**West Cost Huron Energy Inc - EB-2017-0083**

**GA Analysis Workform Preliminary Questions**

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.
5. In regards to the Dec. 31 balance in Account 1589; for all components that flow into Account 1589 (see items i to iv in the table below), please complete the table below and indicate whether the items listed have been recorded based on estimates or actuals at year-end. Where an item has been recorded based on an estimate, quantify the adjustment required for true 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) |  |  |  |
| 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) |  |  |  |
| Iii | Expenses - GA non-RPP: Charge Type 148 with respect and RPP/non-RPP pro-ration percentages |  |  |  |
| Iv | Credit of GA RPP: Charge Type 142 if the approach under IR 1b is used |  |  |  |

1. Please populate Note 3 of the GA Analysis workform in accordance with the requirements specified in the “Instructions” tab of the workbook (refer to item 3. In the “Instructions” tab for detailed requirements).
2. In Note 4 of both 2015 and 2016’s GA workforms, West Coast Huron Energy (WCHE) did not enter any previous/current month unbilled consumption amounts (column G & H).
3. Please confirm whether or not each amount entered in column F was the actual consumption for the given calendar month. (e.g. In the 2015 workform, was any of the January consumption (3,506,373 kwh) billed to customers in February?)
4. Please confirm that WCHE does not have any customers whose billing cycles span more than one calendar month. If not, please explain how the consumption data is prorated into months and what GA rates is utilized for billing purposes.
5. Please provide the total GA amounts billed to non-RPP customers in 2015 and 2016 respectively, as recorded in the applicant’s revenue G/L accounts excluding any transfers to RSVA GA if applicable.
6. 1b of Note 5 in the 2015 and 2016 GA Analysis Workforms present a true-up adjustment that was not recorded as part of the year-end settlement process.
   1. Please provide a detailed description of the applicant’s GA settlement process with the IESO.
   2. Please explain why the applicant did not record this true-up adjustment?
   3. Please explain why the reverse of the balance shown in 1b of Note 5 in the 2015 GA Analysis Workform is not being presented as a reconciling adjustment in 1a of Note 5 in the 2016 GA Analysis Workform? If required, please update the 2016 GA Analysis Workform to reflect this adjustment.
7. Does the applicant accrue for unbilled revenue at the end of the year? If so, would there be a difference between what was accrued and what ended up being actually billed? Please explain.
8. The applicant has identified an adjustment in Note 5 of both the 2015 and 2016 GA Analysis Workforms that has been characterized as an “Error in GA expense allocated to RPP due to consumption error”(item 7 in Note 5 for 2015 and item 8 in Note 5 for 2016)
   1. Please explain the nature of the issue that has resulted in these errors and how the applicant has identified the underlying problem.
   2. Please confirm that this error is independent from the one identified in item 9 of Note 5 in both the 2015 and 2016 GA Analysis Workforms.
   3. Please explain how the applicant has quantified the impact of the error for both 2015 and 2016 and provide the calculation for each.
   4. Please confirm that the amount quantified represents the impact on each of specific years only and does not include carryforward impacts from any other years.
   5. Given that the same allocation error has occurred in both 2015 and 2016, please explain what the applicant has changed in its underlying allocation process to ensure that a similar error will not occur in the future.
9. The applicant has identified an adjustment in Note 5 of both the 2015 and 2016 GA Analysis Workforms that has been characterized as a general ledger error associated with how the applicant has prorated the IESO charge type 148 between RPP and non-RPP for each of the years (item 8 in Note 5 for 2015 and item 9 in Note 5 for 2016).
   1. Please provide a description that explains how the applicant prorates charge type 148 from the IESO?
   2. Please explain the nature of the issue that has occurred that resulted in the inaccurate allocation between RPP and non-RPP?
   3. Please explain how the impact of the error was quantified for both 2015 and 2016 and provide the calculation of each.
   4. Please confirm that the amount quantified represents the impact on each of specific years only and does not include carryforward impacts from any other years.
   5. Given that the same error has occurred in both 2015 and 2016, please explain what the applicant has changed in its RPP vs non-RPP allocation process to ensure that a similar error will not occur in the future.
10. In Note 5 of both the 2015 and 2016 GA Analysis Workform, the applicant has identified a reconciling item associated with the actual approved loss factors for the year.
    1. Please provide the actual system loss factor for both 2015 and 2016 and compare it to the OEB approved loss factor?
    2. Please provide a calculation that quantifies the impact of the loss factor difference for both 2015 and 2016.
    3. Please explain the narrative provided for the 2015 adjustment related to the fact that the RPP portion requires adjustment. Would this also require adjustment to the balances presented in the DVA continuity schedule?
11. Please reconcile the “Principle Adjustments” that the applicant has recorded for Account 1589 in the DVA continuity schedule for both 2015 and 2016 to the adjustments presented in Note 5 of the respective GA Analysis Workforms.