**Tillsonburg Hydro Inc - EB-2017-0076**

**Follow-up GA Analysis Workform Questions:**

1. Please elaborate further on how the utility determines total RPP vs non-RPP kWh split for purposes of prorating CT 148 between Accounts 1588 and 1589 (i.e. is it based on actual billings for the month, how is the data pulled, when is the calculation done, is a true up required to the initial split calculation, how long are the books left open in order to ensure that the true-up gets reflected in the year-end balances in accounts 1588 and 1589).

**The data used to settle with the IESO for RPP pricing is utilized. This data is based on billed quantities for the month. After month end is complete, various statistical reports are pulled out of the Northstar billing system and entered into a IESO 1598 workform (internal to THI). These values are verified for quality and accuracy. As these quantities are “billed” through the system, a true-up is not required to the initial split percentage.**

1. In regards to the response provided for question 5:
   1. Why is the revised approach (using AQEW non-uplifted) considered to be more appropriate and produces a more accurate allocation? Is there a standard practice amongst utilities as to how the proration should be done?

**THI can’t comment on what other LDCs do for this calculation. The inconsistency was internal to THI. The numerator was using metered stats (non-uplifted) and the denominator was using billed (uplifted). For accuracy, the methodology was moved to use the same statistical values (uplifted or non-uplifted) for both the numerator and denominator.**

* 1. How was the resulting adjustment of $215,000 determined? Please provide a description and the supporting calculation.

**The $215,000 referenced within the IRM application was a high level estimate, below is a month by month analysis of the changes which generates a $221,933.74, this does not change the “Unresolved Differences % in the GA Workform).**



1. In the response provided for 2a) i, please confirm that you are indicating that there is no difference between the amount accrued as unbilled revenue at the end of the year compared to what actually gets billed in the following month. If there is a difference, then please quantify what this difference was for both the December 2015 and 2016 unbilled accruals. The GA Analysis Workform would need to be updated to include these differences in 2a) and 2b) of Note 5.

**THI confirms that unbilled revenue (and associated kWh) are calculated in detail at year end (Dec 2015, Dec 2016, Dec 2017, etc…) and monthly, the assumption is that the unbilled revenue is equal and offsetting in the month between the December Year-End calculations. The December 2015 and December 2016 detailed calculations ensure that on an annual basis, the sales (kWh and dollars) are as accurate as possible.**

1. In the response provided for 2a) iii, is the initial settlement with the IESO based on an estimated RPP/non-RPP kWh split? If so, when is the split updated for the actual RPP/non-RPP kWh and how is this true-up captured in the year-end balances for accounts 1588 and 1589?

**No as referenced in response to question 1 above, the kWh quantities used for both the numerator and denominator are based on billed quantities and don’t require further revision and adjustment.**

1. Why has the applicant responded N/A to question 3)? Is adjustment 7 presented in Noted 5 of the GA Analysis workform already captured in the closing 1588 and 1589 balances per the DVA continuity schedule? If not, please explain why this adjustment should not be captured. If it should be recorded, please update the DVA continuity schedule accordingly.

**As indicated in question #1 and # 4 above, the allocated GA dollars are based on actual values. Actual IESO charge (dollars), Actual Total System Load, Actual RPP billed quantities. As a result the 1589 /1588 values are “actual” (of course using an unbilled methodology which is essentially an industry accepted estimate). The N/A was provided as not further adjustments were required, other than item 7 in Note 5 provided. THI is awaiting direction from the OEB as whether or not to modify various RRR submissions to capture the $215,000 adjustment identified (actual value of $221,933.74 identified in question # 2b above.**

1. In response to question 7, the applicant has indicated that total GA amounts billed to non-RPP customers in 2016 per the revenue G/L was $11,796,319. Why does this balance differ compared to what is shown in Note 4 of the GA Analysis Workform?

**In revisiting this calculation, it has been identified that the Class A kWh for July 2016 through to December 2016 were not removed, essentially Column C in Note 4 of the GA workform v1 & v2, included Class A kWh. THI is providing a revised GA workform that corrects for this error and reconciles closely to the $11,796,319 referenced with a revised value of $11,822,896.**