

Staff Preliminary Questions - Appendix A of GA Analysis Workform

GA Methodology Description

Questions on Accounts 1588 & 1589¹

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.

CWH Response:

CWH used another approach "c". CT1142 from IESO invoice is booked into Account 4705 Power Purchased first and the variance of power purchase and sale of energy is transferred into Account 1588 RSVA Power.

CT 148 from IESO invoice is pro-rated based on RPP/non-RPP consumption and then booked into Account 4705 Power Purchased and Account 4707 Charges – Global Adjustment. The variance of GA charges and GA revenue is transferred into Account 1589 RSVA GA

2. Questions on CT 1142

- a. 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).

CWH Response:

The RPP related GA for settlement forms is calculated by multiplying 2nd estimated GA rate by estimated RPP volume.

- b. 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.

CWH Response:

CWH does the true up by monthly true up of the GA rate to final rate, as described in Section 10 "Global Adjustment" in the Managers Summary of CWH's 2019 IRM Application, and quarterly/annually true up of the volume to actual volume. The actual volume is obtained from our billing system, which separates the volume of each TOU/Tier 1 & 2 and uses the particular prices for each TOU/Tier 1 & 2.

¹In all references in the questions relating to amounts booked to accounts 1588 and 1589, amounts are not booked directly to accounts USoA 1588 and 1589 relating to power purchase transactions, but are rather booked to the cost of power USoA 4705 Power Purchased, and 4707, Charges – Global Adjustment, respectively. However, accounts 1588 and 1589 are impacted the same way as account 4705 and 4707 are for cost of power transactions.

- c. Has CT 1142 been trued up for with the IESO for all of 2017?

CWH Response:

Yes, CWH has trued up CT1142 with the IESO for all of 2017 and booked it into 2017.

- d. Which months from 2017 were trued up in 2018?

CWH Response:

The May to December 2017 actual volume true up were done in 2018 and booked into 2017.

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

CWH Response:

Yes, CWH has reflected all of the 2017 related true-up in the applicant's DVA Continuity Schedule in this proceeding.

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

CWH Response:

The 2017 adjustment is recorded in the DVA Continuity Schedule in 2017 as the "Principal Adjustments during 2017" in column BF, Row 28 for 1588-RSVA-Power and Row 29 for 1589-RSVA-Global adjustment in the amount \$69,776.

3. Questions on CT 148

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

CWH Response:

CT 148 from IESO invoice is pro-rated based on RPP/non-RPP consumption and then booked into Account 4705 Power Purchased and Account 4707 Charges – Global Adjustment. The variance of GA charges and GA revenue is transferred into Account 1589 RSVA GA, the variance of Power Purchased and Energy Sales is transferred into Account 1588 RSVA Power. No part of CT 148 is posted to 1588 or 1589 directly.

- 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.

CWH Response:

CWH used the previous month's percentage of RPP and non-RPP to split the amount on CT 148 for January to June 2017. The true up of the GA cost has been identified during the GA analysis and reflected into this application.

CWH has used the actual percentage of RPP and non-RPP to split the amount on CT 148 since July 2017. Therefore, there is no true-up needed since.

- 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?

CWH Response:

CWH splits the GA expenses (CT 148) between RPP and non-RPP by the actual percentage of RPP kWh and non-RPP kWh from our billing system for each particular month since July 2017.

- 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?

CWH Response:

No. For the period of January to June 2017, CWH identified this true up during the GA analysis and reflects it into this application. This true up is just a reallocation between 1588 and 1589 but required no adjustment to be sent to the IESO.

CWH no longer requires a true-up from the initial recording of CT 148 in Accounts 1588 and 1589. Starting in July 2017, CWH has used the actual percentage of RPP and non-RPP to split the amount on CT148.

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

CWH Response:

There is no true up in 2018 for 2017 data for CT 148 proportions between RPP and non-RPP.

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

CWH Response:

Yes, all true-ups for 2017 consumption is reflected in the DVA Continuity Schedule under 2017.

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

CWH Response:

The results of the GA Analysis is in column BF "Principal Adjustments during 2017" of DVA Continuity Schedule in the 2019 IRM Rate Generator, \$69,776 being reallocated between the 1588 –Power (BF28) and 1589 – GA (BF29)

4. 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?

CWH Response:

The amounts in “Principal Adjustments” in the years 2014, 2015 and 2016 were approved for disposition in CWH’s 2018 Cost of Service Application.

The amounts of \$69,776 in column BF (row 28 and 29) “Principal Adjustments during 2017” has not been approved, however is being requested in this 2019 IRM application.

- 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.).

CWH Response:

The following table provides details of the amount for 2014, 2015 and 2016 which were approved in the 2018 Cost of Service application.

	Total Adjustment	CT 148	LTLT	Non-RPP portion of STLT
2014 Principal Adjustments during 2014	\$47,178	\$40,414.16	\$6,764.07	
2015 Principal Adjustments during 2015	-\$18,189	-\$23,574.16		\$5,385.21
2016 Principal Adjustments during 2016	-\$10,305	-\$15,646.86	\$5,342.10	

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

CWH Response:

CWH has not reversed the adjustment approved in 2018. The disposition for Principal Adjustments for 2014, 2015 and 2016 is reflected in the column “2018 Principal Disposition during 2018-instructed by OEB” and is not double counted in the request for disposition of Group 1 balances in 2019.

- d. Please provide a breakdown of the amounts shown under principal adjustments in the DVA Continuity

CWH Response:

The amounts in column BM "Principal Disposition During 2018 – instructed by OEB" and column BN "Interest Disposition during 2018-instructed by OEB" only reflects the approved disposition as reflected in the Settlement agreement for 2018 rates.

The amounts in column BF "Principal Adjustments during 2017" reflects the reallocation between 1588 and 1589 identified during the completion of the GA analysis work form for the 2019 IRM rate application.

The amounts in column AV "Principal Adjustments during 2016" reflects the reallocation of amounts between 1580-RSVA WMS and 1580-Variance WMS -Sub account CBR Class B in the amount of \$12,896. Also, in this column is the reallocation between 1588 and 1589 in the amount of \$10,305 identified during the 2018 cost of application on the completion of the GA analysis for 2016. The amount of \$4,912 represents Share Tax Savings that had not previously been recorded.

The amounts in column AL "Principal adjustments during 2015" reflects the reallocation between 1588 and 1589 in the amounts of \$23,574 and -\$18,189 identified during the 2018 cost of service application on the completion of GA analysis for 2015.

The amounts in column AB "Principal Adjustments during 2014" reflects the reallocation between 1588 and 1589 in the amounts of -\$116,950 and \$47,178 identified during the 2018 cost of service application on the completion of GA analysis for 2014.

- e. Schedule filed in the current proceeding, including the reversals and the new true up amounts regarding 2017 true ups.

CWH Response:

The amounts in the schedule filed in the current proceeding have been adjusted to ensure that only amounts not previously requested is being requested 2019 IRM application.

- f. 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.

CWH Response:

Yes, the amounts calculated in part d. above reconcile to the principal adjustments shown in the DVA Continuity Schedule for the current proceeding.

- g. 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.

CWH Response:

CWH confirmed that principal adjustments that are shown have been reflected in GL transactions.