating to each IRM cease?
- C. What audited financial statements did Midland Power base these dispositions on previously and what does each balance pertain to?

Midland PUC Response:

- a) Midland PUC requested disposition of Account 1595 sub-account 2012 balances in EB-2015-0088 and requested further disposition of the residual balances in EB-2016-0092. As noted on page 14 of the 2018 IRM Manager's Summary (second paragraph), due to inadvertence, the refund of the interest balances disposed in 2016 (EB-2015-0088) was higher than the approved amounts by \$894. In addition, transactions in 2016 of \$76 further reduced the difference to a credit balance of \$818. This credit balance was approved for disposition in the 2017 IRM EB-2016-0092 in error and Midland PUC is now asking for recovery in 2018.

Midland PUC requested disposition of Account 1595 sub-account 2013 balances in EB-2015-0088 and requested further disposition of the residual balances in EB-2016-0092. In the 2017 IRM (EB-2016-0092), Account 1595 sub-account 2013, the projected interest for the period January 1, 2017 to April 30, 2017 was not included. This resulted in an interest balance of \$98 which Midland PUC is currently requesting for disposition.

Midland PUC requested disposition of Account 1595 sub-account 2014 in EB-2016-0092. Upon review of the 2018 IRM Rate Generator Model, Midland PUC noted the projected interest in the in cells BQ35 & BQ36 were incorrect. Midland PUC has adjusted the model accordingly which provides for a revised disposition amount of \$41. A revised copy of the 2018 IRM Rate Generator Model is attached.

Midland PUC has not previously requested disposition of Account 1595 sub-account 2015.

b) Please see the table below which summarizes when each IRM rate rider ceased.

Midland Power Utility Corporation		
Rate Rider Summary		
at December 31, 2016		
Rate Rider	Application Number	Year Rate Rider Ceased
Disposition and Recovery of Regulatory Balances (2012)	EB-2011-0182	30-Apr-13
Disposition and Recovery of Regulatory Balances (2013)	EB-2012-0147	30-Apr-14
Disposition and Recovery of Regulatory Balances (2014)	EB-2013-0151	30-Apr-15
Disposition and Recovery of Regulatory Balances (2015)	EB-2014-0093	30-Apr-16

c) Please see the table below which summarizes the rate rider activity and residual account balances along with the audited financial statements of the original approved OEB approved disposition amounts.

Midland Power Utility Corporation						
Rate Rider Summary						
at December 31, 2016						
Rate Rider	Application Number	Approved Rate Rider Dispositon Period	Balance of Original OEB Approved Dispositon	Remaining Residual Balance	Audited Financial Statements of Approved Disposition	Audited Financial Statements of Approved Rate Rider Subsequent Customer Collections/Refunds
Disposition and Recovery of Regulatory Balances (2012)	EB-2011-0182	May 1, 2012 - April 30, 2013	-\$ 634,915	\$ 818	2010	2012, 2013
Disposition and Recovery of Regulatory Balances (2013)	EB-2012-0147	May 1, 2013 - April 30, 2014	\$ 339,302	\$ 98	2011	2013, 2014
Disposition and Recovery of Regulatory Balances (2014)	EB-2013-0151	May 1, 2014 - April 30, 2015	-\$ 390,665	\$ 41	2012	2014, 2015
Disposition and Recovery of Regulatory Balances (2015)	EB-2014-0093	May 1, 2015 - April 30, 2016	\$ 336,335	-\$ 898	2013	2015, 2016

Staff Question - 2

Ref: A portion of Tab 3. Continuity Schedule is reproduced below.

Disposition and Recovery/Refund of Regulatory Balances (2012) ³	1595	818 Check to Dispose of Account	818	0	(0)
Disposition and Recovery/Refund of Regulatory Balances (2013) ³	1595	98 Check to Dispose of Account	98	0	0
Disposition and Recovery/Refund of Regulatory Balances (2014) ³	1595	492 Check to Dispose of Account	492	8,000	(6,583)
Disposition and Recovery/Refund of Regulatory Balances (2015) ³	1595	488,768 Check to Dispose of Account	(898)	(898)	0

Ref: A portion of the Managers Summary from Page 14 has been reproduced below.

On Sheet 3 – Continuity Schedule, Account #1595 – Disposition and Recovery/Refund of Regulatory Balances (2014) there is a variance of (\$6,583). Due to inadvertence, the Shared Tax disposition balances for 2010 to 2012 were grouped with this account in the 2016 Trial Balance filing. These amounts have since been reallocated to sub-account of #1595 which will be disposed of at a later date.

- A. Please provide the 1595 sub-account that the Shared Tax Disposition credit balance of \$6,583 has been reallocated to.
- B. Please confirm the 1595 sub-account the credit balance of \$6,583 was reallocated to was not previously disposed of.

Midland PUC Response:

- a) The Shared Tax Disposition credit balance of \$6,583 has been reallocated to a sub-account of 1595.
- b) Midland PUC confirms the credit balance of \$6,583 was not previously disposed.

Staff Question - 3

1) With regards to the Dec. 31, 2016 balance in Account 1588, all components that flow into Account 1588 (i to iv in table below) should be all based on actuals at year end. Please complete the following table to a) indicate whether the component is based on estimates or actuals at year end and b) quantify the adjustment pertaining to each component that is trued up from estimate to actual

	Component	a) Estimate or Actual	Notes/Comments	b) Quantify True Up Adjustment
i	Revenues (i.e. is unbilled revenues trued up by year end)			
ii	Expenses – Commodity: Charge Type 101 (i.e. is expense based on IESO invoice at year end)			
ijj	Expenses - GA RPP: Charge Type 148 with respect to the quantum dollar amount (i.e. is expense based on IESO invoice at year end)			
iv	Expenses - GA RPP: Charge Type 148 with respect and RPP/non-RPP pro-ratio percentages			
v	RPP Settlement: Charge Type 142 including any data used for determining the RPP/HOEP/RPP GA components of the charge type			

Midland PUC Response:

	Component	a) Estimate or Actual	Notes/Comments	b) Quantify True Up Adjustment
i	Revenues (i.e. is unbilled revenues trued up by year end)	Actual	Unbilled revenue at year end is recorded based on actual data.	
li	Expenses – Commodity: Charge Type 101 (i.e. is expense based on IESO invoice at year end)	Actual	Expenses related to commodity are based on the actual IESO invoice at year end.	
ijj	Expenses - GA RPP: Charge Type 148 with respect to the quantum dollar amount (i.e. is expense based on IESO invoice at year end)	Actual	Expenses related to the GA RPP are based on the actual IESO invoice at year end.	
iv	Expenses - GA RPP: Charge Type 148 with respect and RPP/non-RPP pro-ratio percentages	Actual	Expenses related to the split between the GA for RPP customers and GA for non-RPP customers are prorated based on the actual data at year end.	
v	RPP Settlement: Charge Type 142 including any data used for determining the RPP/HOEP/RPP GA components of the charge type	Actual	RPP Settlement charges are based on actual data at year end.	

Staff Question - 4

No adjustment pertaining to impacts of RPP settlement true-up is proposed for Account 1588 or Account 1589, please explain why not.

Midland PUC Response:

Midland PUC confirms there are no adjustments pertaining to impacts of RPP settlement true-up at year end. Actual revenues, actual expenses and the proration of GA between RPP and non-RPP customers are based on actual data which are recorded in the financial statements at year end.