OEB Follow Up Questions:

1. Ref: OEB\_1588 Review Excel file; Waterloo 2017 RPP true-up V5 Excel file
2. Please confirm that cells K7 to K11 in each month’s tab represents the RPP settlement submitted to the IESO.

Answer: That is correct.

1. Please explain what were included in the RPP settlements with the IESO on a monthly basis in 2017 and 2018.

Answer: On a monthly basis WNH would settle cost of commodity based on what was actually billed during the settlement month. This means that the usage that was billed during the month could be from several different months with varying costs and GA prices. However, GA was based on usage in the current month and trued up in the following month. Having a combination of these methodologies causes variances in the spreadsheet supplied by the OEB.

For example, during the August 2018 settlement month WNH billed some customers for usage that went all the way back to April 2018 due to delayed billing. The usage from April would be calculated at a different cost than the usage from May.

1. The estimated RPP settlement with the IESO (cells K7 to K11) does not equal to the calculated RPP current month variances (cells M7 to M11) based on the estimated prices and volumes. Please refer to the tab “Summary of Diff” for the differences for all months in 2017. Please explain the large differences highlighted in the tab.

April: There is a large difference in the calculated GA price using the OEB’s method vs WNH’s GA estimation during that month. Using the OEB’s method which would charge GA at the 2nd estimate for the month (even though the power may not have been used during that month) WNH would get a GA amount of $6,575,129 however with the settlement method used at the time WNH calculated a GA amount of $2,716,860. This $2,716,860 is calculated based on a blended rate from the previous months due to billed usage covering several months as explained in question 2.

Above is an example of one of the highlighted months within the spreadsheet however the methodology would apply to all large differences highlighted.

1. Ref: OEB\_1588 Review Excel file; Waterloo 2018 RPP true-up V5 Excel file
2. Please refer to the tab “Summary of Diff” and explain the large differences noted in the months of Feb, July, Oct, and November of 2018.

Please refer to response to question 3 for file: OEB\_1588 Review Excel file; Waterloo 2017 RPP true-up V5