**GA Methodology Description**

**Questions on Accounts 1588 & 1589**

1. In booking expense journal entries for Charge Type (CT) 1142 and CT 148 from the IESO invoice, please confirm which of the following approaches is used:

a.     CT 1142 is booked into Account 1588. CT 148 is pro-rated based on RPP/non-RPP consumption and then booked into Account 1588 and 1589 respectively.

b.     CT 148 is booked into Account 1589. The portion of CT 1142 equaling RPP minus HOEP for RPP consumption is booked into Account 1588. The portion of CT 1142 equaling GA RPP is credited into Account 1589.

c.     If another approach is used, please explain in detail.

**Grimsby Power Response**

1) Grimsby Power follows approach a) booking charge type 1142 to account 1588. Charge type 148 is pro-rated based on RPP/non-RPP consumption and booked into account 1588 and 1589 respectively.

1. Questions on CT 1142
   1. Please describe how the initial RPP related GA is determined for settlement forms submitted by day 4 after the month-end (resulting in CT 1142 on the IESO invoice).

**Grimsby Power Response**

2. a) The amount that goes to 1142 represents the difference between the cost at the OEB approved RPP rates and the cost at the weighted average price plus Global Adjustment.

To find that value Grimsby Power uses a report from the customer information system (CIS) to determine kWh consumption for RPP customers. The consumption information provided by the CIS is the previous month’s consumption data. For example, to report June data to the IESO during the first few days of July the settlement would be based on May consumption.

The RPP consumption data is split between On Peak, Mid Peak, Off Peak, Tier One and Tier Two. The consumption values for each time/usage period are then multiplied by the current OEB approved RPP rate (on, mid, off, tier one and tier two). For example if on peak kwh is 1,200,000 (May consumption for June reporting) then 1,200,000 is multiplied by the RPP rate of $0.1570 for June 2017. This gives the total RPP cost.

That same data is then multiplied by the weighted average price and the second estimate GA. This is the total at the weighted average price plus Global Adjustment.

The cost at RPP rates is then subtracted from the cost at the weighted average price plus Global Adjustment. That difference goes to 1142.

* 1. Please describe the process for truing up CT 1142 to actual RPP kWh, including which data is used for each TOU/Tier 1&2 prices, as well as the timing of the true up.

**Grimsby Power Response**

2. b) The true up process follows the same steps as above except the data used for each month is actual data for the month. For example the true up for June would use the actual data for June not May data. The weighted average price is verified against the weighted average price posted by the IESO for the current month and the GA used in the true up calculation is the final posted rate from the IESO.

The true up is completed on a regular basis but may not fall quarterly.

* 1. Has CT 1142 been trued up for with the IESO for all of 2017?

**Grimsby Power Response**

2. c) The true up for 1142 has been trued up for all months in 2017 except December.

* 1. Which months from 2017 were trued up in 2018?

**Grimsby Power Response**

2. d) December 2017

* 1. Have all of the 2017 related true-up been reflected in the applicant’s DVA Continuity Schedule in this proceeding?

**Grimsby Power Response**

2. e) Yes

* 1. Please quantify the amount reflected in the DVA Continuity Schedule, and the column where it is included.

**Grimsby Power Response**

2. f) The true up related to account 1588 for 2017 in the amount of $87,519.71 was included in cell BF28. A further description of the adjustments can be found on pages 16 and 17 of the application filed August 13, 2018.

1. Questions on CT 148

a.     Please describe the process for the initial recording of CT 148 in the accounts (i.e. 1588 and 1589).

**Grimsby Power Response**

3. a) Grimsby Power determines the Global Adjustment cost split between RPP and Non-RPP customers by determining the difference in cost between the actual cost of Global Adjustment (Charge Type 148 from IESO invoice, no accrual) and a calculation of Global Adjustment costs attributable to RPP customer consumption. Specifically, Grimsby Power uses a report from the customer information system (CIS) to determine kWh consumption for RPP customers. The consumption information provided by the CIS is the previous month’s consumption. Those kWhs are then multiplied by the 2nd Global Adjustment estimation from the IESO. The result of that calculation is the Global Adjustment for RPP customers. This amount is booked to 4705. This amount is subtracted from the Global Adjustment cost on the IESO invoice. The result is the Global Adjustment for non-RPP Customers. This amount is booked to 4707.

The revenue from RPP customers is booked to offset 4705 and the revenue from non RPP customers is booked to offset 4707. The difference between revenue and expense is then booked to 1588 and 1589 respectively.

b.     Please describe the process for true up of the GA related cost to ensure that the amounts reflected in Account 1588 are related to RPP GA costs and amounts in 1589 are related to only non-RPP GA costs.

**Grimsby Power Response**

3. b) As described above the initial recording of amounts related to 1588 and 1589 are based on consumption data from the previous month. The true up process consists of using the actual month consumption data, weighted average price and actual month final GA rate.

c.     What data is used to determine the non-RPP kWh volume that is multiplied with the actual GA per kWh rate (based on CT 148) for recording as expense in Account 1589 for initial recording of the GA expense?

**Grimsby Power Response**

3. c) As described in 3. a) above the actual GA rate is multiplied by the actual RPP consumption. The non RPP rate is found by subtracting the RPP amount from the total GA charged.

d.     Does the utility true up the initial recording of CT 148 in Accounts 1588 and 1589 based on estimated proportions to actuals based on actual consumption proportions for RPP and non-RPP?

**Grimsby Power Response**

3. d.) Grimsby Power trues up the initial recording of CT 148 based on actual consumption proportions.

e.     Please indicate which months from 2017 were trued up in 2018 for CT 148 proportions between RPP and non-RPP.

**Grimsby Power Response**

3. e.) December 2017

f.       Are all true-ups for 2017 consumption reflected in the DVA Continuity Schedule under 2017.

**Grimsby Power Response**

3. f) Yes

g.     Please quantify the amount reflected in the DVA Continuity Schedule, and the column where it is included.

**Grimsby Power Response**

3. g) The true up related to account 1589 for 2017 in the amount of $141,562.80 was included in cell BF29. A further description of the adjustments can be found on pages 16 and 17 of the application filed August 13, 2018.

1. Questions regarding principal adjustments and reversals on the DVA Continuity Schedule:

Questions on Principal Adjustments - Accounts 1588 and 1589

a.     Did the applicant have principal adjustments in its 2018 rate proceeding which were approved for disposition?

**Grimsby Power Response**

4. a) Yes

b.     Please provide a break-down of the total amount of principal adjustments that were approved (e.g. true-up of unbilled (for 1589 only), true up of CT 1142, true up of CT 148 etc.).

**Grimsby Power Response**

4. b) During the interrogatories for Grimsby Power’s 2018 IRM Application it was agreed to adjust the 1588 Power account by $80,995. This amount represented a true up value for 1588 that was from 2016 but booked in 2017. Grimsby Power has reversed this adjustment in the 2017 portion of the continuity schedule in Tab 3 cell BF 28. This was the only principal adjustment approved.

c.     Has the applicant reversed the adjustment approved in 2018 in its current proposed amount for disposition?

**Grimsby Power Response**

4. c) Yes. Please see above.

d.     Please provide a breakdown of the amounts shown under principal adjustments in the DVA Continuity Schedule filed in the current proceeding, including the reversals and the new true up amounts regarding 2017 true ups.

**Grimsby Power Response**

4. d)



e.     Do the amount calculated in part d. above reconcile to the applicant’s principal adjustments shown in the DVA Continuity Schedule for the current proceeding? If not, please provide an explanation.

**Grimsby Power Response**

4. e) Yes.

f.       Please confirm that the principal adjustments shown on the DVA Continuity Schedule are reflected in the GL transactions. As an example, the unbilled to actual true-up for 1589 would already be reflected in the applicant’s GL in the normal course of business. However, if a principal adjustment related to proportions between 1588 and 1589 was made, applicant must ensure that the GL reflects the movement between the two accounts.

**Grimsby Power Response**

4. f) Grimsby Power confirms that any adjustment related to proportions between 1588 and 1589 have been reflected in G/L’s.