**Appendix A**

**GA Methodology Description**

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

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:
2. 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.
3. 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.
4. If another approach is used, please explain in detail.

**RESPONSE**

Energy+ uses the approach a. in booking expense journal entries for Charge Type 1142

(Formerly 142) and Charge Type 148 from the IESO invoice.

a. Charge Type 1142 is booked into Account 1588. Charge Type 148 is pro- rated based on RPP/non-RPP consumption and then 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).
	2. 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.
	3. Has CT 1142 been trued up for with the IESO for all of 2017?
	4. Which months from 2017 were trued up in 2018?
	5. Have all of the 2017 related true-up been reflected in the applicant’s DVA Continuity Schedule in this proceeding?
	6. Please quantify the amount reflected in the DVA Continuity Schedule, and the column where it is included.

**RESPONSE**

1. As explained in Exhibit 9, Section 9.5.1 IESO Settlement Process:

The process is completed using Energy+’s statistical table from the Customer Information System (“CIS”). For the current IESO settlement month, Energy+ extracts billed customer RPP commodity charges (TOU and Tier 1/Tier 2 pricing) along with the associated billed consumption from the statistical table in the CIS system.

The CIS statistic table tracks all consumption and the associated charges billed at RPP rates for the current IESO settlement month.

For IESO settlement purposes, Energy+ has setup a separate statistic code in the CIS system to track WAHSP charges based on billed consumption for RPP customers. This calculation is stored in the statistic table.

The billed RPP consumption is also included in the billing journal statistics history at the customer account level. This additional customer account level detail, enables Energy+ to settle RPP values against the actual GA rate for any energy consumed prior to the filing month.

Energy+ does not bill RPP customers on a calendar month basis. In order for Energy+ to settle and report on the actual GA rate for the month the energy was consumed, Energy+ pro-rates the billed consumption from the journal history statistics based on read dates and applies the actual GA rate against any consumption where the actual rate is available, and applies the IESO 2nd estimate to any consumption that falls in the current claim month.

1. Energy+ submits a GA true up to the IESO for the prior month. Energy+ calculates the Actual GA charges by applying the corresponding Actual GA rate against the consumption that was claimed in the previous submission at 2nd Estimate and the difference is then trued up on the following month’s claim. Energy+ considers this process to be a monthly Global Adjustment true up of the RPP.

The dollar amount settled with the IESO is the difference between the sum of the WAHSP and GA calculation minus the billed RPP commodity (TOU and Tier 1/Tier 2 pricing). Energy+ maintains separate statistic codes to track the RPP settlement and GA settlement portions.

1. Yes, CT 1142 has been trued up for with the IESO for all of 2017.
2. The month of December 2017 was trued up in 2018.
3. Yes, Energy+ (CND) confirms that all the 2017 related true-ups been reflected in the DVA Continuity Schedule, as part of the Application.
4. The following table quantifies the true-up amounts for Accounts 1588 and 1589 that are included in the DVA Continuity Schedule. These amounts appear in the Transactions Debit/Credit column for 2017 since they were related to transactions in 2017 and are included as part of Energy+’s year-end adjustments.



1. Questions on CT 148
2. Please describe the process for the initial recording of CT 148 in the accounts (i.e. 1588 and 1589).
3. 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.
4. 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?
5. 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?
6. Please indicate which months from 2017 were trued up in 2018 for CT 148 proportions between RPP and non-RPP.
7. Are all true-ups for 2017 consumption reflected in the DVA Continuity Schedule under 2017.
8. Please quantify the amount reflected in the DVA Continuity Schedule, and the column where it is included.

**RESPONSE**

* 1. Charge Type 148 is pro-rated based on RPP/Non-RPP consumption and booked into Account 1588 and 1589, respectively. Energy+ determines the proration between RPP and Non-RPP customers based upon the percentage of the kWh billed for each customer type, as a percentage of the total kWh billed.
	2. Please refer to response 2 a) and b) above.
	3. The non-RPP kWh volume is determined from a monthly billing statistics report produced from the Customer Information System. The billing statistics report is available one day following the month-end.
	4. The initial recording of CT 148 in Accounts 1588 and 1589 are based on actual billed consumption proportions for RPP and non-RPP. A true up is not required.
	5. The month of December 2017 was trued up in 2018.
	6. Energy+ (CND) confirms that at all true-ups for 2017 consumption are reflected in the DVA Continuity Schedule under the Transaction Debit/ (Credit) column for 2017. This is supported by the following:

- The IESO power Bill for December 2016 was booked in the December 2016 GL

- The IESO power Bill for December 2017 was booked in the December 2017 GL

- There are no variances related to Class A customers in account 1589. Class A customers are accrued based on the same estimated amount accrued for

CT 147.

1. The following table quantifies the true-up amounts related to accounts 1588 and 1589 in the DVA Continuity Schedule. These amounts appear in the Transactions Debit/Credit column for 2017 since they were related to transactions in 2017 and are included as part of Energy+’s year-end adjustments.

Energy+ notes that in 2017, separate sub-accounts were created to record the GA transactions for Class A and Non-RPP Class B. These adjustments had no impact on the transactions and/or balances in Account 1589.



1. 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?
2. 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.).
3. Has the applicant reversed the adjustment approved in 2018 in its current proposed amount for disposition?
4. 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.
5. 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.
6. 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.

**RESPONSE**

* 1. Yes Energy+ (CND) had principle adjustments in its 2018 IRM application (EB-2017-0030) which were approved for disposition.
	2. Energy+ (CND) has provided the following tables which summarize the amount of principal adjustments that were approved for disposition in Account 1588 and Account 1589 at the end of December 2016.

Account 1588:



Account 1589:



* 1. Energy+ (CND) has reversed the principle adjustment of $790,246 approved in 2018 related to Account 1589. The adjustments with respect to the RPP/Non-RPP Allocation were not reversed as they represented permanent adjustments related to the years 2015 and 2016.
	2. Energy+ has provided the following table to breakdown of the amounts shown under principal adjustments in the DVA Continuity Schedule filed in the current proceeding, including the reversals of ($790,246) related to prior year adjustments for Account 1589.



* 1. In Response to Interrogatories 9-Staff-97, Energy+ has provided a revised DVA Continuity Schedule for Energy+ Consolidated and Energy+(CND) to updated the “Principal Adjustments during 2017” column to reflect the prior year reversal adjustments.
	2. Energy+ (CND) confirms that the principal adjustments shown on the DVA Continuity Schedule are reflected in the GL transactions.
1. In 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. [↑](#footnote-ref-1)