



October 26, 2018

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
27th Floor/ P.O. Box 2319  
2300 Yonge St.  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: 2019 IRM Electricity Distribution Rate Application,  
Global Adjustment Inquiry Responses - Halton Hills Hydro Inc.,  
Board File no. EB-2018-0037**

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Halton Hills Hydro Inc. (“HHHI”) hereby submits its responses to Board Staff Global Adjustment inquiry sent by email on October 16, 2018.

HHHI has submitted the responses through RESS and couriered two (2) hardcopies of the pdf document to the Board.

In the event of any additional information, questions or concerns, please contact David Smelsky, Chief Financial Officer, at [dsmelsky@haltonhillshydro.com](mailto:dsmelsky@haltonhillshydro.com) or (519) 853-3700 extension 208, or Tracy Rehberg-Rawlingson, Regulatory Affairs Officer, at [tracyr@haltonhillshydro.com](mailto:tracyr@haltonhillshydro.com) or (519) 853-3700 extension 257.

Sincerely,

*(Original signed)*

David J. Smelsky, CPA, CMA, C.Dir.  
Chief Financial Officer, HHHI

Cc: Arthur A. Skidmore, President & CEO, HHHI  
Tracy Rehberg-Rawlingson, RAO, HHHI

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**ONTARIO ENERGY BOARD  
IN THE MATTER OF AN APPLICATION BY  
HALTON HILLS HYDRO INC. (“HHHI”)**

**2019 IRM APPLICATION  
GLOBAL ADJUSTMENT RESPONSES FROM HALTON HILLS HYDRO INC.**

**Appendix A**

**GA Methodology Description**

**Questions on Accounts 1588 & 1589<sup>1</sup>**

**OEB Staff GA Question #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.

**Response:**

HHHI confirms that it uses approach (a) Charge Type 1142 is booked into Account 1588. Charge Type 148 is pro-rated based on RPP/non-RPP consumption and then booked into Account 1588 and 1589, respectively<sup>1</sup> to post monthly expenses from the IESO invoice.

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<sup>1</sup>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.

## OEB Staff GA Question #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).
- 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.
- c. Has CT 1142 been trued up for with the IESO for all of 2017?
- d. Which months from 2017 were trued up in 2018?
- e. Have all of the 2017 related true-up been reflected in the applicant's DVA Continuity Schedule in this proceeding?
- f. Please quantify the amount reflected in the DVA Continuity Schedule, and the column where it is included.

### **Response:**

- a. The initial RPP related GA is determined using billed amounts from HHHI's Customer Information System (CIS) and unbilled consumptions from the Operation Data Store (ODS) and adjusted for actual consumptions at year end.
- b. HHHI's CIS uses rate effective dates to track pro-rated consumption for rate change purposes. HHHI creates RPP rates (TOU and Tiered) with a January 1 effective date that results in consumptions prorating for the year end. A query is run after all consumptions for the previous year are billed and only consumptions with an effective date of the previous year are used to complete the RPP true-up based on actuals. The true-up amounts based on these actual consumptions are included in the year-end balance.
- c. Yes.
- d. There are no 2017 amounts trued-up in 2018 for the CT 1142 as the 2017 year-end balance includes the actual 2017 amounts.
- e. Yes.
- f. The amounts for CT1142 are reflected in the Principle amounts in Account 1588 in 2017.

### OEB Staff GA Question #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).
- 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.
- 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?
- 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?
- e. Please indicate which months from 2017 were trued up in 2018 for CT 148 proportions between RPP and non-RPP.
- f. Are all true-ups for 2017 consumption reflected in the DVA Continuity Schedule under 2017?
- g. Please quantify the amount reflected in the DVA Continuity Schedule, and the column where it is included.

#### **Response:**

- a. HHHI uses billed and unbilled volumes to determine a monthly percentage for RPP and non-RPP consumptions. CT 148 is separated by those percentages with the RPP allocation going to the expense account associated with 1588 and the non-RPP allocation going the expense account associated with 1589.
- b. See OEB Staff Question #3 part a above. Final true-up is completed at year end based on actual consumptions (see OEB Staff Question #2 part b).
- c. HHHI bills all customers a GA amount through a volumetric rate and then credits the GA amount to RPP customers, thus resulting in all customers showing a GA volume but RPP customers having no charge for GA. The volumes are used to determine a percentage of RPP and non-RPP customers. These percentages are used to determine the amount of the total CT 148 (GA expense) allocated to Account 1589.
- d. Yes.
- e. There are no 2017 amounts trued-up in 2018 for the CT 148 proportions between RPP and non-RPP as the 2017 year-end balance includes the actual 2017 amounts.
- f. Yes.
- g. The amounts for CT 148 are reflected in the Principle amounts in Accounts 1588 and 1589 in 2017.

**OEB Staff GA Question #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.

**Response:**

- a. No.
- b. Not applicable.
- c. Not applicable.
- d. Not applicable.
- e. Not applicable.
- f. Not applicable.