



Lakefront  
Utilities  
Inc.

September 6, 2017

Ontario Energy Board  
P.O. Box 2319 27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, Ontario M4P 1E4

**Attention: Ms. Katherine Wang**  
**Regarding: GA Analysis Workform Follow-up Questions**

Dear Ms. Wang,

Please find attached accompanying responses to the follow-up questions regarding the primary review of Lakefront's GA analysis work form.

Should the board have questions regarding this matter please contact Adam Giddings at [agiddings@lusi.on.ca](mailto:agiddings@lusi.on.ca) or Dereck Paul at [dpaul@lusi.on.ca](mailto:dpaul@lusi.on.ca)

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Adam Giddings', is written over a light grey horizontal line.

Adam Giddings, CPA CA  
Manager of Regulatory Compliance and Finance  
Lakefront Utilities Inc.

Cc: Dereck C. Paul

### **Lakefront Follow Up Questions**

- 1) In response to Question 3i -2b, Lakefront stated that the pro-ration of the GA charge with respect to RPP/non-RPP ratio is based on the actual invoice. This suggests that no true up is needed for this and therefore, this is not a reconciling item. However, in response to Question 3iii, Lakefront indicates that the RPP/non-RPP ratio is a reconciling item.
  - a) Please indicate the source data for the RPP/non-RPP ratio in determining the GA charge to Accounts 1588 and 1589 (i.e. whether it is based on the IESO invoice as suggested in Question 3i-2b or the data from the CIS and Utilismart as suggested by Question 3iii).
  - b) Please clarify whether the RPP/non-RPP ratio is a reconciling item or not.

### **Lakefront Utilities Response**

- a) The source data for the RPP/non-RPP ratio in determining the GA charge to accounts 1588 and 1589 is based on Utilismart.
- b) The RPP/non-RPP ratio is not a reconciling item.

- 2) In response to Question 3iii,
- a) Please confirm that the Billed total of \$13,367,271 in the table is the total billed for Non-RPP customers.
  - b) Please confirm that total GA charge from the IESO invoice is first recorded in Account 1589 and then the GA charge for RPP customers is transferred from Account 1589 to Account 1588. If not, please explain why reconciling item would be required to adjust Account 1589.
  - c) It appears that the \$1,534,005 is the total actual annual GA charge for RPP customers. In Lakefront's GL, the GA charge for RPP customers should have been transferred out of Account 1589 and into Account 1588 throughout the year. Therefore, only the difference between the actual annual GA charge for RPP customers of \$1,534,005 and the GA charge for RPP customers already transferred out of Account 1589 should be a reconciling item. Please confirm this and revise the GA Analysis Workform as needed.
  - d) Assuming the assumptions in part b above are correct, please explain when the true up to actual GA charges for RPP customers is done and whether it is recorded in the current year or the subsequent year.

### **Lakefront Utilities Response**

- a) Lakefront confirms that the billed total of \$13,367,271 is the total billed for non-RPP customers.
- b) Once Lakefront receives the monthly IESO invoice, Lakefront determines the RPP/non-RPP split for the Global Adjustment, and then records the Global Adjustment charges to Account 1588 and Account 1589 respectively. Lakefront does not first record the amount to Account 1589 and then transfer to Account 1589.
- c) The \$1,534,005 is not the actual annual GA charge for RPP customers.
- d) The assumptions in part b are not correct.

3) In response to Question 3ii, the difference between estimated and actual unbilled should be included as reconciling items 2a and 2b instead of the total estimated unbilled revenues. Please revise the GA Analysis Workform for this.

### Lakefront Utilities Response

Lakefront's GA Analysis Workform has been revised to include the difference between estimated and actual unbilled.

2a	Remove prior year end unbilled to actual revenue differences	Y	-\$	1,228
2b	Add current year end unbilled to actual revenue differences	Y	\$	53,277

- 4) In response to Questions 3i -2 and 3iii, the items that require true up and would be reconciling items, would be for revenues (reconciling item 2a, 2b) and the RPP/non-RPP ratio for GA expenses (reconciling item 7). Please explain what the reconciling items 1a and 1b are and how the amounts are determined.

**Lakefront Utilities Response**

Lakefront’s monthly 1598 filing with the IESO is based on monthly billing data retrieved from Northstar. The reconciling items are associated with Lakefront’s annual 1598 reconciliation which is done after year end. The annual billing data is retrieved from Northstar by Lakefront’s Customer Information System provider and is compared to Lakefront’s 1598 monthly filings, with any payments/refunds filed with the IESO.

1a	Remove impacts to GA from prior year RPP Settlement true up process that are booked in current year	Y	-\$	114,615
1b	Add impacts to GA from current year RPP Settlement true up process that are booked in subsequent year	Y	\$	12,816