

**Centre Wellington Hydro Ltd.
EB-2019-0025**

Staff Question-18

Ref: Staff Question-2

The Account 1595 Analysis Workform provided in response to Staff-2 identifies that there is a material residual account balance exceeding 10% for 2016 and for 2017. If the balance exceeds +/- 10%, further analysis is required.

- a) Please select the rate riders in the workform that apply to the 1595 sub-account and populate the data in the table to calculate the rate rider amounts approved versus those collected for each class of customers.

Response(s):

- a) CWH does agree that the updated 1595 form does show the \$2,273 residual balance on tab "1595 2016" is over the 10% threshold however the dollar value is so low a rate is not calculated as the threshold is not being met. CWH does not wish to dispose of this value during this IRM.

This balance originated from the Shared Tax Savings that was issued in CWH's rate order and at the time and a journal entry was not completed on CWH's end. It was during CWH's 2018 CoS that it was realized that the Shared Tax Savings never was journalized, therefore it was not in CWH's other variance accounts that were disposed in the appropriate year. The journal entry was completed in 2018, and therefore has been audited, but the value is not material.

Staff Question-19

Ref: Staff Question-5c) filed November 1, 2019

At the above noted reference Centre Wellington Hydro stated that "...it is confirmed that no adjustments to the DVAs have not been quantified..."

- a) Please confirm that Centre Wellington Hydro's meant that to articulate that no adjustments to the DVAs have been quantified.

Response(s):

- a) Yes, it is confirmed that CWH meant to state that "no adjustments to the DVAs have been quantified."

Staff Question-20

Ref: Staff Question-6f) and 6g) filed November 1, 2019

At the above noted first reference, Centre Wellington Hydro provided a revised table showing the Account 1588 balance as at December 31, 2017. Centre Wellington Hydro listed a credit balance of \$700,004.98 as one of the components of this table.

At the above noted second reference, Centre Wellington Hydro listed a debit balance of \$24,386.95.

- a) Please confirm that at the above noted first reference, Centre Wellington Hydro meant to show a credit balance of \$70,005, instead of a credit of \$700,005.
- b) Please confirm that at the above noted second reference, Centre Wellington Hydro meant to show a debit balance of \$35,387, instead of a debit balance of \$24,387.

Response(s):

- a) Yes, there is a typo in the figure and \$70,005 should be used.
- b) Yes, that is correct, the value should be \$35,387.

Staff Question-21

Ref: Staff Question-6a) and 6f) filed November 1, 2019

At the above noted references, Centre Wellington Hydro provided revised tables showing Account 1588 balances as at December 31, 2017 and December 31, 2018.

OEB staff notes the true-up of a credit balance of \$69,776 reflected in the December 31, 2017 table is shown in both the DVA continuity schedule and the GA Analysis Workform. However, the other true-ups in these revised tables are not shown in both

the DVA continuity schedule and the GA Analysis Workform. OEB staff held a conference call with Centre Wellington Hydro on November 6, 2019 and the distributor confirmed that these true-ups were not included because these items were immaterial.

- a) Please confirm that the true-ups in these tables (except for the true-up of a credit balance of \$69,776) are not reflected in either the DVA continuity schedule or in the GA Analysis Workform because they are immaterial. OEB staff notes that the true-ups in both the tables (except for the true-up of a credit balance of \$69,776) net to a credit balance of \$229 in each of the tables.
- b) Please explain why the true-up of a debit balance of \$35,387 in the table provided as a response to Staff Question- 6f (i.e. December 31, 2017 balance), is not reversed in the table provided as a response to Staff Question- 6a (i.e. December 31, 2018 balance). Instead a reversal of a debit balance of \$29,254 is shown in the table provided as a response to Staff Question- 6a.

Response(s):

- a) CWH confirms that the true-ups of \$229.16 and \$229.40 are not reflected in either the DVA continuity schedule or in the GA Analysis Workform due to the timing of the books closing and the immateriality of the values.
- b) Revised Table for Staff Question-6f and 6a as follows:

Reconciliation of Account 1588 2017

	Principal Adjustments	Was the amount a "Principal Adjustment" in the previous year? (Y/N)
Balance December 31, 2017	38,637.47	
Reversals of Principal Adjustments - previous year		
1. Reversal of Cost of Power accrual from previous year	0	No
2. Reversal of CT 1142 true-up from the previous year	0	No
3. Unbilled to billed adjustment for previous year	0	No
4. Reversal of RPP vs. Non-RPP allocation	0	No
Sub-Total Reversals from previous year (A):	0	
Principal Adjustments - current year		

5. Cost of power accrual for 2017 vs Actual per IESO bill	0	
6. True-up of CT 1142 for 2017 consumption recorded in 2018 GL	-229.40	
7. Unbilled accrued vs. billed for 2017 consumption	0	
8. True-up of RPP vs. Non-RPP allocation of CT 148 based on actual 2017 consumption	-69,775.58	
9. Other	0	
Sub-Total Principal Adjustments for 2017 consumption (B)	-70,004.98	
Total Principal Adjustments shown for 2018 (A + B)	-70,004.98	
Bal. For Disposition - 1588 (should match Total Claim column on DVA Continuity Schedule)	-\$31,367.51	CWH is seeking a disposal of a variance balance of -\$31,138.11

Reconciliation of Account 1588 2018

	Principal Adjustments	Was the amount a "Principal Adjustment" in the previous year? (Y/N)
Balance December 31, 2018	53,649.44	
Reversals of Principal Adjustments - previous year		
1. Reversal of Cost of Power accrual from previous year	0	No Adjustment Made
2. Reversal of CT 1142 true-up from the previous year	0	No Adjustment Made
3. Unbilled to billed adjustment for previous year	0	No Adjustment Made
4. Reversal of RPP vs. Non-RPP allocation	0	No Adjustment Made
Sub-Total Reversals from previous year (A):	0	
Principal Adjustments - current year		
5. Cost of power accrual for 2018 vs Actual per IESO bill	0	

6. True-up of CT 1142 for 2018 consumption recorded in 2019 GL	-229.16	
7. Unbilled accrued vs. billed for 2018 consumption	0	
8. True-up of RPP vs. Non-RPP allocation of CT 148 based on actual 2018 consumption	0	
9. Other	0	
Sub-Total Principal Adjustments for 2018 consumption (B)	-229.16	
Total Principal Adjustments shown for 2018 (A + B)	-229.16	
Bal. For Disposition - 1588 (should match Total Claim column on DVA Continuity Schedule)	\$53,420.28	CWH is not disposing of this variance balance, however this amount is in cell BG28 of Continuity Schedule

On page 33 of New Accounting Guidance Table 35, one of the items is the 2nd true-up which needs to be adjusted on the DVA continuity schedule if the 2nd true-up is not posted to December 31, 2017 GL. The -\$229.40 on the revised table "Reconciliation of Account 1588 2017" above, is the net of -\$35,616.35 and \$35, 387 on the table for Staff Question-6f and is related to the 2nd true-up for 2017's consumption recorded in the 2018 GL. This is not reflected in the DVA continuity schedule due to the net value being immaterial.

On page 34-35 of New Accounting Guidance, it is stated that "if an amount is recorded on the DVA Continuity Schedule under "Principal Adjustments" in the current year, this "Principal Adjustment" must be reversed on the DVA Continuity Schedule in the following year when the true-up CT 1142 is actually in the Distributor's GL." The -\$229.40 (\$35,386.95-\$35,616.35) is not adjusted in the DVA Continuity Schedule in 2017 due to its immateriality, therefore, it is not reversed on the DVA Continuity Schedule in 2018 and shown in "Table Reconciliation of Account 1588 2018" above.

Staff Question-22

Ref: Staff Question-15d)

Please confirm whether the most recently issued Participation and Cost Report includes the additional savings that were not included in the original Participation and Cost Report (dated December 2018).

- a) If yes, please file.
- b) If not, please provide a copy of the Detailed Project Savings in excel format which highlights the program savings that are not included in the Participation and Cost Report (originally submitted) and reconcile the additional savings not included in the Participation and Cost Report to the Detailed Project Savings excel document.

Response(s)

- a) The most recently issued Participation and Cost Report does not include the additional savings.
- b) The Participation and Cost Report that is required would be the April report, however the IESO stopped project level savings in March. CWH can't provide the details at this time with this response, however, will be able to provide the reconciliation by Tuesday, November 19th. Trusting that is satisfactory.