

Appendix A
GA Methodology Description
Questions on Accounts 1588 & 1589¹

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.

Approach C. CT 1142 is booked into the expense side of Account 1588 and this amount is the difference between RPP pricing less a monthly average price issued less the GA 2nd estimate rate (described in 2a below). CT 1142 is booked into the expense side of Account 1588 which includes both RPP and Non-RPP GA values. The portion of CT 148 representing the GA RPP value is credited into the expense side of Account 1589 and debited into the expense side of Account 1588. This process ensures that Account 1589 represents the GA amount for Non-RPP customers only.

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).

The estimated RPP kWhs are split between RPP categories (on/off/mid peak and tiers 1 and 2 using the most current month RPP billing stats as a proxy. For each RPP category, the associated RPP pricing less a monthly average price issued less the GA 2nd estimate rate are used to determine the RPP settlement amounts with the IESO.

¹In 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.

- 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.

EPLC's billing system is setup to allow billing transactions to be assessed by calendar month. This provides the billing stat information required by calendar month to compare against estimates. The 2nd GA estimate is also updated to the actual GA rate. Any difference is incorporated into the settlement process and general ledger accounts as required.

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

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

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

2017 was trued up in 2018 however the true up amount was recorded in the 2017 general ledger.

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

Yes, 2017 related true-ups are reflected in the 2017 general ledger.

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

Column BD, Transactions Debit/(Credit) during 2017 on the continuity schedule includes the true-up portion in the amount of \$(807,540.82) for 1588.

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).

CT 148 is initially recorded entirely into Account 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.

The initial recording of CT 148 is recorded entirely into Account 1589. The RPP actual kWh volume are multiplied by the actual GA and this amount is moved to 1588 from 1589 and the remaining GA balance in 1589 is related to Non-RPP only.

- 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?

EPLC uses non-RPP kWh volume data directly from the IESO and Hydro One invoices. This kWh data is verified against meter data and multiplied by the Actual GA rate.

- 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?

Yes, Essex trues up Accounts 1588 and 1589 based on actual consumption and actual GA rate 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.

2017 was trued up in 2018 however the true-up amount was recorded in the 2017 general ledger.

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

Yes, all true-ups for 2017 consumption are reflected in the 2017 general ledger.

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

Column BD, Transactions Debit/(Credit) during 2017 on the continuity schedule includes the true-up portion in the amount of \$519,318.71 for 1589 and \$(519,318.71) for 1588.

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?

No

- 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.).

N/A

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

N/A

- 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.

Please refer to Section 8 of EPLC's Manager's Summary.

- 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.

Yes.

- 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.

Please refer to Section 8 of EPLC's Manager's Summary.