**Algoma 2019 IRM – Questions to Applicant**

**Question 1**

**Ref. DVA Continuity Schedule and GA Analysis Workform**

The applicant has indicated that it has reversed the principal adjustments that it recorded as part of its 2016 DVA disposition balance within the “Transactions Debit/(Credit) during 2017” column of the DVA continuity schedule submitted as part of its current application.

1. The “Transactions Debit/(Credit) During 2017” column of the DVA continuity schedule must represent the actual transactions recorded within the Applicant’s G/L. For transparency purposes all principal adjustments, including the Reversal of prior year principal adjustment amounts, must be recorded within the “Principal Adjustments during 2017” column of DVA schedule. Accordingly, please update the DVA continuity to reflect this.
2. The reversal of the prior year principal adjustments must also be itemized within the analysis performed within Note 5 of the GA Analysis Workform. Please update the GA Analysis Workform to reflect this.

**Question 2**

**Ref. GA Analysis Workform**

With respect to the various adjustments recorded in Note 5 of the DVA continuity schedule (i.e. Adj 1 -10), the applicant provides an explanation for each of the adjustments proposed.

1. The explanation for each adjustment does not contain enough information to substantiate the direction, i.e. a debit versus a credit and vice versa. Please update of the explanations to include the sufficient detail so support the direction of each of the adjustments proposed.

**Question 3**

**Ref. Adj. 2b in Note 5 of the GA Analysis Workform**

The Applicant has a revenue accrual true-up for the difference between the 1st and 2nd GA rate estimates.

1. Please confirm that there is not consumption variance that needs to be accounted for as well between the when the initial accrual that is made at the first GA rate estimate and the 2nd estimate that is used for actual billings made. If so, please quantify the quantity variance impact as well.

**Question 4**

**Ref. Adj. 4 in Note 5 of the GA Analysis Workform**

1. Please provide a description as to how this initial year-end accrual was calculated and when it is subsequently adjusted.
2. Does this accrual relate only to the month of December?
3. Please complete the following table to support the quantum of this adjustment (the expectation is that the overall difference should equal the amount of the adjustment, if not, please explain why).:

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1. How does the unbilled revenue component of this entry differ from the adjustment recorded in 2b of Note 5 of the GA Analysis workform?

**Question 5**

**Ref. Adj. 6 in Note 5 of the GA Analysis Workform**

1. Please explain why there are differences between the IESO posted rate at the actual rate charged on the invoice?
2. How ere these amounts identified and how was the overall variance amount calculated?
3. Please confirm that this amount is already included as part of the “Transactions Debit/(Credit During 2017” column in the DVA continuity schedule for account 1589.
4. Were the additional amounts charged all related to Non-RPP customers?
5. How were any of the additional amounts charged by IESO but related to RPP customers removed from the balance in account 1589 (i.e. since both RPP and Non-RPP GA are recorded in account 1589).

**Question 6**

**Ref. Adj. 9 in Note 5 of the GA Analysis Workform**

1. Please confirm that this adjustment includes both the January 4th, 2018 settlement with the IESO for November 2017 consumption, and the February 4th, 2018 settlement with the IESO for December 2017 consumption.
2. Please also confirm that both settlements noted above were completed using actual consumption data and the actual GA rate for each of the respective months. Please also confirm that because the actual data is used, there is typically no subsequent true-up required to the resulting CT 1142 that was calculated and recorded for each of these months i.e. due to 1-month time lag in settlements, it is already based on actual data, not estimates).

**Question 7**

**Ref. Note 5 of the GA Analysis Workform and Appendix A, Response 2f**

1. As part of this response the Applicant has quantified a true-up amount of ($1,344,767) related to CT 1142. Please reconcile this to the true-up adjustments presented in Note 5 of the GA Analysis Workform.

**Question 8**

**Ref. 2019 RRRP Adjustment Factor**

1. OEB staff has calculated an updated RRRP adjustment factor of 2.32% based on calculating the simple average annual rate change for distributors for the Residential and GS<50 kW customer rate classes (see schedule A attached).
   1. Please review and confirm the methodology used.
   2. When applied to API’s Rate Design Model, API’s RRRP amount required for 2019 increases by $14,657. Please confirm.

**Question 9**

**Ref. DVA Continuity Schedule, Account 1595 (2017)**

1. Please provide an explanation for the balance of $(227,098) in the “Transactions during 2017” column.