**Lakeland**

**2015 and 2016 GA Analysis Workforms**

**Each question below must be answered separately for each of the 2015 and 2016 GA analysis Workform.**

1. In booking expense journal entries for Charge Type 1142 (formerly 142), and Charge Type 148 from the IESO invoice, please confirm which of the following approach is used:
2. Charge Type 1142 is booked into Account 1588. Charge Type 148 is pro-rated based on RPP/non-RPP consumption and then booked into Account 1588 and 1589, respectively
3. Charge Type 148 is booked into Account 1589. The portion of Charge Type 1142 equalling RPP-HOEP for RPP consumption is booked into Account 1588. The portion of Charge Type 1142 equalling GA RPP is credited into Account 1589.
4. Another approach. Please explain this approach in detail.

LPDL: Approach a) is used

1. With regards to the Dec. 31 balance in Account 1589, all components that flow into Account 1589 (i to iv in table below) should all be 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)  | LPDL = Actual | LPDL = we true up our 1589 year end balance, to actual non-RPP Class B GA revenue, which is included with the Dec 31 balance. |  |
| ii | Expenses - GA non-RPP: Charge Type 148 with respect to the quantum dollar amount (i.e. is expense based on IESO invoice at year end) | LPDL = Actual | LPDL = we true up our 1589 year end balance, to actual non-RPP Class B GA costs, which is included with the Dec 31 balance. |  |
| Iii | Expenses - GA non-RPP: Charge Type 148 with respect and RPP/non-RPP pro-ration percentages | LPDL = Actual | LPDL = in 2015 and 2016, we trued up our 1589 year end balance, to be based on Actual Total kWh purchased less Actual Total RPP kwh sold to leave a remaining balance of Actual Total Non-RPP kWh sold, which is included with the Dec 31 balance. As part of this GA analysis, LPDL has identified that this proration should be based on Actual Total Non-RPP kWh sold, rather than using the fallout above. The difference between these 2 methodologies have been identified as 1b) adjustments for 2015 and 2016. For 2017 onward, LPDL will use the Actual Total Non-RPP kWh sold. |  |
| iv | Credit of GA RPP: Charge Type 142 if the approach under IR 1b is used | N/A | N/A |  |

1. The applicant has identified adjustments in 1a) and 1b) of the Note 5 reconciliation related to the RPP settlement process:
	1. Has this true-up adjustment been reflected in the balances within the DVA continuity schedule? If not, please explain why.

LPDL: Yes and no. The 1a) adjustment is reflected in the year end balance and thus included in the DVA schedule. The 1b) adjustment is not reflected in the year end balance and thus not included in the DVA schedule. 2015 and 2016 Group 1 balances are not requested for disposition as the claim is below the preset disposition threshold, so the 1b) adjustment will be made in 2017. The 1b) adjustments were identified through this GA analysis process and this adjustment in methodology will be used going forward.

* 1. Do the adjustments in 1a and 1b also include any true-up related to the difference between the actual and estimated GA rate used by the applicant? If not, please explain why such a true-up would not be required.

LPDL: Yes, the true-up adjustment booked in the year does include the true-up from estimate to actual GA rates.

1. The applicant has not recorded any balances for reconciling items 2a and 2b in Note 5 of the GA Analysis Workform. These reconciling items typically comprise of the difference between amounts accrued for unbilled compared to the actual amounts that were billed subsequently in relation to the unbilled accruals. Please explain why there would be no discrepancy between accrual and actual?

LPDL: There is no reconciling item for an accrual vs actual discrepancy since LPDL does a true up adjustment to actuals, including December actuals, and records this true up to December so it is included in the year end balance.

**Former Parry Sound**

**2016 GA Analysis Workform**

1. In booking expense journal entries for Charge Type 1142 (formerly 142), and Charge Type 148 from the IESO invoice, please confirm which of the following approach is used:
	1. Charge Type 1142 is booked into Account 1588. Charge Type 148 is pro-rated based on RPP/non-RPP consumption and then booked into Account 1588 and 1589, respectively
	2. Charge Type 148 is booked into Account 1589. The portion of Charge Type 1142 equalling RPP-HOEP for RPP consumption is booked into Account 1588. The portion of Charge Type 1142 equalling GA RPP is credited into Account 1589.
	3. Another approach. Please explain this approach in detail.

LPDL: Approach a) is used

1. With regards to the Dec. 31 balance in Account 1589, all components that flow into Account 1589 (i to iv in table below) should all be 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)  | LPDL = Actual | LPDL = we true up our 1589 year end balance, to actual non-RPP Class B GA revenue, which is included with the Dec 31 balance. |  |
| ii | Expenses - GA non-RPP: Charge Type 148 with respect to the quantum dollar amount (i.e. is expense based on IESO invoice at year end) | LPDL = Actual | LPDL = we true up our 1589 year end balance, to actual non-RPP Class B GA costs, which is included with the Dec 31 balance. |  |
| Iii | Expenses - GA non-RPP: Charge Type 148 with respect and RPP/non-RPP pro-ration percentages | LPDL = Actual | LPDL = in 2016, we trued up our 1589 year end balance, to be based on Actual Total kWh purchased less Actual Total RPP kwh sold to leave a remaining balance of Actual Total Non-RPP kWh sold, which is included with the Dec 31 balance. As part of this GA analysis, LPDL has identified that this proration should be based on Actual Total Non-RPP kWh sold, rather than using the fallout above. The difference between these 2 methodologies have been identified as the 1b) adjustment for 2016. For 2017 onward, LPDL will use the Actual Total Non-RPP kWh sold.. |  |
| iv | Credit of GA RPP: Charge Type 142 if the approach under IR 1b is used | N/A | N/A |  |

1. The applicant has identified an adjustment in 1b) of the Note 5 reconciliation related to the RPP settlement process:
	1. Has this true-up adjustment been reflected in the balances being sought for disposition within the DVA continuity schedule? If not, please explain why.

LPDL: No, the 1b) adjustment is not reflected in the year end balance and thus not included in the DVA. The 1b) adjustments were identified through this GA analysis process and this adjustment in methodology will be used going forward. LPDL did not include it in the DVA balance as it was believed to be immaterial and will book this adjustment in 2017. LPDL is willing to include this adjustment in the DVA balance if required.

* 1. Please explain why an adjustment for 1a) was not required

LPDL: There is no 1a) adjustment for PS as the item was settled in 2015 and not applicable to 2016.

* 1. Does the adjustment in 1b also include a true-up related to the difference between the actual and estimated GA rate used by the applicant? If not, please explain why such a true-up would not be required.

LPDL: Yes, the true-up adjustment booked in the year does include the true-up from estimate to actual GA rates.

1. The applicant has not recorded any balances for reconciling items 2a and 2b in Note 5 of the GA Analysis Workform. These reconciling items typically comprise of the difference between amounts accrued for unbilled compared to the actual amounts that were billed subsequently in relation to the unbilled accruals. Please explain why there would be no discrepancy between accrual and actual?

LPDL: There is no reconciling item for an accrual vs actual discrepancy since LPDL does a true up adjustment to actuals, including December actuals, and records this true up to December so it is included in the year end balance.