



Lakefront
Utilities
Inc.

September 7, 2017

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

Attention: Ms. Katherine Wang
Regarding: GA Analysis Workform Follow-up Questions – Part 2

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 or Dereck Paul at dpaul@lusi.on.ca

Respectfully Submitted,

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

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

Cc: Dereck C. Paul

Lakefront Follow Up Questions Part 2

- 1) From the initial questions, 3iii,
 - a. Please confirm if this is Lakefront Utilities' process in determining the GA charge for non-RPP customers: Once the IESO invoice is received, Lakefront Utilities uses non-RPP consumption from CIS Northstar to split the GA charge between RPP and non-RPP customers and records the amounts in Accounts 1588 and 1589. The split is updated at a later date based on non-RPP consumption from Utilismart and a true up entry is recorded in Accounts 1588 and 1589. If this is not the case, please explain Lakefront Utilities' process in recording the GA charge.
 - b. Please confirm that the kwh per Utilismart in the table is consumption for non-RPP customers only and not the total IESO purchased consumption. If not, please explain what the consumption represents.
 - c. In Appendix 4: RPP Settlement Process, Lakefront Utilities indicated that a reconciliation of non-RPP consumption to actuals is done on a monthly basis.
 - i. Please indicate the frequency in which the reconciling item as shown in table 3iii is recorded in the books (e.g. monthly, annual).
 - ii. If it is monthly, please indicate which year the December reconciling item is recorded in. Please also explain why all 12 months are included as a reconciling item as they would already be recorded in the -\$1,576,124 balance in Lakefront Utilities' books.
 - iii. If it is annually, please indicate which year the annual reconciling item is recorded in.

Lakefront Utilities Response

1.
 - a) Lakefront confirms that it's process in determining the GA charge for non-RPP customers that once the IESO invoice is received, Lakefront uses non-RPP consumption from CIS Northstar to split the GA charge between RPP and non-RPP. However, the split is not updated at a later date and a true up entry is not recorded in Accounts 1588 and 1589.
 - b) Lakefront confirms that the kWh per Utilismart in the table is consumption for non-RPP customers only and not the total IESO purchased consumption.
 - c)
 - i. The reconciling item as shown in table 3ii is done on an annual basis.
 - ii. The reconciling item as indicated above is not monthly.

- iii. The 2015 annual reconciliation is prepared following year end to allow for any billing adjustments being processed that pertain to the previous year. Therefore, the 2015 adjustment would have been recorded in 2016. However, as indicated below, the reconciling item would not impact Account 1589.

2) With regards to follow up question 3, unbilled revenues were underestimated in 2016. Therefore, to true up revenues to actuals in 2016, revenues should be increased (credited). This would result in a credit to Account 1589 and the reconciling item 2b should be a credit. Conversely, unbilled revenues were underestimated in 2015. The true up to actual revenues recorded in 2016 would have increased (credited) revenues, resulting in a credit to Account 1589. Therefore, to reverse the true up, a debit to Account 1589 would be needed and reconciling item should be a debit. Please revise the GA Analysis Workform.

Lakefront Utilities Response

Lakefront has revised the GA Analysis Workform for the unbilled revenues.

- 3) In response to initial up question 3i-1, charge type 1142 is booked into Account 1588. In follow up question 4, Lakefront indicated that reconciling items 1a and 1b is a true up of the monthly 1598 filings. The monthly 1598 filings result in charge type 1142 on the IESO invoice, which Lakefront Utilities records in Account 1588. Please explain how this would impact Account 1589 and act as a reconciling item in the GA Analysis Workform.

Lakefront Utilities Response

Lakefront confirms that the Charge Type 1142 is booked into Account 1588. Consequently, Lakefront has removed the impact associated with the annual 1598 filings and has updated the GA Analysis Workform.