

ERTH Power Corporation EB-2022-0029

February 13, 2023

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

Staff Follow-up Question-1

Ref1: Staff Follow-Up Question – 6

Ref2: Main Rate Zone: GA Analysis Workform – Tabs GA2018, GA2019, GA 2020 & GA 2021

Ref3: Goderich Rata Zone: GA Analysis Workform – Tabs GA2019, GA2020 & GA2021

Reference 1 stated that “ERTH Power follows the model using estimated consumption data from the Utilismart RSVA model and uses the 2nd estimate of GA.” Reference 2 & 3 state that “GA is billed on the first estimate”.

- a) Please clarify the discrepancies among the evidence provided and revise the GA Analysis Workforms as needed.
- ***ERTH Power's response to Staff Follow-Up Question -6 was referring to the process for the RPP Settlement and RPP Settlement True-up and how that is calculated using the OEB's 1598 Commodity Model. The OEB's 1598 Commodity Model uses the GA 2nd estimate for the RPP Settlement that is filed by the fourth business day of the following month (see below excerpts from OEB 1598 Commodity model spreadsheet). For the RPP Settlement True-up the actual GA is used once it is received from the IESO on or around the 15th of the month following. As ERTH Power understands it the OEB's 1598 Commodity Model is structured to use the 2nd estimate of the GA to get the most accurate RPP settlement at the time of filing with the IESO.***

Commodity Prices	Wholesale Prices per kWh
Estimated Average Energy Price for RPP customers	\$ 0.0354
Estimated Average Energy Price for non-RPP customers	\$ 0.0312
GA 1st estimate	\$ 0.0490
GA 2nd estimate	\$ 0.0542

Table 19: Estimated RPP Revenue and GA 2nd Estimate

RPP Revenue Prices	RPP Rate	Estimated RPP Energy Price	GA 2nd Estimate	Total Commodity	Difference	kWh Volumes	\$ Estimated RPP Revenue	\$ Estimated RPP Energy	\$ Estimated GA	\$ Estimated RPP Settlement
Tier 1	\$ 0.0980	\$ 0.0354	\$ 0.0542	\$ 0.0896	\$ 0.0084	1,271,811	\$ 124,637	\$ 45,076	\$ 68,869	\$ 10,693
Tier 2	\$ 0.1150	\$ 0.0354	\$ 0.0542	\$ 0.0896	\$ 0.0254	666,901	\$ 76,694	\$ 23,636	\$ 36,113	\$ (16,944)
TOU Off-peak	\$ 0.0820	\$ 0.0354	\$ 0.0542	\$ 0.0896	-\$ 0.0076	12,818,162	\$ 1,051,089	\$ 454,304	\$ 694,103	\$ (97,318)
TOU Mid-peak	\$ 0.1130	\$ 0.0354	\$ 0.0542	\$ 0.0896	\$ 0.0234	3,464,857	\$ 391,529	\$ 122,802	\$ 187,622	\$ 81,105
TOU On-peak	\$ 0.1700	\$ 0.0354	\$ 0.0542	\$ 0.0896	\$ 0.0804	3,526,239	\$ 599,461	\$ 124,978	\$ 190,946	\$ 283,537
						21,747,970	\$ 2,243,410	\$ 770,796	\$ 1,177,653	\$ 261,072

- **ERTH Power completes all of its' billings based upon the first estimate of the GA as it stated in the GA Analysis Workform for both rate zones and as such notes that the workforms do not need to be revised.**

Staff Follow-up Question-2

Ref1: Staff Follow-Up Question – 5

Ref2: Staff Follow-Up Question – 6

Reference 1 stated that “To add to the complexity of changing the processes during 2019 this was the year that ERTH Power merged with Goderich Hydro and merged CIS systems in October 2019. ERTH Power would request that the disposition of 1588 and 1589 accounts be approved on an Interim basis and will continue to apply lessons learned to the 2019 and 2020 data and will report if any changes are found and corrected.”

- Please elaborate further on the issues arising from the merger with the Goderich Hydro and CIS systems as noted in Reference 1.
 - **ERTH Power merged with Goderich Hydro effective January 1, 2019 and merged CIS systems in the same year. As a result ERTH Power tracked its' variance accounting in a lump sum as opposed to tracking the balances split by rate zone. ERTH Power recognized that in order to dispose of these balances they would need to be detailed by rate zone. Therefore, ERTH Power undertook the task of splitting the balances by rate zone despite having one IESO invoice and one billing system. ERTH Power is confident that this split between rate zones is accurate and notes that only IF discrepancies are found adjustments will be made in future rate proceedings.**
- Please explain why ERTH Power still expects changes are “found and corrected” as noted in Reference 1 if it has “fully implemented the OEB’s direction in the 2022 decision and order” as noted in Reference 2.
 - **ERTH Power does not expect any changes to be found but stated “if” any changes are found it will be reported on its next IRM application.**

Staff Follow-up Question-3

Ref: Staff Question – 5 (b)

The reference stated that “The difference in kwh is 33% so therefore there will be 33% variance in dollars as well.”

- a) OEB staff noted that the 33% variance appears mainly related to the two rate classes “GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION” and “GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION”. Please elaborate further.
- ***The data used to calculate the approved disposition was from the 2016 2.1.5.4 filing for Non-RPP metered Kwhs as filed in ERTH Power’s 2018 Cost application. The actual recoveries were from January 1, 2019 to December 31, 2019. This 3-year delay caused significant changes in Kwh’s used by customers and changes to the number of customers.***