**Peterborough Distribution Incorporated - EB-2018-0067**

**Questions on Accounts 1588 & 1589[[1]](#footnote-1)**

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:
2. 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.

Approach A is used to book IESO invoice.

1. 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.
2. If another approach is used, please explain in detail.
3. Questions on CT 1142
   1. 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).

Estimates for the current settlement period are calculated by determining what percentage of consumers qualified for tiered pricing, TOU or were non rate protected (non-RPP). TOU is further divided into on-peak, mid-peak or off-peak. Estimates are based on the last bill period where complete data is available (2 months prior). These percentages are then applied to the estimated wholesale usage (calculated using actual values withdrawn from the grid, less Class A Consumption, plus embedded generation totals). The Estimated RPP Consumption is used to calculate the GA using IESO provided First Estimate.

* 1. 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.

Once actual billing information is available, PDI reconciles the estimate of RPP and non-RPP consumption to actuals as provided by our billing system. Actual data is compared to the estimate made two months prior and any differences are included in the current settlement period. This applies to GA as well. The difference between estimated and Actual consumption is applied to the First estimate of GA.

In addition to reconciling consumption to First estimate of GA, the difference between the First estimate GA rate and the actual GA rate is also reconciled on a monthly basis. The rate difference is applied to the actual consumption when both the rate and consumption actuals are known – two months after initial submission.

* 1. Has CT 1142 been trued up for with the IESO for all of 2017?

Yes

* 1. Which months from 2017 were trued up in 2018?

November and December 2017.

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

No true-up is not reflected on the DVA Continuity schedule

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

True-up is not reflected on the DVA Continuity schedule

1. Questions on CT 148
2. Please describe the process for the initial recording of CT 148 in the accounts (i.e. 1588 and 1589).

Class B GA from IESO invoice, less current month estimated RPP GA (First tier, second tier and TOU), less/add any RPP GA reconciling differences from two months prior (First estimate and Actual)

1. 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.

Class B GA from IESO invoice, less current month estimated RPP GA (First tier, second tier and TOU), less/add any RPP GA reconciling differences from two months prior (First estimate and Actual)

1. 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?

Estimated consumption for all customers is determined when calculating RPP settlement for IESO.

Estimated RPP GA data is used from 1598 settlement form and subtracted from the Class B GA invoiced by IESO, the remaining amount represents non-RPP Class B GA.

1. 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, we true up initial recording of CT148 based on the estimated RPP estimation (First tier, second tier and TOU), less/add any RPP GA reconciling differences from two months prior

1. Please indicate which months from 2017 were trued up in 2018 for CT 148 proportions between RPP and non-RPP.

November and December 2017

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

No true-ups are not reflected on the DVV Continuity schedule

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

True-ups are not reflected on the DVA Continuity schedule

1. Questions regarding principal adjustments and reversals on the DVA Continuity Schedule:

Questions on Principal Adjustments - Accounts 1588 and 1589

1. Did the applicant have principal adjustments in its 2018 rate proceeding which were approved for disposition?

Yes, principal adjustments for 2016 are for RSVA power and RSVA GA.

1. 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.).

RSVA Power - Debit of $1,425,806 for RPP GA true-up

RSVA Global adjustment – Credit of $1,425,806 for RPP GA true-up and credit of $67,233, GA pretaining to Class A.

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

No, adjustment is not reversed.

1. 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.

No adjustments and reversals were shown under principal adjustments in the DVA Continuity Schedule.

1. 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.

No adjustments and reversals were shown under principal adjustments in the DVA Continuity Schedule.

1. 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.

No principal adjustment shown under principal adjustments in the DVA Continuity Schedule.

1. 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. [↑](#footnote-ref-1)