

Orangeville Hydro Limited 2018 IRM Application

OEB Staff 2nd Round Follow-up Question

February 20, 2018

1. In respond to OEB staff follow-up question #1, Orangeville Hydro stated:

The journal entry to true-up global adjustment costs attributable to RPP customers for consumption in December 2016 was recorded in the 2017 general ledger.

The journal entry to true-up the charge type 1142 (formerly 142), RPP Settlement claim attributable to RPP customers for consumption in December 2016 was recorded in the 2016 general ledger.

- a) Please confirm whether or not the RPP settlement true-up (charge type 1142, formerly 142) with the IESO was recorded on an accrual basis in December 2016. If so, please confirm whether the RPP settlement true-up accrual was based on actual GA costs or estimated GA costs for the month of December; in addition, confirm that the accrual was reflected in the Transactions Debit / (Credit) during 2016 in the DVA Continuity Schedule.

Orangeville Hydro's Response

The RPP settlement true-up (charge type 1142, formerly 142) with the IESO was recorded on an accrual basis in December 2016 and was based on actual GA costs. The accrual was reflected in the Transactions Debit/ (Credit) during 2016 in the DVA Continuity Schedule.

- b) OEB staff notes that depending on the answers to part a), an adjusting entry may need to be reflected in the 2016 fiscal year, in account 1588, to record the difference between the actual GA costs attributable to RPP customers, versus the estimated GA costs attributable to RPP customers. Recording the RPP settlement true-up (CT 1142) in account 1588 in 2016, but not recording the GA quantum dollar expense in account 1588 until fiscal 2017, creates an imbalance in the 2016 year end in account 1588. If Orangeville agrees with this statement, please record the credit entry in the Rate Generator model, under the 2016 principal adjustments column in account 1588, to true-up the GA costs attributable to RPP customers. If Orangeville disagrees with this statement, please explain your position on the matter.

Orangeville Hydro's Response

Orangeville Hydro agrees with the statement 'Recording the RPP settlement true-up (CT 1142) in account 1588 in 2016, but not recording the GA quantum dollar expense in account 1588 until fiscal 2017, creates an imbalance in the 2016 year end in account 1588.' Orangeville Hydro will record the credit entry in the Rate Generator model, under the 2016 principal adjustments column in account 1588, to true-up the GA costs attributable to RPP customers. The revised model is included with this response.