EB-2018-0059 – GA Methodology Description

1. B) NBHDL’s process is to segregate 1142 & 148 into the appropriate accounts (1588 &1589)
2. A) NBHDL determines consumption by utilizing the total monthly system load (AQEW provided by IESO preliminary data) and adjusting for:

* Generation;
* Interval metered load (i.e.; customers on hourly pricing);
* GS>50 non-interval load (i.e.; customers paying NSLS) - estimate based on the kWh from the prior month’s billing and compared to prior year historical billing for reasonability;
* Class A consumption – based on interval meter data; and
* Residential/GS<50 non-RPP consumption - aggregate report generated from smart meter data which totals kWh by TOU peaks and meter. The data is cross-referenced to billing data in order to determine which accounts are currently with a retailer.

The net result of these adjustments is the assumed low volume RPP consumption. This consumption is allocated to TOU based on the data provided in the aggregated report identified above and the remaining consumption is assumed tier; which is allocated to Tier 1 and Tier 2 based on the prior month billing.

B) NBHDL reconciles these estimates monthly by comparing actual billed data against the estimates and truing up accordingly, for both kWh and dollar values. The billed data is from the actual billing system and reconciled to the general ledger. This occurs on a monthly basis with each settlement, taking into account the last month’s entire billing data.

C) Yes.

D) NBHDL bills and reconciles monthly so only Dec 2017 would need to be trued up. There would however be exception billings and corrections that could fall outside of the monthly cycle. These are still caught in the monthly billing and true-up process, but are immaterial to prior year reporting.

E) The following month’s (Jan) true-up is reflected in the filed DVA schedule. As stated in D), there could be exception billings and corrections that could fall outside of the monthly cycle. These are still caught in the monthly billing and true-up process, but are immaterial to prior year reporting.

F) Amounts of $27,691 and $422,399 are reflected in the DVA schedule for Power (1588) and GA (1589) respectively. These adjustments are in column AY.

3. A) CT148 is netted against the RPP GA settlement and estimate in CT1142 as well as the EG. It is then booked directly to 1589. This ensures that only non-RPP GA is in 1598.

B) As described in A), it is done at the initial recording. CT148 is netted with the CT1142 components that relate to RPP-GA as well as embedded generation.

C) NBHDL uses a top down approach for the estimate in CT1142, but uses actual billing data for reconciliation in CT1142 and expense allocation. As previously stated, NBHDL trues-up 1589 monthly.

D) No. Both 1588 and 1589 are trued-up monthly using actual billing data. Only the estimated piece of 1142 would be considered proportional. This, however is rolled, reconciled and trued-up every month.

E) N/A

F) Yes.

G) N/A, True-ups are reflected in CT 1142 as previously answered.

4. A) Yes.

B) 1589: ($485,369)

- ($189,233) Volume variance

- ($220,120) Rate variance

- ($76,016) Unbilled variance

1588: ($92,842)

- ($62,602) Tier Var

- ($30,239) TOU Var

C) Yes.

D) N/A

E) N/A

F) The reversal of last year’s principal adjustments would not be reflected in the GL. The application and requirement for true-ups with the use of DVA principle adjustments, came after the 2016 audited financial statements so the subsequent reversal would be reflected in the opening 2017 GL balance already.