

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.

In booking expense journal entries, WDI confirms that approach (a.) is used to book electricity costs. Charge Type CT 1142 is booked into Account 1588 and CT 148 is pro-rated based on RPP/non-RPP consumption and booked into Account 1588 and 1589 respectively.

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).

WDI has explained most of the questions a) to f) on its' original submission on pages 21 – 23 of the IRM Manager's Summary.

When completing the monthly submissions for IESO settlements, WDI uses a top down approach. WDI starts by collecting the current month's wholesale metering data from our third-party meter management vendor, Utilismart. The embedded generation is then added to calculate the total load (kWh) purchased. WDI has no Class A customers. The split between RPP and non-RPP consumption of Class B customers must be estimated. The current month's billing data is used to estimate the split. It is an estimate because the current month's billing data is based on the prior month's consumption. Actual volumes between RPP and non-RPP are not available at the time the settlement is due. WDI uses these estimated RPP volumes to calculate the RPP related GA costs. The first estimate of the GA is used for this initial calculation, but once the actual GA rate is known, an adjustment is made to true-up in the following month.

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- 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.

WDI trues up the difference between the GA first estimate and actual GA the following month, once the final rate is known. WDI also calculates a true up on the estimated RPP volumes every quarter using actual volumes obtained from the CIS billing data. WDI is able to use actual TOU and Tier volumes for this true up.

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

WDI confirms CT1142 has been trued up with the IESO for all of 2017.

- d) Which months from 2017 were trued up in 2018?

WDI trued up Q4-2017 on the February 2018 submission for January 2018 settlement. This true up was booked into WDI's 2017 G/L to ensure balances in the 2017 DVA accounts were accurate.

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

Yes, WDI confirms all of the 2017 related true-up has been reflected in the DVA Continuity Schedule submitted with this proceeding.

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

All quarterly true ups relating to 2017 volumes were included in the 2017 transaction column on 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).

WDI uses actual monthly volumes obtained from the billing data within our CIS Northstar software to determine the RPP and Non-RPP kWhs. The Global Adjustment charges (CT 148) are then allocated proportionally between account 1588 and 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.

WDI does not find it necessary to true up the GA related expenses because actual volumes (from billing data) are used to determine the split when posting the GA costs between RPP and non-RPP. WDI does use the OEB GA model to ensure the GA variance each month is reasonable.

- 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?

As mentioned in (a) and (b) WDI uses actual volumes from the billing data of the applicable consumption month to determine the non-RPP kWh volumes. These volumes are used and multiplied with actual GA per kWh rate to record the GA expense proportionally between account 1588 and 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?

WDI uses actual consumption data to calculate GA (CT 148) costs between 1588 and 1589 and therefore does not require true ups.

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

WDI did not require a 2017 true up in 2018 for CT 148 as explained in (a-d).

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

WDI confirms no true up for CT 148 was necessary (see above).

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?

If Board staff are referring to WDI's 2018 IRM Rate Application WDI confirms that it had approval for principal disposition of Accounts 1588 and 1589.

- 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.).

Any unbilled amounts were included in the total approved for disposition of \$551,637 for Account 1588 Principal and \$144 for Account 1589 Principal.

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

WDI confirms that the adjustments approved in 2018 were appropriately reversed in the current 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.

WDI showed the amounts for disposition in Cells BM 28 & 29 for the Principal and showed the current year transactions for 2017 in Cells BD 28 & 29 of the Tab 3. Continuity Schedule of the IRM Rate Generator.

- 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.

WDI can confirm this is correct.

- 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.

WDI confirms that the amounts contained in the GL reflect any movement that was required.