**Interrogatories to Rideau St. Lawrence:**

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.

Answer: Approach a) is used.

1. With regards to the Dec. 31, 2016 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

Answer:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Component** | **a) Estimate or Actual** | **Notes/Comments** | **b) Quantify True Up Adjustment** |
| i | Revenues (i.e. is unbilled revenues trued up by year end) | Actual | In each month we record billed amounts and estimated unbilled amounts in 1589. At year end we record an unbilled revenue entry to true up to actual billings. | N/A |
| 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) | Actual | Total GA cost recorded in 1589 in each month is based on IESO invoice Charge type 148. | N/A |
| Iii | Expenses - GA non-RPP: Charge Type 148 with respect and RPP/non-RPP pro-ration percentages | Estimate | In each month we split GA cost based on billed RPP/Non-RPP proration percentage. The true up of split for 2016, $-47,286 was recorded in 2017. An adjustment was made to 1588 and 1589 in the Continuity Schedule to reflect the true up. | -47,286 |
| iv | Credit of GA RPP: Charge Type 142 if the approach under IR 1b is used | N/A | N/A | N/A |

1. With regards to the Dec. 31, 2016 balance in Account 1588, all components that flow into Account 1588 (i to iv in table below) should be all 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) | Actual | In each month we record billed amounts and estimated unbilled amounts in 1588. At year end we record an unbilled revenue entry to true up to actual billings. | N/A |
| Ii | Expenses – Commodity: Charge Type 101 (i.e. is expense based on IESO invoice at year end) | Actual | In each month IESO invoice Charge type 101 is recorded in 1588. | N/A |
| ijj | Expenses - GA RPP: Charge Type 148 with respect to the quantum dollar amount (i.e. is expense based on IESO invoice at year end) | Actual | Total GA cost flowed to 1588 in each month is based on IESO invoice Charge type 148. | N/A |
| iv | Expenses - GA RPP: Charge Type 148 with respect and RPP/non-RPP pro-ration percentages | Estimate | In each month we split GA cost based on billed RPP/Non-RPP proration percentage. The true up of split for 2016, $47,286 was recorded in 2017. An adjustment was made to 1588 and 1589 in the Continuity Schedule to reflect the true up. | $47,286 |
| v | RPP Settlement: Charge Type 142 including any data used for determining the RPP/HOEP/RPP GA components of the charge type | N/A | N/A | N/A |

1. No adjustment pertaining to impacts of RPP settlement true-up is proposed for Account 1588 or Account 1589, please explain why not.

Answer: The whole prior year RPP true up was booked in Account 1588 in 2016. However, during the preparation of the 2018 IRM we realized that a portion of the RPP true up resulting from the RPP/Non-RPP split true up should be applied to Account 1589. As such an adjustment of $-47,286 and $47,286 was made to 1589 and 1588 respectively in 2017. The Continuity Schedule was updated to reflect the adjustment as per question 5) b) ii.

1. Ref: GA Workform and Manager’s Summary
   1. Please explain why columns G and H were not completed.

Answer: Column F contains actual kWhs including both billed and unbilled for each month that can be found in our billing system at year end. Therefore column G and H were not used.

* 1. On page 12 of the Manager’s Summary, Rideau St. Lawrence has indicated that when the IESO invoice is received, based on the division of the RPP consumption and non-RPP consumption, the GA invoice amount is split between the cost of power and GA.
     1. In the context of this explanation, please explain how the reconciling item 1b for -$47,286 was calculated.
     2. If this amount is not already reflected in Accounts 1588 and 1589 properly on the Continuity Schedule and the amounts proposed for disposition in these accounts, please make the adjustments as appropriate.
     3. Why has Rideau St. Lawrence not included reconciling item 1a in the GA Analysis Workform and why it would have reconciling item 1b but not 1a.

Answer:

i.

|  |  |  |  |
| --- | --- | --- | --- |
| $ | RPP GA | Non RPP | Total = GA on IESO bill |
| Estimate, entered in spreadsheet and GL before year end | 6,048,856 | 4,601,438 | 10,650,294 |
| True up at actual RPP/non-RPP split | 6,096,142 | 4,554,152 | 10,650,294 |
| Variance, entered in GL in 2017 | 47,286 | (47,286) |  |

Ii An adjustment of $47,286 and -$47,286 was made to 1588 and 1589 respectively on the Continuity Schedule to reflect the reconciling item. Please see the updated Rate Generator Model.

iii. RSL had booked the entire prior year RPP Settlement true up in 1588 in 2016. RSL realized during the RPP true up process GA split should be trued up as well. An adjustment for 2016 true up of the GA split was booked in 1588 and 1589 respectively in 2017.

* 1. Note 3 indicates that Rideau St. Lawrence uses the 1st estimate when billing the customers in all rate classes. What price is unbilled GA accrued at?

Answer: Unbilled GA is accrued at the 1st estimate.

* 1. Please explain how the GA billing rate is determined for billing cycles that span more than one load month.

Answer: The GA billing rate is prorated based on the number of billing days in each month.

* 1. Please confirm that the GA rate that is used is applied consistently for all billing and unbilled revenue transactions for non-RPP Class B customers in each customer class. In addition, where the same GA rate is not used for non-RPP Class B customers in all customer classes, explain what GA rate is applied to each customer class.

Answer: It is confirmed that the GA rate is applied consistently to non-RPP class B customers in each customer class for all billing and unbilled revenue transactions.

* 1. Rideau St. Lawrence’s consumption date under Note 2 does not agree with the RRR data filed by the utility with the OEB for 2016. Please review and amend the data as necessary.

Answer: 2015 consumption data was incorrectly used under Note 2. The data has been amended to reflect 2016 consumption in the GA Work form.