

INSTRUCTIONS FOR COMPLETING GA ANALYSIS WORKFORM



Appendix A GA Methodology Description Questions on Accounts 1588 & 1589¹

- Please complete the Table below for principal adjustments on the DVA Continuity Schedule for Account 1588:

Reconciliation of Account 1588 - 2018

	Principal Adjustments	Was the amount a "Principal Adjustment" in the previous year? (Y/N)
Balance December 31, 2018	\$676,332	
Reversals of Principal Adjustments - previous year		
1. Reversal of Cost of Power accrual from previous year		
2. Reversal of CT 1142 true-up from the previous year		
3. Unbilled to billed adjustment for previous year		
4. Reversal of RPP vs. Non-RPP allocation		
Sub-Total Reversals from previous year (A):		
Principal Adjustments - current year		
5. Cost of power accrual for 2018 vs Actual per IESO bill		
6. True-up of CT 1142 for 2018 consumption recorded in 2019 GL		
7. Unbilled accrued vs. billed for 2018 consumption		
8. True-up of RPP vs. Non-RPP allocation of CT 148 based on actual 2018 consumption		
9. Other		
Sub-Total Principal Adjustments for 2018 consumption (B)		
Total Principal Adjustments shown for 2018 (A + B)		
Bal. For Disposition - 1588 (should match Total Claim column on DVA Continuity Schedule)	\$676,332 (before actual and projected carrying charges)	

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.

10. 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.

Response: Yes, this approach is used.

- 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.

Response: Yes, approach was used consistently for all years for which variances are proposed for disposition.

11. 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).

Response:

Oshawa Power begins by collecting the current month's wholesale metering data from our third-party meter management vendor, Kinetiq, to calculate the total load (kWh) purchased. Data is then collected from our billing system to determine the split between RPP and non-RPP volumes. Oshawa Power extracts billed customer RPP commodity charges (TOU and tier pricing) along with the associated billed consumption from the statistical table in the CIS system. The CIS statistic table tracks all consumption and the associated charges billed at RPP rates for the current IESO settlement month.

Oshawa Power is required to settle the difference between revenues billed to RPP customers, and the wholesale cost of power, which includes the amount of the GA allocated to this portion of the distributor's load. The ~~first~~ 2nd estimate of the GA is used for this initial calculation, but once the actual GA rate is known, an adjustment is made to true-up in the following month, and is then added/subtracted from the next month's IESO submission. At the end of the fiscal year- Oshawa Power -records -unbilled -usage -~~along~~

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with the settlement amount with the IESO for this unbilled usage for prior year consumption, by using reports from the CIS. The true-up entry for the unbilled is posted to the period it relates to in the general ledger, as described further below.

- 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.

Response:

Oshawa Power reconciles the GA rate monthly. The difference is submitted in the next month's submission and general ledger accounts as required.

Monthly, Oshawa accrues unbilled usage for settlement purposes, using an estimated factor based on historical billing. The following month, the accrual is reversed, and a new estimate is calculated based on the current month's wholesale consumption. At year end, Oshawa Power obtains actual unbilled usage for prior year consumption. A true-up entry is made to the prior year records to record the actual unbilled sales volume.

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

Response: Yes

- d. Which months from 2018 were trued up in 2019?

Response: December 2018 is trued up in January 2019

- i. Were these true ups recorded in the 2018 or 2019 balance in the General Ledger?

Response: 2018 true up was recorded in the 2018 GL balance.

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

Response: Yes.

12. Questions on CT 148

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

Response:

Oshawa Power allocates the Class B Global Adjustment between RPP and Non-RPP customers (excluding the Class A Customers) based on actual billed consumption.

Oshawa Power uses GA first estimate provided by the IESO to invoice its customers. This treatment is applicable to all customer classes on Non-RPP with the exception of the Class A customers. The monthly loss-adjusted kWh sales are grouped into two categories: Non-RPP kWh's, and

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RPP kWh's. The proportion of Class B RPP kWh's reported to the IESO and the Class B Non-RPP kWh's is used to allocate the Global Adjustment dollar amounts billed by the IESO via Charge Type 148 between GL 4705 Power, and GL 4707 GA, respectively. Class A Global Adjustment amounts billed via Charge Type 147 on the IESO Invoice are allocated directly to GL account 4707 GA.

- 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.

Response: Actual billing data for Non-RPP and RPP customers is used to divide the original amount of CT 148. The dollar amount calculated for Non-RPP GA costs is moved to Account 1588.

- 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?

Response: Actual billing data

- 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?

Response: Yes, true up is performed when actual billing data is available for the time period the GA cost relates to. At year end, Oshawa Power does the true up after all prior year billing is completed and this true up is included in the prior year financial statements and the prior year OEB filings.

- e. Please indicate which months from 2018 were trued 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?

Response: All months for 2018 were reconciled and trued up in 2019 upon completion of all billing for 2018 consumption. The true-up amount was recorded in the 2018 general ledger.

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

Response: Yes.

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

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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?

Response: No

- 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.
- c. Has the applicant reversed the adjustment approved in 2019 rates in its current proposed amount for disposition?

Response: N/A

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.

- 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.

Response: Oshawa Power confirms that the allocation of charge type 148 has been trued up to actual proportion of RPP/non-RPP consumption in the GL. Oshawa Power is currently reviewing this allocation as part of the OEB letter issued on February 21, 2019 Re: Accounting Guidance related to Accounts 1588 RSVA Power, and 1589 RSVA Global Adjustment. Based on investigation completed to date, Oshawa Power does not have reason to believe that a material adjustment will be required to fully align its 1588 and 1589 accounting processes with the guidance issued.