**Appendix A**

**GA Methodology Description**

**Questions on Accounts 1588 & 1589**[**[1]**](#_ftn1)

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.

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).

In order to determine the full GA for all customers, Waterloo North Hydro (WNH) multiplies Waterloo North Hydro's total system load (kWh) by the Class B second estimate ($/MWh converted to $/kWh) for the settlement month. The dollar value associated with Class A usage is subtracted from the total Global Adjustment amount to determine the Class B Global Adjustment amount (CT 148). The usage for all non-RPP customers is multiplied by the second estimate to determine the amount of the non-RPP portion of GA (recorded in 1589). The remaining amount must be RPP GA which is the GA portion that is included in CT 1142 (as a negative reduction from total Ont Fair Hydro Plan Eligible RPP Consumer Disct Sett Program).

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.

There are no true-ups to usage amounts unless there is a correction on a bill. The error is corrected on the next settlement month after the error has been noted and has not been material in the past.

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

Since there are no true-ups, CT 1142 includes all of the usage for 2017.

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

None.

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

As noted above, there are no true-ups, therefore all 2017 has been reflected in the DVA Continuity Schedule.

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

The Closing Principal Balances as of December 31, 2017 Adjusted for Disposition during 2018 in column BO of the Continuity Schedule $995,825 for GA 1589. This is the same amount that is included in the Net Change in Principal Balance in the GL on the GA Analysis Workform. The amount in the same column for 1588 is ($1,477,345).

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).

As noted above in 2a) In order to determine the full GA for all customers, Waterloo North Hydro (WNH) multiplies Waterloo North Hydro's total system load (kWh) by the Class B second estimate ($/MWh converted to $/kWh) for the settlement month. The dollar value associated with Class A usage is subtracted from the total Global Adjustment amount to determine the Class B Global Adjustment amount (CT 148). This is recorded in 1589. The RPP portion of GA is removed from 1589 as noted above and included on CT 1142. This allows for all RPP GA to be fully settled through 1588 the IESO settlement process leaving $0 in 1589 for RPP customers.

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.

As noted above there are no true-ups for GA related costs with the exception of corrections of bills. If there are corrections, they are included in the following month’s settlement after the error has been found. WNH determines the type of customer by an internal rate code. Only non-RPP rate codes are included in the 1589 usage amounts.

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 non-RPP kWh volume billed in the month is recorded as expense in Account 1589. WNH has reports to determine the full amount ‘billed’ for non-RPP customers with the corresponding usage. This billed amount is based on the first estimate. The same usage is used when the actual GA rate has been provided. The difference is what remains in 1589.

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?

No true-ups. The amounts initially recorded are based on billed kWhs.

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

No true-ups. All transactions for 2017 have been included in 2017.

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

No true-ups, therefore all 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.

As noted above in 2f) The Closing Principal Balances as of December 31, 2017 Adjusted for Disposition during 2018 in column BO of the Continuity Schedule $995,825 for GA 1589. This is the same amount that is included in the Net Change in Principal Balance in the GL on the GA Analysis Workform. The amount in the same column for 1588 is ($1,477,345).

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

Questions on Principal Adjustments - Accounts 1588 and 1589

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

No adjustments.

1. 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.).

N/A

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

No.

1. 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.

N/A

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.

N/A

1. 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.

Yes, these adjustments are reflected in the G/L transactions in the normal course of business.