**Atikokan Hydro Amended Responses January 18, 2019**

**Appendix A**

**GA Methodology Description**

**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.
3. 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.
4. If another approach is used, please explain in detail.

RESPONSE:

Atikokan Hydro uses the approach described under point ‘a’ above.

1. 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).

RESPONSE:

The Global Adjustment estimate rate is multiplied by the forecasted RPP and TOU consumption values to determine the amount receivable from the IESO for the current month recorded in CT 1142.

* 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.

RESPONSE:

True-ups are completed on a monthly basis as actual data becomes available. Atikokan reconciles the estimated RPP kWh consumption with the actual RPP consumption from the billed revenue/consumption reports and the final global adjustment rate is used to calculate the difference between the submission to the IESO and the actual amount owing to/from the IESO. Note while we true up monthly there is a two month lag in actual data. For example December 2 we true up October consumption and actual HOEP/ GA rate but estimate November. November consumption and actual rates become available in January.

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

RESPONSE:

Atikokan can confirm CT 1142 has been trued up with the IESO for all of 2017.

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

RESPONSE:

November and December were trued up in 2018. The related journal entries for November were recorded in 2017 as year-end adjustment entries however the December true up remained in February 2018. The amount is not material.

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

RESPONSE:

Atikokan can confirm that the 2017 related true-up to November has been reflected in their DVA Continuity Schedule in this proceeding; however, the December 2017 true up was not included by error.

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

RESPONSE:

The November true-up is included in the “Transactions Debit/(Credit) during 2017” column as part of the regular transactions for the year.

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).

RESPONSE:

CT 148 is split between RPP and non-RPP. Account 1588 is for RPP and Account 1589 is for Non RPP; only the Class B Non-RPP portion of CT 148 belongs into 1589. The actual RPP and TOU consumption is multiplied by the Global Adjustment rate billed on power bill; this is the RPP portion of the CT148 booked to 1588.; the difference between this and the CT 148 amount is the dollars left to book to 1589. If any Class A, Class A consumption should be excluded from the split. Note the split does not occur until actual consumption is known two months after the charge.

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.

RESPONSE:

CT 148 is split between 1588 and 1589 using actual consumption and the GA rate charged on the IESO bill.

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?

RESPONSE:

Billed kWhs from Atikokan consumption billing reports; Atikokan takes the total monthly kwh consumption less the RPP (TOU) billed kWh and the difference is left to be the non-RPP kWh. Any Class A consumption should also be excluded from the Non RPP kWh volume.

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?

RESPONSE:

No. The split of CT 148 to accounts 1588 and 1589 does not occur until actual RPP and non-RPP is known.

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

RESPONSE:

Not applicable.

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

RESPONSE:

Not applicable.

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

RESPONSE:

None to quantify. If we had any, the amounts would have been included in cell BD, “Transactions Debit/(Credit) during 2017” in 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?

RESPONSE:

No. Atikokan did not have principal adjustments in its 2018 rate proceeding approved for disposition.

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.).

RESPONSE:

Not applicable. No principal adjustments in the 2018 rate proceeding as answered above in part ‘a’.

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

RESPONSE:

Not applicable as per answers above. Atikokan did not have principal adjustments in its 2018 rate proceeding.

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.

RESPONSE:

Atikokan has no prior approved principal adjustments but Atikokan has filed principal adjustments under the DVA Continuity Schedule under both cells BF28 (1588, Power) and BF29 (1589, Global Adjustment) for 2017 adjustments. These have not been approved. These principal adjustments are proposed as part of this 2019 Rate proceeding. In preparation and completion of the GA Workform Atikokan determined necessary principal adjustments to reconcile an incorrect inclusion of 2017 Class A consumption in the Non-RPP GA 1589 sub account. Atikokan had two class A

customers transition from Class B to Class A during 2017. It was not until reconciling the GA Workform Atikokan realized, the Class A consumption was inadvertently included in the 1589 Non-RPP consumption. Account 1588 shows a principal adjustment for 2017 in the amount of $230,103. Account 1589 shows a principal adjustment for 2017 in the amount of ($230,103). These are respectively correlated. These principal adjustments will need to be booked to 2018.





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.

RESPONSE:

Yes.

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.

RESPONSE:

The principal adjustments shown on the DVA Continuity Scheduled are not reflected in the GL transactions. This is why there is a variance between the RRR Dec 31, 2017 balance and the Dec 31, 2017 claim amounts. This is a new discovery. With the board’s approval Atikokan in this 2019 proceeding will book this principal adjustment in 2018 general ledger accounts 1588 and 1589 respectively.

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)