

Appendix A

GA Methodology Description

Questions on Accounts 1588 & 1589¹

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:
 - a. 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.
 - b. 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.
 - c. If another approach is used, please explain in detail.
 - d. Was the approach described in response to the above questions used consistently for all years for which variances are proposed for disposition? If not, please discuss.

E.L.K. Response:

E.L.K. Energy Inc. (E.L.K) books CT1142 into account 4705 and adjusts the difference between commodity billings and amount paid for commodity to account 1588. E.L.K. books CT148 into 4707 and then the RPP portion is adjusted to 4705. The difference between global adjustment billed to non-RPP customers and 4707 is charged to 1589. This approach was used consistently for all years for which variances are proposed for disposition.

¹In 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.

2. Questions on CT 1142

- a. 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).

E.L.K. Response:

The initial RPP related to GA is based on actual consumption from E.L.K. CIS Northstar system for both RPP and non RPP customers. The consumption data retrieved from Northstar is based on posted billings, and therefore, actual consumption data. E.L.K. uses the GA rates from the IESO website and bills its customers based on the 1st estimate rate and settles with the IESO on the actual.

- b. 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.

E.L.K. Response:

The consumption amounts provided to the IESO as part of E.L.K.'s settlement process is from E.L.K.'s CIS, Northstar. Similarly, consumption data from CIS is used to determine the RPP customers at different TOU periods or Tier 1 and Tier 2 blocks. A true-up calculation is completed every month for the previous months and is then added/subtracted from the next month's IESO submission.

- c. Has CT 1142 been trued up for with the IESO for all of 2018?

E.L.K. Response:

Yes, CT 1142 has been trued up with the IESO for all of 2018

- d. Which months from 2018 were trued up in 2019?
 - i. Were these true ups recorded in the 2018 or 2019 balance in the General Ledger?

E.L.K. Response:

2019 includes the true-up for the month of December 2018.

- e. Have all of the 2018 related true-up been reflected in the applicant's DVA Continuity Schedule in this proceeding?

E.L.K. Response:

Yes, E.L.K. can confirm all of the 2018 true-ups are recorded on the DVA schedule.

3. Questions on CT 148

- a. Please describe the process for the initial recording of CT 148 in the accounts (i.e. 1588 and 1589).

E.L.K. Response:

E.L.K. uses actual monthly volumes obtained from the billing data within our CIS Northstar to determine the RPP and Non-RPP kWhs. The Global Adjustment charges (CT 148) are then allocated proportionately between account 1588 and 1589.

- b. 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.

E.L.K. Response:

Consumption data from Northstar is used to determine the RPP customers at different TOU periods or Tier 1 and Tier 2 blocks. A true-up calculation is completed every month for the previous months and is then added/subtracted for the next month's IESO submission. E.L.K. utilizes CIS Northstar and actual billed data. E.L.K. notes that because it is using actual billed data from CIS Northstar, the monthly true-up amounts are immaterial.

- c. 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 the initial GA expense in Account 1589?



E.L.K. Response:

The data used to determine the non-RPP kWh volume for recording expense in account 1589 was actual usage data from CIS Northstar.

- d. Does the utility true up the initial recording of CT 148 in Accounts 1588 and 1589 based on estimated RPP/non-RPP consumption proportions to actuals based on actual RPP-non-RPP consumption proportions?

E.L.K. Response:

E.L.K. uses actual consumption data to determine the recording of CT148 in accounts 1588 and 1589 and therefore no true-up is required.

- e. Please indicate which months from 2018 were true up in 2019 for CT 148 proportions between RPP and non-RPP
 - i. Were these true ups recorded in the 2018 or 2019 balance in the General Ledger?

E.L.K. Response:

Please see above explanation

- f. Are all true-ups for 2018 consumption reflected in the DVA Continuity Schedule?

E.L.K. Response:

Yes, E.L.K. can confirm all of the 2018 true-ups are recorded on the DVA schedule.

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

Questions on Principal Adjustments - Accounts 1588 and 1589

- a. Did the applicant have principal adjustments in its 2019 rate proceeding which were approved for disposition?



E.L.K. Response:

E.L.K. confirms there were no principal adjustments in its 2019 rate proceeding which were approved for disposition.

- b. If yes, please provide a break-down of the total amount of principal adjustments that were approved (e.g. true-up of unbilled, true up of CT 1142, true up of CT 148 etc.) for each of Accounts 1588 and 1589.

E.L.K. Response:

No principal adjustments or dispositions were approved.

- c. Has the applicant reversed the adjustment approved in 2019 rates in its current proposed amount for disposition?
NB: only the principal adjustments amounts that were disposed in the previous proceeding should be reversed in this proceeding. For example, if no amount related to unbilled to billed adjustment for 2018 consumption was included in 2019 proceeding, this amount should not be included as a “reversal” from previous year.

E.L.K. Response:

No principal adjustments or dispositions were approved.

- d. Please confirm that the allocation of charge type 148 has been trued up to actual proportion of RPP/non-RPP consumption in the GL.

E.L.K. Response:

E.L.K. confirms that the allocation of charge type 148 has been trued up to actual proportion of RPP/non RPP consumption in the GL.