



Appendix A
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.

KWHI books Charge Type 1142 into and Charge Type 148 are booked into their respective expense accounts (4705 and 4707). The difference between the revenue billed and accrued, and the expense incurred and accrued in the month is recorded in the respective variance accounts – 1588 and 1589.

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).

When providing consumption estimates for the RPP vs. market price claim via the IESO portal, KWHI forecasts the RPP volume based on meter readings. The volume is based on actual consumption in a month.

- 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.

True ups are performed starting three months after the initial forecast and continue for six months after the first true up. The true up uses the actual GA charge.



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

As at of the date of the application, November and December 2017 has not yet been trued up.

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

May 2017 – October 2017

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

No. November and December 2017 have yet to be trued up

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

\$698,145, and is included in Column BF of the DVA Continuity Schedule

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).

CT 148 is initially recorded in USoA account 4707

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.

KWHI initially records all GA charges into USoA account 4707. When the kWh of the RPP customer is determined, the kWh are multiplied by the final GA rate for the respective month and moved into 4705. Sales of Electricity recorded in 4006 to 4055 are compared with the expense in 4705, and the difference is moved to 1588. Sales of GA recorded in sub accounts of 4006 to 4055 are compared against the expense of the remaining balances in 4707 and the difference is recorded in 1589.



- 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?

The actual RPP volume multiplied by the actual GA rate is used to determine the dollars allocated to the non-RPP customer

- 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?

KWHI trues up the initial recording of CT 148 by calculating the dollar amount allocated to the RPP customer, and allocating the remaining dollar amount to the non-RPP customer

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

May 2017 – October 2017

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

No. November and December 2017 have yet to be trued up

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

\$698,145, and is included in Column BF of the DVA Continuity Schedule



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?

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.).

A lump sum of \$1,801,767 was approved for disposition. This amount includes all true ups to the end of 2016.

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

Yes

- 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.

Column BV on the DVA Continuity Schedule in the IRM generators has an amount of \$1,103,622. This includes a reversal of the prior year accrual - \$1,801,767 and recording of the 2017 accrual - \$698,145.

- 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.

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.

Confirmed