

Appendix A

GA Methodology Description

Questions on Accounts 1588 & 1589

1 **1. In booking expense journal entries for Charge Type (CT) 1142 and CT 148 from the**
2 **IESO invoice, please confirm which of the following approaches is used:**

- 3 a. CT 1142 is booked into Account 1588. CT 148 is pro-rated based on RPP/non-RPP
4 consumption and then booked into Account 1588 and 1589 respectively.
5 b. CT 148 is booked into Account 1589. The portion of CT 1142 equaling RPP minus
6 HOEP for RPP consumption is booked into Account 1588. The portion of CT 1142
7 equaling GA RPP is credited into Account 1589.
8 c. If another approach is used, please explain in detail.

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Burlington Hydro's response:

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11 In booking expense journal entries for Charge Type 1142 (RPP vs. Market Price Settlement
12 Claim), and Charge Type 148 (Class B Global Adjustment Settlement Amount) from the IESO
13 invoice, Burlington Hydro uses another approach as follows:

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15 Charge Type 1142 is booked into Account 1588. For Charge Type 148, the entire amount is
16 initially booked to Account 1589. The GA attributable to RPP customers (the RPP quantities
17 multiplied by the GA rate on the IESO invoice) is subsequently credited to Account 1589 and
18 booked to Account 1588. Burlington Hydro notes that this approach is a residual method similar
19 to approach b) but generates the same result as approach a).

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2. Questions on CT 1142

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22 a. Please describe how the initial RPP related GA is determined for settlement forms
23 submitted by day 4 after the month-end (resulting in CT 1142 on the IESO invoice).
24 b. Please describe the process for truing up CT 1142 to actual RPP kWh, including which
25 data is used for each TOU/Tier 1&2 prices, as well as the timing of the true up.
26 c. Has CT 1142 been trued up for with the IESO for all of 2017?
27 d. Which months from 2017 were trued up in 2018?

- 1 e. Have all of the 2017 related true-up been reflected in the applicant's DVA Continuity
2 Schedule in this proceeding?
- 3 f. Please quantify the amount reflected in the DVA Continuity Schedule, and the column
4 where it is included.

5

6 **Burlington Hydro's response:**

- 7 a. The process to determine the initial RPP related GA for settlement forms submitted by
8 day 4 after the month-end is described in Table 15 and on page 25 of Burlington Hydro's
9 2019 IRM Application EB-2018-0021.
- 10 b. The process for truing up CT 1142 to actual RPP kWh, including which data is used for
11 each TOU/Tier 1&2 prices, as well as the timing of the true up is described in Table 15
12 and on page 26 of Burlington Hydro's 2019 IRM Application EB-2018-0021.
- 13 c. Yes, CT 1142 has been trued up for with the IESO for all of 2017.
- 14 d. December 2017 was trued up in 2018 with the IESO and trued up in December 2017 in
15 Burlington Hydro's financial statements.
- 16 e. Yes all of the 2017 related true-ups have been reflected in the applicant's DVA
17 Continuity Schedule in its 2019 Rates Application.
- 18 f. The amount of the true-ups for 2017 was \$711,228 (owed to the IESO) and is reflected
19 in column BD "Transactions Debit/Credit" in "Tab 3. Continuity Schedule" of the IRM
20 Model.

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22 **3. Questions on CT 148**

- 23 a. Please describe the process for the initial recording of CT 148 in the accounts (i.e. 1588
24 and 1589).
- 25 b. Please describe the process for true up of the GA related cost to ensure that the
26 amounts reflected in Account 1588 are related to RPP GA costs and amounts in 1589
27 are related to only non-RPP GA costs.
- 28 c. What data is used to determine the non-RPP kWh volume that is multiplied with the
29 actual GA per kWh rate (based on CT 148) for recording as expense in Account 1589 for
30 initial recording of the GA expense?

- 1 d. Does the utility true up the initial recording of CT 148 in Accounts 1588 and 1589 based
2 on estimated proportions to actuals based on actual consumption proportions for RPP
3 and non-RPP?
4 e. Please indicate which months from 2017 were trued up in 2018 for CT 148 proportions
5 between RPP and non-RPP.
6 f. Are all true-ups for 2017 consumption reflected in the DVA Continuity Schedule under
7 2017?
8 g. Please quantify the amount reflected in the DVA Continuity Schedule, and the column
9 where it is included.
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11 **Burlington Hydro's response:**

- 12 a. Please see the response to Question 1.
13 b. Please refer to page 25 and 26 of Burlington Hydro's 2019 IRM application EB-2018-
14 0021 for the true-up process for Account 1588. Burlington Hydro does not have a true-
15 up for Account 1589. Actual GA costs are initially booked to Account 1589 based on the
16 IESO actual GA and actual consumption where available.
17 c. Burlington Hydro uses actual consumption where known (Class A and non-RPP interval
18 metered customers billed at spot) and an estimate of consumption for non-RPP non-
19 interval Metered and Retailer customers billed at spot. This is identified in Table 15 of
20 Burlington Hydro's 2019 IRM application EB-2018-0021.
21 d. No. This is not required. Burlington Hydro initially records actual consumption
22 proportions, where available, and actual costs in Accounts 1588 and 1589. Therefore
23 there is no true-up. The only true-up which Burlington Hydro performs is with the IESO
24 for the 1598 RPP vs. Market Price Claim.
25 e. All months in 2017 reflect actual consumption between RPP and non-RPP where data
26 was available.
27 f. N/A for CT 148. See response to part d. As identified in the response to question 2,
28 Burlington Hydro has reflected all true-ups related to the RPP vs. Market Price Claim in
29 the DVA Continuity Schedule under 2017
30 g. N/A. See response to part f.

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

Burlington Hydro's response:

- a. No, Burlington Hydro did not have principal adjustments in its 2018 rate proceeding which were approved for disposition.
- b. N/A. Burlington Hydro did not have principal adjustments in its 2018 rate proceeding which were approved for disposition.

- 1 c. N/A. Burlington Hydro did not have principal adjustments in its 2018 rate proceeding
- 2 which were approved for disposition.
- 3 d. Burlington Hydro does not have any amounts shown under principal adjustments in the
- 4 DVA Continuity Schedule filed in the current proceeding.
- 5 e. N/A
- 6 f. N/A. Burlington Hydro did not have principal adjustments. All true-ups related to 2017
- 7 are reflected in Burlington Hydro's GL transactions for 2017.