

Appendix A

GA Methodology Description

Questions on Accounts 1588 & 1589¹

1. In booking expense journal entries for Charge Type (CT) 1142 and CT 148 from the IESO invoice, please confirm which of the following approaches is used:
 - a. CT 1142 is booked into Account 1588. CT 148 is pro-rated based on RPP/non-RPP consumption and then booked into Account 1588 and 1589 respectively.
 - b. CT 148 is booked into Account 1589. The portion of CT 1142 equaling RPP minus HOEP for RPP consumption is booked into Account 1588. The portion of CT 1142 equaling GA RPP is credited into Account 1589.
 - c. If another approach is used, please explain in detail.

ENWIN Response

ENWIN uses the approach listed in (a) above.

2. Questions on CT 1142

- a. Please describe how the initial RPP related GA is determined for settlement forms submitted by day 4 after the month-end (resulting in CT 1142 on the IESO invoice).

ENWIN Response

Please see page 11 of the IRM application, *Process for Providing Consumption Estimates to the IESO*.

- b. Please describe the process for truing up CT 1142 to actual RPP kWh, including which data is used for each TOU/Tier 1&2 prices, as well as the timing of the true up.

ENWIN Response

Please see page 11 of the IRM application, *Process for Providing Consumption Estimates to the IESO*.

- c. Has CT 1142 been trued up for with the IESO for all of 2017?

ENWIN Response

Yes, CT 1142 has been trued up for with the IESO for all of 2017.

¹In all references in the questions relating to amounts booked to accounts 1588 and 1589, amounts are not booked directly to accounts USoA 1588 and 1589 relating to power purchase transactions, but are rather booked to the cost of power USoA 4705 Power Purchased, and 4707, Charges – Global Adjustment, respectively. However, accounts 1588 and 1589 are impacted the same way as account 4705 and 4707 are for cost of power transactions.



d. Which months from 2017 were true up in 2018?

ENWIN Response

ENWIN kept the accounting records open until the end of February 2018 and backdated adjustments back into 2017. Therefore, all of 2017 including the month of December 2017 were recorded in the 2017 ending balances.

e. Have all of the 2017 related true-up been reflected in the applicant's DVA Continuity Schedule in this proceeding?

ENWIN Response

Yes, all of the 2017 related true-ups have been reflected in the applicant's DVA Continuity Schedule within this proceeding.

f. Please quantify the amount reflected in the DVA Continuity Schedule, and the column where it is included.

ENWIN Response

The amounts reflected in the DVA Continuity Schedule under column BD "Transaction Debit/(Credit) during 2017" include all entries for the 2017 year [\$666,290]. There was also an additional adjustment under column BF "Principal Adjustments during 2017" for RSVA Power – 1588 relating to the 2016 principal adjustment which was approved in the last IRM filing [\$706,006] offset by a current year GA true up of \$2,024. The net result was [\$703,982], which was posted under column BF "Principal Adjustments during 2017".

3. **Questions on CT 148**

a. Please describe the process for the initial recording of CT 148 in the accounts (i.e. 1588 and 1589).

ENWIN Response

Please see the IRM application, *Description of Accounting Methods and Transactions* starting on page 12.

b. Please describe the process for true up of the GA related cost to ensure that the amounts reflected in Account 1588 are related to RPP GA costs and amounts in 1589 are related to only non-RPP GA costs.

ENWIN Response

Please see the IRM application, *Description of Accounting Methods and Transactions* starting on page 12.



- c. What data is used to determine the non-RPP kWh volume that is multiplied with the actual GA per kWh rate (based on CT 148) for recording as expense in Account 1589 for initial recording of the GA expense?

ENWIN Response

Please see page 11 of the IRM application, *Process for Providing Consumption Estimates to the IESO*.

- d. Does the utility true up the initial recording of CT 148 in Accounts 1588 and 1589 based on estimated proportions to actuals based on actual consumption proportions for RPP and non-RPP?

ENWIN Response

The Applicant does true up the initial recording of CT 148 in Accounts 1588 and 1589 based on estimated proportions to actuals based on actual consumption proportions for RPP and non-RPP.

- e. Please indicate which months from 2017 were true up in 2018 for CT 148 proportions between RPP and non-RPP.

ENWIN Response

ENWIN kept the accounting records open until the end of February 2018 and backdated adjustments back into 2017. Therefore, all of 2017 including the month of December 2017 were recorded in the 2017 ending balances.

- f. Are all true-ups for 2017 consumption reflected in the DVA Continuity Schedule under 2017.

ENWIN Response

Yes, all of the 2017 related true-ups have been reflected in the applicant's DVA Continuity Schedule within this proceeding.

- g. Please quantify the amount reflected in the DVA Continuity Schedule, and the column where it is included.

ENWIN Response

The amount reflected in the DVA Continuity Schedule in column BF "Principal Adjustments during 2017" for RSVA Global Adjustment – 1589 for \$2,246,854.

4. Questions regarding principal adjustments and reversals on the DVA Continuity Schedule:



Questions on Principal Adjustments - Accounts 1588 and 1589

- a. Did the applicant have principal adjustments in its 2018 rate proceeding which were approved for disposition?

ENWIN Response

Yes, ENWIN did have principal adjustments in its 2018 rate proceeding which were approved for disposition.

- b. Please provide a break-down of the total amount of principal adjustments that were approved (e.g. true-up of unbilled (for 1589 only), true up of CT 1142, true up of CT 148 etc.).

ENWIN Response

The principal adjustments during 2016 that were approved for disposition during 2018 were as follows:

Account 1588:

\$1,641,011	True up of CT 148 for the December 2016 period (difference between estimated and actual cost of power – reclassification between 1588 and 1589) – see offset below
<u>(\$935,005)</u>	True up of CT 1142
\$706,006	Balance approved for disposition under the “Principal Adjustments during 2016”

Account 1589:

(\$1,641,011)	True up of CT 148 for the December 2016 period (difference between estimated and actual cost of power).
(\$1,468,808)	True up of billed Global Adjustment revenue – difference between estimated and actual.
<u>\$ 680,562</u>	Adjustment to remove a Class A balance within the unbilled accrual.
(\$2,429,257)	Balance approved for disposition under the “Principal Adjustments during 2016”

- c. Has the applicant reversed the adjustment approved in 2018 in its current proposed amount for disposition?

ENWIN Response

Yes, ENWIN has reversed the adjustment approved in 2018 in its current proposed amount for disposition.

- d. Please provide a breakdown of the amounts shown under principal adjustments in the DVA Continuity Schedule filed in the current proceeding, including the reversals and the new true up amounts regarding 2017 true ups.

ENWIN Response

The 1588 “Principal Adjustments during 2017” balance of \$703,982 is the reversal of the adjustment listed above in 4 (b) with the addition of a \$2,024 adjustment with the current year posting of the final GA charges for non RPP.

The 1589 “Principal Adjustment during 2017” balance of \$2,246,854 is also the reversal of the adjustments listed above in 4 (b) with the \$2,024 adjustment listed above for 1588 and an additional \$180,380 adjustment to account for the unbilled entry difference between actual and the amount posted.

- e. Do the amount calculated in part d. above reconcile to the applicant’s principal adjustments shown in the DVA Continuity Schedule for the current proceeding? If not, please provide an explanation.

ENWIN Response

Yes, the amounts calculated in part (d) above reconciles to the principal adjustments shown in the DVA Continuity Schedule for the current proceeding.

- f. Please confirm that the principal adjustments shown on the DVA Continuity Schedule are reflected in the GL transactions. As an example, the unbilled to actual true-up for 1589 would already be reflected in the applicant’s GL in the normal course of business. However, if a principal adjustment related to proportions between 1588 and 1589 was made, applicant must ensure that the GL reflects the movement between the two accounts.

ENWIN Response

Yes, the principal adjustments shown on the DVA Continuity Schedule are reflected in the GL transactions.