

**OEB Staff Questions
for Kitchener-Wilmot's 2019 IRM Application (EB-2018-0048)**

Follow-Up Questions

Follow-up to Staff-1 d

We have a follow-up question regarding the removal of reconciling item 6 on the GA analysis workform.

In the GA analysis workform, you originally recorded a \$1,880,027 credit adjustment to capture the impact of the differences between the actual posted GA rate and the invoiced rate. As you noted, these differences were due to IESO adjustments for reconciliation item 6. In response to this question, you confirmed that the GA rate already included the impact of these adjustments. As a result, you removed the adjustment amount in reconciliation item 6.

It is our understanding that the IESO posted rates do not include the impact of these adjustments. However, the rate on the monthly IESO invoices do include the impact of these adjustments. Since the GA workform calculates the expected GA activity for the year based on actual posted GA rates, it would appear that an adjustment amount would still be needed in the GA analysis workform to reconcile your GL to the expected GA balance calculated in the workform.

Based on the above understanding, it is not clear why reconciling item 6 of \$1,880,027 should be removed. If this amount is included, the unresolved difference is -2% which is materially higher than the threshold. As noted in the Chapter 3 filing requirements, any remaining, unexplained discrepancy will be assessed for materiality and could prompt further analysis before disposition is approved.

- a. Please provide all monthly invoices in 2017.
- b. Please reconcile the invoices to the \$1,880,027 adjustment.

Attached to this email is all IESO invoices, and all month end final settlements. The original \$1,880,027 adjustment came from the final settlements.

Below is a table that provides a calculation of the GA rate from the final settlements, which is where the adjustment of \$1,880,027 comes from. This table demonstrates that the IESO posted GA rate includes all prior period adjustments. KWHI proves this by using its data.

	Regular CT 148 (DP)	Adjusted CT 148 (MP) current year	Adjusted CT 148 (MP) previous year	Total GA per Final Settlement	mWh *	Calculated GA Rate	Final GA rate as posted on the IESO website	Difference IESO GA rate vs calculated from settlements GA rate
	a	b	c	d = a + b + c	e	f = d / e	g	h = f + g
January	(12,957,765.43)			(12,957,765.43)	156,658.545	(82.71)	82.27	(0.44)
February	(11,774,345.54)			(11,774,345.54)	136,286.227	(86.39)	86.39	(0.00)
March	(10,691,478.01)	1,085.20		(10,690,392.81)	149,834.890	(71.35)	71.35	0.00
April	(13,574,358.82)	(7,637.35)	(134,869.39)	(13,716,865.56)	127,092.456	(107.93)	107.78	(0.15)
May	(16,000,570.88)		(111,659.29)	(16,112,230.17)	131,137.295	(122.87)	123.07	0.20
June	(17,718,600.95)		(170,098.15)	(17,888,699.10)	141,638.944	(126.30)	118.48	(7.82)
July	(14,344,411.95)	38,507.48	(306,366.87)	(14,612,271.34)	139,113.671	(105.04)	112.80	7.76
August	(13,420,779.68)	398,348.55	(317,543.96)	(13,339,975.09)	132,487.121	(100.69)	101.09	0.40
September	(10,944,073.95)	(10,005.64)	(280,732.38)	(11,234,811.97)	126,721.639	(88.66)	88.64	(0.02)
October	(14,662,078.28)	(11.29)	(262,760.64)	(14,924,850.21)	118,836.982	(125.59)	125.63	0.04
November	(11,968,215.39)	430.37	(295,996.74)	(12,263,781.76)	125,830.000	(97.46)	97.04	(0.42)
December	(13,195,712.40)	(72,053.06)		(13,267,765.46)	144,105.393	(92.07)	92.07	0.00

* the mWh is calculated as the AQEW plus embedded generation less the Class A consumption

On the table below, is the GA \$ per the monthly power bill (column j). Column M compares the calculated GA rate(k) to the posted IESO GA rate(l). There is little difference between the IESO posted rate and the GA rate calculated.

This table also shows that the difference between the GA \$ on the Power bill and the GA from the final settlement including adjustments is only \$68,882.86. Therefore, the \$1,880,027 is both included in the posted IESO GA rate, and in the IESO monthly invoice.

	mWh	GA per Monthly Power Bill	Calculated GA Rate	Final GA rate as posted on the IESO website	Difference IESO GA rate vs calculated from power bill GA rate	GA per Final Settlement	Difference between Final Settlement and Power Bill
	e	j	k = j / e	l	m = k - l	m	n = m + j
January	156,658.545	12,888,559.66	82.27	82.27	(0.00)	(12,957,765.43)	(69,205.77)
February	136,286.227	11,773,919.65	86.39	86.39	(0.00)	(11,774,345.54)	(425.89)
March	149,834.890	10,690,455.21	71.35	71.35	0.00	(10,690,392.81)	62.40
April	127,092.456	13,693,246.73	107.74	107.78	0.04	(13,716,865.56)	(23,618.83)
May	131,137.295	16,135,218.85	123.04	123.07	0.03	(16,112,230.17)	22,988.68
June	141,638.944	16,770,636.21	118.40	118.48	0.08	(17,888,699.10)	(1,118,062.89)
July	139,113.671	15,730,928.22	113.08	112.80	(0.28)	(14,612,271.34)	1,118,656.88
August	132,487.121	13,338,603.75	100.68	101.09	0.41	(13,339,975.09)	(1,371.34)
September	126,721.639	11,236,694.32	88.67	88.64	(0.03)	(11,234,811.97)	1,882.35
October	118,836.982	14,921,362.49	125.56	125.63	0.07	(14,924,850.21)	(3,487.72)
November	125,830.000	12,266,608.15	97.49	97.04	(0.45)	(12,263,781.76)	2,826.39
December	144,105.393	13,268,638.34	92.08	92.07	(0.01)	(13,267,765.46)	872.88
Difference in GA between Power Bill and Final Settlement							(68,882.86)

Follow-up to Staff-2 c

Your description appears to be truing up charges by the IESO. However, you also need to true-up for all kWh consumption for RPP at each rate charged and the commodity cost (power & GA) by the IESO for all 2017 consumption.

- a. Please confirm whether this was done for 2017.

Both the kWh consumption and the \$ are trued up. This was done for 2017.