

**Milton Hydro Distribution Inc. (Milton Hydro)  
EB-2018-0053**

**OEB Staff-1**

**Ref: Tab 6.1a GA Allocation and Tab 6.2a CBR B\_Allocation**

- a) OEB staff has done a calculation for the kWh's entered in Tab 6.1a GA Allocation and Tab 6.2a CBR B\_Allocation for the 2017 rate year. Please review the attached spread and confirm Milton Hydro agrees with OEB staff's calculation, if not please explain why.
- b) Please prepare and provide the same calculation for the 2016 rate year.

Validation of Data used in Class B GA and CBR Allocations for 2017				
Total metered volume Excl WMP	A		857,233,215	Source I25 of tab 4. Billing Det. for Def-Var
Non-RPP excl WMP	B		464,480,819	Source C25 of tab 6.1 GA
Class A Full year	C		136,201,087	Source E25 of tab 6.1 GA
Class A Full Part year:				
While Class A	D	35,967,825		=+F-E
While Class B	E	34,966,214		Source D21 of tab 6.1a GA Allocation
	F		70,934,039	Source G25 of tab 6.1 GA
Total non-RPP excl WMP and full year volumes for class A customers who were class A for the full year, and the class A volumes who were class A part year	G= +B-C-D		292,311,907	Input in D20 of tab 6.1a GA Allocation
Total Class B Customers excl WMP and Full year volumes for customers who were class A for full year, and the class A customers who were class A part year	H=+A-C-D		685,064,303	Input in D20 of tab 6.2a CBR_B Allocation

## **OEB Staff-2**

### **Ref: Tab 3 Continuity Schedule**

Milton Hydro has not requested to dispose of Account 1595 Disposition and Recovery/Refund of Regulatory Balances (2016) in the amount of \$3,916.

- a. The account appears to be eligible for disposition, please explain Milton Hydro's rationale for not requesting disposition. If the account is eligible for disposition OEB staff will update the continuity schedule.
- b. Please update and submit the Account 1595 Analysis Workform.

## **OEB Staff-3**

### **Ref: GA Analysis Workform Instructions, Appendix A**

For the response provided to Question 1, please confirm that OEB Staff's understanding is correct:

The entire CT 148 charge is initially recorded to account 4707. The portion of the monthly RPP settlement related to GA RPP is also credited to account 4707. The net result is that only GA Non-RPP expense is left in account 4707. Any variance between the GA Non-RPP billed to customers and the GA Non-RPP expense is then recorded to account 1589.

## **OEB Staff-4**

### **Ref: GA Analysis Workform Instructions, Appendix A**

In the responses provided to Question 2, the Applicant provides information regarding its monthly settlement with the IESO and true-ups that are required subsequent to the completion of the settlement.

- a. In the response provided to question 2a, please confirm that Milton Hydro is indicating that it settles with the IESO based on actual billed consumption for a particular month and therefore a subsequent true-up of the settlement to actual consumption is not required. The true-up that is required with respect to its IESO settlements relates to only the GA rate used for settlement purposes (i.e the difference between the first GA Estimate and the actual GA rate).
- b. If in the above, Milton Hydro is confirming that its monthly settlements with the IESO are performed using actual consumption quantities for the month, then please explain how Milton Hydro is able to quantify what its actual consumption for the month is by the 4<sup>th</sup> day following the month-end.
- c. In response 2d Milton Hydro has stated that its December 2017 IESO settlement is true-up in January 2018. Is that response accurate given that the December 2017 initial settlement with the IESO takes place in January 2018, therefore the true-up of that

settlement would take place in February 2018, not January 2018. Please confirm that this is the case for Milton Hydro. Please also confirm that the February 2018 true-up adjustment for the December 2017 settlement has been accrued in the December 2017 balance of Account 1589 per the DVA continuity schedule.

- d. For response 2f, does the \$261K being referenced represent the balance that was credited to Account 1589 upon the initial settlement of December 2017 consumption, or is this the actual quantification of the true-up that was done in February 2018 in respect to the December 2017 settlement. Please clarify as needed.

#### **OEB Staff-5**

##### **Ref: GA Analysis Workform for 2016 and 2017, Note 5.**

- a. The Applicant has recorded an RPP true-up adjustment of \$514K to Account 1589 in 2016, but none in 2017. Please confirm the following is correct. The Applicant did not accrue the true-up of its December 2016 settlement as part of its December 2016 closing balance in Account 1589 (the December 2016 true-up is actually recorded in the 2017 transactions to account 1589). However, the applicant did accrue the true-up of its December 2017 settlement with the IESO and it is picked up in the Transaction during 2017 in the DVA continuity schedule, therefore no RPP true-up adjustment is presented in Note 5 of the 2017 GA Analysis Workform (except for the reversal of the 2016 true-up).
- b. The true-up adjustment in 2016 of debit \$514K, please provide additional explanation in the context of the initial December 2016 settlement that supports direction of this true-up adjustment (i.e. further explanation to support why a debit is appropriate as opposed to a credit).

#### **OEB Staff-6**

##### **Ref: GA Analysis Workform for 2016 and 2017, Note 5.**

- a. Please explain why it is appropriate that adjustment 3b in Note 5 of the 2016 GA Analysis Workform is zero (particularly in light of the fact that an amount is being reversed in adjustment 3a of Note 5 in the 2017 GA Analysis Workform).
- b. Please explain how the Applicant has quantified the adjustments for 3a and 3b in both the 2016 and 2017 GA Analysis Workforms.
- c. Please also provide further explanation as to what adjustment 1a in the 2016 GA Analysis Workform relates to and how it was quantified, and the same for adjustment 9 in the 2017 GA Analysis Workform.
- d. There are no reconciling adjustments recorded in both the 2016 and 2017 GA Analysis Workforms related to the difference between the Applicants unbilled revenue accrual and what actually got billed subsequently. Please explain why there would be no difference to account for.

**OEB Staff-7**

**Ref: DVA Continuity Schedule, Account 1589**

- a. Please explain the nature of the “Principal Adjustments” that are presented in the DVA continuity schedule for account 1589 in both 2016 and 2017.
- b. Why are these adjustments not being presented in the GA Analysis Workfrom for each respective year?

**OEB Staff-8**

**Ref: DVA Continuity Schedule, Account 1588**

Milton Hydro is seeking disposition of approximately \$557K (credit) in account 1588.

Given that Account 1588 accumulates the variance between the RPP revenue and the cost of energy and gets settled directly with the IESO on a monthly basis, the expectation is that any remaining amounts in account 1588 would be relatively small and close to zero (primarily comprised of the difference between amounts billed at the approved total loss factor versus actual system losses for the year).

Based on the above expectation, Milton Hydro’s balance in account 1588 appears to be unusually large. Please explain what comprises the balance in account 1588 as at December 31, 2017 (or confirm that it is in fact the accumulation of the loss factor differences for the two years that remains in this account).