**Veridian - EB-2018-0072**

**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.

**Veridian Response**

1b) 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.

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.

**Veridian Response**

2a) Actual metered data and 2nd estimate Class B Global Adjustment rate are used when calculating CT 1142.

b) The process to true-up CT 1142 is based on actual metered data for RPP kWh. The true up for TOU/Tier 1&2 pricing is based on actual Class B Global Adjustment rate and IESO final settlement statement HOEP. The settlement month is trued-up two calendar months post-settlement month.

 c) Yes CT 1142 has been trued up with the IESO for all of 2017.

d) All months are included in 2017. November and December 2017 are recorded as accruals in 2017 and reversed in 2018. November and December 2017 true-ups are included in January and February 2018 CT1142.

e) Yes all the 2017 related true-ups have been reflected in Veridian’s DVA Continuity Schedule.

f) The November and December true up has been included in column BD-Transactions Debit/(Credit) during 2017. The amount recorded for the accrual in 1588 is $(109,116.47) and the amount recorded for the accrual in 1589 is $548,767.12.

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.

**Veridian Response**

 3a) CT 148 is recorded in account 1589.

b) CT 1142 includes the amount credited to 1589 for the RPP portion of GA based on 2nd estimate GA rate. At year end, a true-up accrual is recorded where settlement was originally based on 2nd estimate once the actual GA rate is available.

c) The initial amount recorded in 1589 for GA is based on the IESO invoice CT 148. The RPP portion is adjusted through CT 1142 and the remainder in account 1589 is actual non-RPP volumes.

d) The initial recording of CT 148 is allocated to 1589. CT 1142 records the true up of RPP portion and this is based on actual volumes.

e) Accruals for November and December true ups were recorded in Dec 2017 and reversed in 2018. November and December 2017 true-ups are included in January and February 2018 CT1142.

f) Yes all true-ups for 2017 are reflected in theDVA Continuity Schedule under 2017.

g) The accrual true up booked to account 1588 for November and December is $(109,116.47). The accrual true up booked to account 1589 for November and December is $548,767.12. Both true up accruals have been included in column BD-Transactions Debit/(Credit) during 2017.

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.

**Veridian Response**

1. Yes Veridian had differences between accrued unbilled revenue in Dec 2015 and actual revenue billed in 2016.
2. Veridian has not quantified the principal difference in the 2018 rate proceeding for unbilled differences. This will require significant work to do so.
3. Veridian has not reversed the adjustment approved in 2018 in it’s current application as it has not been included in the previous rate proceeding. Veridian is not proposing disposition of Group 1 variances in this application.
4. Veridian does not have any principal adjustments for unbilled revenue included in the DVA Continuity Schedule for the current rate proceeding.
5. n/a
6. n/a
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)