**INNPOWER**

**Follow-up Questions from OEB Staff**

**Ref: Response to Question 2b of Appendix A**

1. Has the Appli8cant always done a true-up of CT1142, or is this process new as a result of the review that was conducted, please explain.

CT1142 is trued up quarterly effective 2016 (3b). This is not a new process; this was explained in the response provided to 2b of the previous submission

1. In performing the true-up, please confirm that the applicant is truing-up both the consumption and the GA rate (to actual GA rate) that was used for IESO settlement purposes.

Confirmed

1. In the response provided to question 1 of Appendix A, the Applicant i9ndicates that CT 1142 is recorded in account 1588. Please explain why the Applicant has presented its CT1142 true-up as a reconciling item in Note 5 of the GA Analysis Workforms when no amounts related to RPP customers are recorded in account 1588?

IPC utilized the incorrect verbiage on the GA Analysis Workform, the correct wording should be “Non RPP GA true up, annual true up - done in 2018 for 2015”

**Ref: Response to Question 3a of Appendix A**

1. Please confirm that the Applicant is saying that it does not record any amounts in the G/L related to CT 148 until the actual invoice from the IESO is received.

Yes IPC does not record CT 148 amounts until the actual invoice is received.

1. For the years 2015, 2016, and 2017, please confirm how the Applicant initially split the actual IESO invoice for CT 148 between accounts 1588 and 1589 - confirm that the initial split of the actual IESO invoice for CT 148 for the three years was determined as follows (as taken directly from your response): The split of the RPP vs Non-RPP for CT 148 was determined based on the estimated RPP kWh x IESO 2nd estimate and applied to account 1588. The balance of CT 148 was posted to account 1589. Based on the above description related to splitting the actual CT 148 invoice, why did the Applicant use estimated RPP consumption x 2nd GA estimate if the actual GA rate per the invoice was known at that time?

At the time of the IESO filing actual consumption for RPP customers for the invoiced calendar month is not available. For the GA rate, it was standard practice to use the data within our initial filing, which is 2nd estimate for GA. The actual GA is utilized in the subsequent quarterly RPP reconciliation.

**Ref: Response to Question 3b, c and d of Appendix A**

Based on the methodology to split the actual IESO invoice as described in b) above, to true-up its initial allocation of CT 148 between accounts 1588 and 1589, please confirm that the Applicant:

* 1. Trues-up the GA rate used to actual (since the amount initially allocated to account 1588 used the 2nd estimate)

RPP true ups use actual GA when quarterly reconciliations are done with the IESO.

Non RPP GA has never been trued up to actual GA and only first estimate was used, which is driven from actual billing data.

* 1. Trues-up the consumption values used to initially split the actual IESO invoice to actual consumption for the particular period (since the initial allocation was based on an estimate of RPP consumption).

Confirmed

* 1. Have the true-ups for both a and b above been presented in the GA Analysis Workform for each year?

Yes

* 1. Please walk me through your true-up calculation – we can have a call to go over.

Agreed let’s do a call or webcast

1. How is the GA related to Class A customers dealt with? Please explain the process the Applicant uses to ensure no amounts related to Class A customers remain in account 1589.

Class A are not included in the RPP or Non RPP GA reconciliations.

1. Please confirm that Adjustment 8 in Note 5 of the GA Analysis Workform for each year represents the CT 148 true-up and that each of the true-ups have not actually been recorded by the Applicant until 2018.

Confirmed

1. Are these true-ups for the entire year or just for the last quarter of each year?

Yes they are for the recorded annual year.

**Ref: GA Analysis Workform for 2015, 2016, and 2017, Note 5 Adjustments 2a and 2b**

In the GA Analysis Workform for each year, the Applicant has not recorded any reconciling adjustments for 2a and 2b of Note 5:

1. Does the Applicant accrue for unbilled revenue at the end of the period for which it actually bills in the following period (i.e. accrues unbilled GA revenue in December that it actually bills to its customers in January). If so, for each of 2015, 2016, and 2017, please provide a table that compares the unbilled accrual for December with what actually got billed in January (for December consumption).
2. If the Applicant does not have to accrue unbilled, please explain why it is not necessary.

We do not accrue for revenue as billing is completed on a full calendar month, example bills issued in November consist of consumption for the time period of October 1 - 31.

**Ref: GA Analysis Workform for 2015, 2016, and 2017, Note 4**

1. Please explain why the Applicant has not recorded any amounts in columns G and H of Note 4 in the GA Analysis Workforms for each year.

As IPC undertakes full calendar billing versus cycle billing there are no amounts to reflect in Columns G and H in the GA Analysis Workform.

1. What do the values recorded in column F of each year represent?

It represents the calendar month actual billed consumption for non RPP customers.

**Ref: DVA Continuity Schedule**

1. Please explain why there is a principal adjustment of approximately 148k recorded against account 1588 in 2016?

During our last COS application EB-2016-0085 and the discussions around Account 1588/1589 the question was asked as to what was the IESO true up amount for the 2015 year. This amount was $148,981, at the time IPC was requested to post this amount as a “Principal Adjustment during 2015” to Account 1588. In response to “C” in this document IPC has now removed the $148K Principal Adjustment and inserted the amounts requested for 2015, 5016 and 2017 based on IPC’s true up calculations.

1. The Applicant has indicated that it had updated its transactions during 2017 in the DVA continuity schedule for account 1589 from $378K to 277K due to an audit adjustment. It is OEB staff’s understanding that the Applicant’s RRR filings are based on the audited results of the utility. Why would this audit adjustment not have already been captured in the RRR filing for 2017? Please explain
	1. Please also explain what this adjustment for $101K related to?

You are correct, the RRR filings are based on the audited results of the utility. Although the adjustment was made in the GL (please see attached Journal Entry), IPC runs a report that was developed internally to complete the RRR input. The developed report although it contained account 1589 it did not pull all segments. Account 1589 has 2 segments, 1.00.1589.800.000 and 1.00.1589.800.001. The 800.000 segment was not extracted for the RRR report. This has now been corrected.

The $101,100.09 amount, was identified by our auditors as an amount to be moved to Account 1589 RSVA Global Adjustment. IPC has enclosed a copy of the Journal Entry to Account 1589, GL Journal Inquiry 621882 Account 1589.pdf.

1. Please update the DVA continuity schedule to reflect adjustment 8 presented in Note 5 of the GA Analysis Workform as a principal adjustment against accounts 1589 and 1588 for 2015, 2016 and 2017 respectively.

InnPower has updated the DVA Continuity as per your request as Principal Adjustments to reflect the Adjustment 8 presented in the GA Analysis Workform.