



2020 IRM Application

Responses to Staff Questions

EB-2019-0030

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EXCEL FILE ATTACHMENTS

- A. Entegrus – St. Thomas Rate Generator Model

St. Thomas Rate Zone

QUESTION 1

Per Email dated November 12, 2019:

Reference: Responses to Staff Questions dated November 5, 2019, Question 3

The response dated November 5 provided the following allocation of the metering error:

- a) Please note, the price variance amount is \$42,491 as reflected in the Application and the GA Analysis workform. Please see the table below to see for calculation of the \$42,491:

Line No.	Month	kWh	Class B Actual Rate/kWh	Class B Amount \$	Class A Amount Paid \$	Total GA Benefit to Customers	Allocated to RPP (Acct 1588)	Allocated to Non-RPP (Acct 1589)
		A	B	C = A * B	D	E = D - C	F	G
1	Jul-18	1,238,064	\$0.0774	\$95,789	\$19,302	-\$76,487	-\$54,196	-\$22,291
2	Aug-18	1,153,652	\$0.0749	\$86,409	\$18,554	-\$67,854	-\$47,655	-\$20,200
3	Total	2,391,716		\$182,198	\$37,856	-\$144,341	-\$101,851	-\$42,491

Please confirm if the -\$101,851 has been included in the RPP settlement and settled with the IESO.

Response

Entegrus confirms the credit of \$101,851 was not previously included in the RPP Settlement with the IESO due to the unique way in which this situation occurred. Entegrus – St. Thomas utilizes the OEB methodology for deriving the Actual GA price by using the total Class B amount billed from line CT148 of the IESO bill divided by the aggregate Class B volumes¹.

However, under these circumstances, management now believes in retrospect that this amount should be settled with the IESO through the monthly RPP submission based on the intent of the new *Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589*. Accordingly, Entegrus – St. Thomas has updated its RPP Submission models to include this amount as part of the Actual GA Rate used in its calculation. This results in an amount owing to the IESO of \$101,354.14. Entegrus – St. Thomas will remit this amount to the IESO in its November 2019 Submission. In order to reflect this transaction in the period in which it should have occurred (2018), Entegrus – St. Thomas has updated its Rate Generator Model, Tab “3. Continuity Schedule”, Cell BF28 to exclude this amount from its requested DVA disposition.

¹ Accounting Procedures Handbook Update dated February 21, 2019, Page 8, Footnote 25

Subsequent to the above adjustment, Entegrus – St. Thomas notes that its Non-RPP customers are still receiving an additional benefit of \$42,491 through Account 1589 since this amount was not previously adjusted with the IESO per their direction in the Fall of 2018. However, at this time, Entegrus – St. Thomas does not have a mechanism to report and settle this minimal remaining variance with the IESO.

QUESTION 2

Reference: Q28 in Q&A's for Accounting Guidance on Accounts 1588 and 1589

Q28 in Q&A's for Accounting Guidance on Accounts 1588 and 1589 states:

If these utilities have reviewed the historical balances (including the 2018 balance) in the context of the new accounting guidance and are confident that there are no systemic issues with their RPP settlement and related accounting processes, they may request final disposition of account balances in their next rate application.

Entegrus-St. Thomas is requesting the final disposition of account balances in current application. Can you please confirm that there are no systemic issues with the RPP settlement and the related accounting processes? Can you also confirm that the account balances for Account 1588 and Account 1589 have been adjusted to be in accordance with the new accounting guidance?

Response

Entegrus – St. Thomas confirms there are no systemic issues with the RPP settlement and related accounting processes. Entegrus – St. Thomas confirms the account balances for Account 1588 and Account 1589 have been adjusted in accordance with the new accounting guidance.