

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.
    - Festival books CT1142 into account 4705 and when needed an adjustment is booked to 1588. For CT 148 Festival books it into 4707 and then the RPP portion is adjusted to 4705 and then when needed both are adjust to 1588/1589.
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).
    - Festival uses billed data to calculate a prorated amount of usage for the settlement month.
    - Festival uses the GA rates from the IESO website and bills its customers based on the 1st estimate rate and settles with the IESO on the 2nd estimate rate.
  - 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.
    - Festival trues-up usage by using billed data to determine the actual usage for two months prior to the settlement month. For example, January is trued-up in March settlement by using actual January usage from January to March billed data.
    - Festival uses actual GA rates from the IESO website for the true-up.
  - c. Has CT 1142 been trued up for with the IESO for all of 2017?
    - Yes
  - d. Which months from 2017 were trued up in 2018?
    - Festival accrues for all of 2017 usage in 2017. The true-up for November 2017 was submitted with January 2018 settlement and

the true-up for December 2017 was submitted with February 2018 settlement.

- e. **Have all of the 2017 related true-up been reflected in the applicant's DVA Continuity Schedule in this proceeding?**
    - Yes because Festival accruals for all 2017 true-ups within 2017.
  - f. **Please quantify the amount reflected in the DVA Continuity Schedule, and the column where it is included.**
    - In December 2017 \$18K was accrued as an amount payable to the IESO relating to 2017 true ups that would be settled with the IESO in 2018. This true up was booked as an expense to 4705 and the total expense was compared to total billings to determine if there was any commodity variance that should be hitting 1588.
- 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).**
    - Festival initially records CT 148 to account 4707 and uses billings stats to identify the monthly billings for non RPP customers to determine actual GA kwh billed. Once the amount has been booked to the proper GL on the expenses side, Festival then compares it to customer billings and any variance between the two is then reported to 1588/1589.
  - 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.**
    - Festivals billing stats provide actual GA kwh billed to non-RPP customers. Usage is billed two months after the end of the calendar month and Festival trues-up as actual usage becomes available. As mentioned in Q2 (a) above, until actual usage is available Festival uses the pro-rated amounts from the billed data used during settlement to estimate the split between non-RPP and RPP kwh.
  - 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?**
    - See response in Q3 (b) above.

- 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?
    - Yes, a true-up is done on a rolling month basis, two months after the end of that calendar month.
  - e. Please indicate which months from 2017 were trueed up in 2018 for CT 148 proportions between RPP and non-RPP.
    - Festival accrued 2017 actuals and adjusted the balances in 1588/1589 within 2017 by using the February billing stats that were available in early March 2018. Festival filed amended RRR filings for Q4 2017 to agree to the GL.
  - f. Are all true-ups for 2017 consumption reflected in the DVA Continuity Schedule under 2017.
    - Yes
  - g. Please quantify the amount reflected in the DVA Continuity Schedule, and the column where it is included.
    - The December adjustment to 1589 reflects the annual true up of unbilled revenue (November/December consumption billed in 2018) and the difference between first estimate billed and final GA rate paid to the IESO for the consumption depending on which month the consumption occurred.
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?
  - No
- 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.).
  - Not applicable
- c. Has the applicant reversed the adjustment approved in 2018 in its current proposed amount for disposition?
  - Not applicable
- 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.**

- Festival has a principle adjustment in account 1589 for \$-52,979 which is the reversal of the 2016 true-up owing to the IESO included as a principle adjustment in 2017 in the 2018 IRM model.
- 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.**
- Festivals unbilled accrual for the end of 2017 is equal to actuals and therefore no adjustments were made.