**Milton Hydro Follow Up Questions**

**October 25, 2017**

1. In response to question 2ai, it states that Milton Hydro accrues unbilled revenues at year end based on actual quantities billed to customers up to December 31st of the year.
   1. Please clarify whether Milton Hydro is accruing for unbilled revenues. Unbilled revenues have not yet been billed as at December 31st of the year, therefore, if it’s based on actual quantities billed then there would be no unbilled.
   2. If recorded at year end, please explain if unbilled revenues is based on estimates or based on actual revenues for the period ending December 31st and billed in the subsequent year.
   3. If based on estimates, please quantify reconciling items 2a and 2b.

**Response:**

1. Unbilled revenue is revenue that has not been billed as of December 31st but the consumption has been used. Because Milton Hydro bills monthly on a cycle basis part of the actual consumption used up to December 31st will be billed in January and February of the following year. Milton Hydro accrues the actual consumption used times the rates in effect up to December 31st but billed in the following year as unbilled revenue.
2. See a.
3. See a.
4. In response to question 1, Milton Hydro books charge type 148 to Account 1589 and the portion of charge type equaling GA RPP is credited to Account 1589. In response to question 2aii, it states the expense for GA non-RPP charge type 148 is based on Milton Hydro quantities withdrawn from the grid less Class A customers and a true-up of RPP customers.
   1. With regards to the charge type 148, is the actual invoiced amount recorded to Account 1589 at December 31st or is it based on estimated amounts calculated using quantities withdrawn from the grid less Class A customers and GA for RPP customers?
   2. It states that the RPP true up for December 2015 was $541,023 and December true-up of $514,510 was recorded in the subsequent year.
      1. Please explain why these are not included as reconciling items 1a and 1b in the GA Analysis Workform as they are not recorded in the year that the activity pertains to.
      2. Please explain whether these amounts is the entire RPP true up for charge type 1142 equalling RPP-HOEP-GA, or is it just for the GA RPP portion?
      3. If it is for the entire RPP true up of charge type 1142, please quantify the portion of the GA RPP and include this as reconciling items 1a and 1b in the GA Analysis Workform.
   3. In response to question 2b, it states no adjustments have been made to the DVA Continuity Schedule. In the May 23, 2017 letter titled *Guidance on Disposition of Account 1588 and 1589,* “Accordingly, effective immediately, the OEB requires distributors to complete RPP settlement true-up claims and to reflect these true-ups in the account balances being requested for disposition, before filing for disposition of the RSVA Power (1588) and Global Adjustment (1589) variance accounts.” Milton Hydro indicated that RPP settlement true ups are recorded in the subsequent year. Please include the appropriate adjustments for Account 1588 and 1589 in the DVA Continuity Schedule as per the May 23, 2017 letter.

**Response:**

1. With regards to charge type 148, the actual amount invoiced is recorded in Account 1589 at December 31st.
2. Below:
   * 1. Milton Hydro did not accrue the RPP true-up amount which would have increase the GL by $26,513 being December 2015 true-up of $541,023 reversed and December 2016 true-up of $514,510 set up.

Milton Hydro has updated the GA Analysis Workform 1a and 1b for with the true-up amounts for a net change in the unresolved difference of $26,513.

* + 1. The above mentioned true up represents the GA RPP portion, ie: the actual quantities billed and the variance between the 1st estimate GA rate vs the Actual GA rate.
    2. As per i. the GA Analysis Workform has been updated.

1. Milton Hydro has included the reconciling adjustment in the attached DVA Continuity Schedule USofA 1589 Global Adjustment as per the May 23, 2017 letter.
2. With regards to response 3, reconciling items 1a and 1b are IESO adjustments on the STPP for charge type 148 and relate to IESO reconciliations for current and prior years.
   1. Please clarify what the acronym STPP stands for.
   2. In the response prior IR 3 Milton Hydro explains that the true up adjustment only relates to the model. Please elaborate on what the true-up adjustment is for and how it is calculated.
   3. Please confirm that reconciling item 1a was recorded in 2016 but pertained to 2015 activities and therefore, the reconciling item is a removal of the adjustment.
   4. Please confirm that reconciling item 1b was recorded in 2017 but pertained to 2016 activities and therefore, the reconciling item is an addition of the adjustment.
   5. If the answer to part c and d above is not confirmed, please explain how reconciling items 1a and 1b are reconciling items.

**Response:**

1. IESO acronym “STPP” stands for Statement type - Preliminary Physical. ie: Preliminary Settlement Statement in the Physical Market.
2. The GA Workform model uses quantities billed and applies the current years GA Rates posted by the IESO to determine the balance in Account 1589 and it’s reasonableness. As provided in the prior response to IR 3, the reconciling items in 1a and 1b are IESO adjustments on the STPP for charge type 148 labelled “Adjustment of Global Adjustment” and while recorded in 2016 relate to IESO reconciliations for prior years and therefore become reconciling items for 2016.
3. Milton Hydro confirms that reconciling item 1a was recorded in 2016 but pertained to 2015 activities and therefore, the reconciling item is a removal of the adjustment.
4. Reconciling Item 1b) was recorded in 2016 and pertained to 2016 activities and therefore should not be a reconciling item. Milton Hydro has updated the GA Analysis Workform accordingly.
5. Not applicable.