

Algoma – OEB Staff Follow-up

OEB Staff Question 1

Ref: Response to OEB Staff Question 2

Please update the explanations in Note 5 of the GA Analysis Workform to further substantiate whether a debit or credit to account 1589 is required related to the particular adjustment. For example, when explaining the 1142 true-up, provide the detail that explains if the consumption used for settlement was understated and therefore the true-up results in a debit X to account 1589, and that the GA rate used on settlement was overstated, thereby resulting in a credit of X to account 1589. For unbilled revenue, the year-end accrual was understated and thereby result in a credit to account 1589 of X. Please follow a similar template for all other adjustments (except for the reversal of prior year principal adjustments, no further explanation is required there).

API Response:

Please see updated explanations in revised API GA Workform.

OEB Staff Question 2

Ref: GA Analysis Workform, Adj. 10 (there are two Adj. 10 in the revised GA Analysis Workform, this question is referring to the one on the very bottom of Note 5)

The Applicant adjusts for the difference between what it had initially accrued for CT 148 charge from the IESO related to the month of December and the actual CT 148 charge for the month based on the IESO invoice for December:

- a) For Adj. 10, it appears from the explanation that has been provided that the Applicant is saying that their accrual for CT 148 for December 2017 was understated by \$130,000. If that is the case, then wouldn't the adjustment required be a debit to Account 1589 (as opposed to a credit, as shown). If this is the case, please correct the direction of this adjustment in the GA Analysis Workform.

If this is not the case, then please clarify your explanation by stating whether the accrual was over or understated compared to the actual IESO invoice for December 2017.

API Response:

The direction of this adjustment is correct in the GA Analysis Workform. API has updated the explanation for Adj. 10 in the revised GA Workform.

OEB Staff Question 3

Ref: GA Analysis Workform, Adj. 10 (the first Adj 10)

Please confirm that the amount recorded of \$1,297 represents the portion of CT 1142 from the settlement of December 2017 RPP consumption (which was done on Feb 4, 2018) that related to GA RPP, which is credited against account 1589 (as both GA RPP and GA Non-RPP are initially recorded to Account 1589).

API Response:

API confirms that the amount of \$1,297K represents the portion of CT 1142 from the settlement of December 2017 RPP consumption (which was done on Feb 4, 2018) that related to GA RPP, which is credited against account 1589 (as both GA RPP and GA Non-RPP are initially recorded to Account 1589).

OEB Staff Question 4

Ref: GA Analysis Workform, Adj. 12

- a) Please confirm that this amount relates to the adjustment being referred to in the response provided by the Applicant to OEB Staff Question 6b. Specifically, this is the annual true-up in which all consumption values were re-run out of the accounting system and all inputs were re-entered to ensure no errors were made.
 - b) Does this adjustment relate to both GA RPP and GA Non RPP?
 - c) If there is a GA RPP component to this amount, did it get settled with the IESO? Was that settlement reflected against account 1589 in order to offset this GA RPP component?
 - d) If the Applicant has indicated that there was no GA RPP component to this adjustment, then please explain how the Applicant is certain that this is in fact the case.
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API Response:

- a) API confirms that the amount relates to the adjustment as described in the response to OEB Staff Question 6 b. The adjustment is the annual true-up in which all RPP consumption values were re-run out of the accounting system and all inputs were re-entered to ensure no errors were made.
- b) This adjustment relates to the 2017 annual true-up of GA RPP.
- c) The annual GA RPP true-up was settled with the IESO in 2018. The portion of CT 1142 equaling the GA RPP true-up was credited into Account 1589 (as both GA RPP and GA Non-RPP are initially recorded to Account 1589), therefore offsetting the GA RPP component.
- d) Please see response above in Question 4 b.

OEB Staff Question 5

Ref: DVA continuity Schedule, Accounts 1588

- a) As part of its principal adjustments proposed in 2017 for account 1588, please confirm that the debit \$832K that the Applicant has recorded represents the portion of its December 2017 IESO settlement (that was completed on Feb 4, 2018) that relates to RPP-HOEP.
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API Response:

- a) API confirms that the debit \$832K recorded as part of its principal adjustments for account 1588 represents the portion of its December 2017 IESO settlement (that was completed on Feb 4, 2018) that relates to RPP-HOEP.