

August 11, 2020

Ontario Energy Board

*VIA: EMAIL and RESS*

Dear Ms. Long:

**Re: Elexicon Energy Inc. – Whitby Rate Zone  
2021 Annual IR Index Distribution Rate Application  
OEB File No: EB-2020-0012**

Further to the Application and supporting files submitted on August 6, 2020. Elexicon Energy Inc. provides the following supplemental evidence in support of the final disposition request of Group 1 balances:

- Appendix J- Supplemental Evidence – 1588/1589 Accounting Guidance for 1588/1589 (PDF)
- Excel Models to analyze the approach and outcomes of 1588/1589 accounting guidance for:
  - 2018 (Jan-Dec)
  - 2019 (Jan-Apr)
  - 2019 Full Year Analysis

With the exception of the 2019 full year analysis, the above information was previously included in the Whitby Rate Zone 2020 Rate Application (EB-2019-0130).

Please contact me if you have any questions.

Sincerely,



Susan Reffle  
Manager, Regulatory Affairs  
Elexicon Energy Inc.

cc: Ms. Birgit Armstrong  
Mr. Alex Share

# **APPENDIX J:**

## **SUPPLEMENTAL EVIDENCE – 1588/1589 ACCOUNTING GUIDANCE FOR 1588/1589**

## **OEB REGULATORY ACCOUNTING GUIDANCE 1588/1589 – SUPPLEMENTAL EVIDENCE**

This Appendix includes the following:

- 2020 IRM – Whitby Rate Zone (EB-2019-0130) – Appendix I
- 2020 IRM – Whitby Rate Zone (EB-2019-0130) - Response to OEB Staff Question 4
- Additional Review of 2019 Review - Overview

Excel Models have been filed to further support the 2021 Manager's Summary and review of 1588/1589 Regulatory Accounting Guidance and proposed Group 1 disposition:

Excel files previously submitted in EB-2019-0130:

Elexicon\_Whitby RZ\_2020\_Accounting Guidance 2018 Analysis\_20190812  
Elexicon\_Whitby RZ\_2020\_Accounting Guidance 2019 Analysis\_20190812 IRR\_20191016

Additional Analysis of 2019

Elexicon\_Whitby RZ\_2020\_Accounting Guidance 2019 Analysis\_Full Year\_20200811

## **2020 IRM – Whitby Rate Zone (EB-2019-0130) Appendix I**

1 Background

2 On July 20, 2018, the OEB issued a letter advising LDCs of the OEB's initiative to standardize the  
3 accounting processes used by distributors related to RPP settlements and accounting procedures to  
4 improve the accuracy of the commodity pass-through accounts: Account 1588 – RSVA Power, and  
5 Account 1589 – Global Adjustment. The OEB consulted with the IESO and six distributors by way of  
6 webinar and individual conference calls in 2018. On February 21, 2019, the Accounting Guidance related  
7 to Accounts 1588 and 1589 was released and training sessions were held in April 2019 and a Q&A  
8 document was published in July 2019.

9 EW has completed a thorough review of the accounting guidance issued by the OEB and participated in  
10 the OEB training session held on April 15, 2019. EW was also one of the six LDCs involved in the  
11 consultation process to assist Board Staff in reviewing and providing feedback regarding drafts of the  
12 accounting guidance in the fall of 2018.

13 The merge of Whitby Hydro Electric Corporation and Veridian Connections Inc. to form Elexicon Energy  
14 Inc. took place on April 1, 2019. The recently merged organization continues its process to review  
15 departmental structures, resource requirements, critical business systems and processes with a goal to  
16 move towards an integrated and unified organization that can operate efficiently and effectively to provide  
17 safe, reliable power and quality service to customers in all service areas. To do this effectively and limit  
18 risk to both the organization and its valued customers, this requires time and careful planning. One of the  
19 key systems to address is the customer information system (CIS) which houses sensitive customer  
20 information, rates, and through which billing activity and processes are run. It is essentially the "cash  
21 register" of the business and generates all electricity customer bills. Another critical system is the  
22 financial system (FS) which is used to track and measure financial performance of the business and  
23 produce financial statements for management, stakeholders and audit purposes.

24 Currently, both of the legacy LDCs use the same CIS system however the system allows flexibility in how  
25 to structure customer information, rates, billing codes and posting of billing transactions to general ledger  
26 accounts. In several areas, each of the legacy CIS systems and processes are designed and setup quite  
27 differently. One of the differences is in how the general ledger accounts are assigned for various  
28 components that capture and track billing data related to Regulated Price Plan (RPP) and the related spot  
29 (or market) pricing that is attached to those transactions. This data is critical to the settlement process,  
30 and for EW, the data is used extensively to facilitate the flow of data to revenue accounts which are linked  
31 to the Commodity (1588), Global Adjustment (1589) accounts and monthly settlement filings with the  
32 IESO.

33 As of the date of this application, Elexicon Energy Inc.'s business areas are managing day-to-day  
34 operations through the current legacy systems and processes, and in parallel, have begun to turn

attention to the important project of migrating to a single CIS and FS. These projects are expected to be completed sometime in 2020. Given the significant activities currently underway as a result of the merge, and the interconnection of the CIS and FS, any changes to current processes used to facilitate monthly settlement claims with the IESO and ensuring balances related to Accounts 1588 and 1589 must be reviewed, and practical consideration given to the cost and considerable effort involved in making the changes with a clear understanding of the underlying impact that such changes will have on other processes and systems. It is imperative that the FS and financial reporting and analysis (specifically revenue transactions posted to the FS from the CIS) are understood to determine the best approach and timing for implementation of changes. These factors must also be weighed against any incremental benefits.

#### Overview - Comparison of Methodologies

EW understands the genesis of the OEB's regulatory accounting guidance which came from very real concerns that affected customers, LDCs and the IESO. EW also is mindful that attempting to standardize processes can have some benefits especially in a complex environment of settlements and the impacts it has on customers. However, in designing its CIS setups and processes, EW also valued the importance of ensuring that data used for monthly settlements with the IESO and through OEB variance accounts remained directly connected to transactions flowing from the billing system. This ensures a strong linkage between actual billing and settlement to ensure accuracy and integrity of the variance accounts and impacts to RPP and non-RPP customers.

Based on a fulsome review of EW's current methodology as compared to the OEB's regulatory accounting guidance, the table below summarizes the similarities and differences based on final outcomes (using final actual data) for revenue and cost accounts that are used to derive Account 1588 and 1589 variances. The differences in methodology can be summarized into those related to how the unaccounted for energy (UFE) is split between RPP and Non-RPP kWhs and the resulting dollar impact. As the current EW process allows actual retail billing to automatically flow through to form part of the settlement calculations with the IESO, the UFE is handled in a different manner outlined in the OEB guidance. A table summarizing differences is provided below.

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		EW	OEB
<b>Sale of Energy Revenue</b>	RPP @ RPP rates	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Energy Cost (4705)</b>	Energy CT 101 FIT CT 1142 GA – RPP CT 148 1598 Final Settlement	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Split: Retail kWh + total UFE Based on Retail kWh	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Split: Wholesale kWh Based on Wholesale kWh
<b>GA Revenue</b>	Non-RPP Class A Non-RPP Class B	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
<b>GA Cost (4707)</b>	GA - Non-RPP Class A CT 147 GA - Non-RPP Class B CT 148	<input checked="" type="checkbox"/> Split: Retail kWh	<input checked="" type="checkbox"/> Split: Wholesale kWh

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3 EW also records entries to 4705 each month to ensure that timing differences in estimate vs. actuals  
4 (billed and unbilled) related to the GA – RPP CT 148 and 1598 settlements are cleared so that the  
5 impacts do not erroneously affect the variance account 1588 but instead reside on the balance sheet in a  
6 IESO clearing account (A/R or A/P). As a result, true-ups occur naturally as billing flows through and  
7 settlement true-ups related to the IESO are kept separate and don't impact the variance account balance.

#### 8 Materiality Review

9 EW has taken time to re-review its existing processes against the accounting guidance for both the  
10 current year and historical year (2018), with a specific objective to assess and compare the final outcome  
11 of each method to determine whether there are any material differences. In doing so, EW determined  
12 that the main differences were as follows:

- 13 • Allocation of the Unaccounted for Energy (UFE) between RPP and non-RPP
- 14 • Timing differences

#### 15 2019:

16 The differences related to the allocation of the UFE have been reviewed for the Jan-April 2019 timeframe  
17 and they were not considered material but have been modeled to quantify and adjustment entries posted  
18 in the general ledger to be consistent with the OEB's accounting guidance outcome. As EW's  
19 methodology is linked directly to the billing transactions, sufficient time must pass to complete billing  
20 cycles related to consumption in a given month before the necessary adjustment can be assessed and

posted in the general ledger. The next review and adjustment will occur for the May – July 2019 timeframe. To ensure EW's methodology is aligned with the OEB's accounting guidance for 2019 and going forward, the following steps have been taken:

- Adjust the current EW process to incorporate a split of actual GA costs (CT 148) to reflect proportional split of UFE so that they reflect the costs at a Wholesale kWh level for both RPP and Non-RPP.
- Complete a true-up review of the EW methodology results as compared to the OEB methodology results based on actuals. EW proposes to complete this a minimum of four times per year. Each review will result in a single journal entry to align the EW methodology outcome with the OEB accounting guidance outcome so to ensure the treatment of UFE is incorporated into the 1598 Final Settlement calculation. The OEB's Excel model has been refined to facilitate the comparison of outcomes using final actual data. A copy of the Excel model for 2019 Jan – Apr and 2018 have been included with this application (*Elexicon\_Whitby RZ\_2020\_Accounting Guidance 2018 Analysis\_20190812 & Elexicon\_Whitby RZ\_2020\_Accounting Guidance 2019 Analysis\_20190812*). Actual data has been incorporated into Tables 22-30 and Table 32 and a comparison is provided.
- Timing related differences are naturally addressed as billing occurs (similar to other variance accounts). For the purpose of reviewing variance account balances as part of a future rate application which incorporate 2019, adjustments for timing differences will be reflected in the continuity schedule consistent with OEB accounting guidance.

#### 2018:

While the review of the first four months of 2019 did not indicate any material differences, EW expanded its review to include the historical year 2018. The review for 2018 resulted in differences below the materiality threshold. The OEB published Accounts 1588 and 1589 Q&As ("1588/1589 Q&As") which outline the materiality threshold as follows:

*A29. In general, the materiality threshold to be used in assessing total adjustments to historical balances of each commodity account is as follows:*

- *Account 1589 – 0.5% if annual GA costs (Account 4707 Charges – Global Adjustment from the year pertaining to the balance requested for disposition*
- *Account 1588 – 0.5% of the annual Cost of Power (Account 4705 Power Purchased) from the year pertaining to the balance requested for disposition*

*In the case where an adjustment affects both accounts, but only adjustments to one account is above the materiality threshold, the adjustment to both accounts must be made to ensure that the books are balanced upon making any adjustments. Adjustments should be fully explained in a rate application and treatment of these adjustments will be determined on a case-by-case basis.*



1 A summary of the 2018 review, differences and materiality threshold test is provided:

<u>Sale of Energy</u>	<u>EW Method</u>	<u>OEB Method</u>	<u>Difference</u>	
RPP - Spot	12,845,852			
RPP - actual differential - Billing from CIS Final (RPP - spot)	28,706,182			
RPP Revenue	41,552,034	41,552,034	0	
Non-RPP Revenue	9,572,024	9,572,024	-	
	51,124,058	51,124,057	0	
<u>Cost of Energy (4705)</u>				
Net Energy Cost Settlement (IESO charge type 101)	22,132,742	22,132,742		
FIT/MicroFit @ spot	158,867	158,867		
RPP - actual differential - Billing from CIS Final (RPP - spot)*	28,706,182			
GA RPP Portion		45,139,435		
1598 Final Settlement		(16,624,574)		
	50,997,791	50,806,471	191,320	(4)
1588 Variance Account - Final(after true-up)	(126,266)	(317,586)	191,320	

Materiality Threshold  
 0.5%  
 254,032

\* This line is effectively a combination of the net impact of GA RPP Portion plus 1598 Final Settlement

Comparison:

(4) Difference in 1598 Final Settlement	353,251
Difference in GA RPP Portion	(161,931)
	<u>191,321</u>

<u>GA Revenue</u>	<u>EW Method</u>	<u>OEB Method</u>	<u>Difference</u>	
GA - Class B Non-RPP Revenue	23,585,615	23,585,615		
GA - Class A Revenue	9,354,069	9,354,069		
GA - Total Revenue	32,939,684	32,939,684	-	
<u>GA - Cost (4707)</u>				
GA - Class A Cost	9,354,069	9,354,069		
GA - Class B Cost	23,221,100	23,059,148		
GA - Total Cost	32,575,169	32,413,217	161,952	(1)
1589 Variance Account (after true-up)	(364,515)	(526,467)	161,952	

Materiality Threshold  
 0.5%  
 162,066

(1) Wholesale vs Retail Volume Differences (UAF Energy)

	<u>Retail kWh</u>	<u>Wholesale kWh</u>	<u>Diff</u>	<u>Rate</u>	<u>\$ Amount</u>
GA - Class B Non-RPP	254,897,897	253,199,063	1,698,834	0.09110	154,763
Small Price Difference		253,199,063		0.00003	7,189
					161,952

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- 3 The excel model The 1588/1589 Q&A addresses the need for adjustments related to historical balances
- 4 based on a materiality threshold as follows:

- 5 A28. The accounting guidance is effective January 1, 2019 and is to be implemented by August
- 6 31, 2019. Utilities are expected to consider the accounting guidance in the context of historical

balance before January 1, 2019 that have yet to be disposed on a final basis (including 2018 balances that may be requested for disposition).

The expectation of final disposition requests of commodity pass-through account balances are as follows:

1. Approved interim disposition or no disposition requested for historical balances

Some utilities may have received approval for interim disposition of historical account balances or did not request disposition of account balances in their last rate application. If these utilities have reviewed the historical balances (including 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. If these utilities identified errors or discrepancies that materially affect the ending account balances, utilities may be guided by the materiality threshold in the subsequent question in determining whether adjustments to the account balances are required. Utilities should adjust their account balances (if necessary) prior to requesting final disposition.

2. No disposition of historical balances and concerns noted

Utilities that did not receive approval for disposition of historical account balances due to concerns noted in the decision of their rate application should apply the accounting guidance to those balances as well as the 2018 balance and adjust the balances as necessary, prior to requesting final disposition.

EW falls into the category outlined in scenario 1 above. The review provided demonstrates that methodology outcome differences fall below the materiality threshold. As a result, there are no adjustments required for either Account 1588 or 1589 for historical balances related to the new accounting guidance.

## Conclusion and Request

EW has completed its review of the OEB's accounting guidance. Notable conclusions have been summarized below:

- EW identified that the difference in outcomes using EW methodology as compared to OEB methodology relates to the allocation of UFE between RPP and Non-RPP.
- EW adopted reasonable modifications to existing processes to eliminate the effects of any differences in outcomes starting in 2019
- EW compared historical data (2018) and determined that the differences in outcomes were below the materiality threshold and as a result, no historical adjustments are required.
- EW will incorporate any adjustments related to impacts of timing differences for 2019 going forward into continuity schedules in future rate applications.

EW also took some time to assess some of the pros and cons of its 2019 approach as compared to the OEB methodology:

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PROS	CONS
<p>Drivers of variance account balances remain directly linked to all CIS billing transactions:</p> <ul style="list-style-type: none"> <li>• Avoids risk of omitting impacts of billing adjustments</li> <li>• Ensures impacts of customer reclassification between RPP and non-RPP are correctly captured</li> <li>• True-ups naturally occur through billing processes</li> <li>• Able to trace and support variance balances more easily and review for reasonability</li> <li>• No concerns regarding availability of data related to non-interval or smart meter customers due to proration method.</li> </ul>	
<p>Leverages billing system data:</p> <ul style="list-style-type: none"> <li>• Reduces extraction of data from multiple sources and errors/omissions that may occur as a result</li> <li>• Potential cost savings (resources, tools and systems required to extract and analyze hourly data that does not reside in the CIS)</li> </ul>	<p>Relies on proration of consumption data from CIS vs. hourly data/pricing.</p>
<p>Reduces the number of manual journal entries and analysis required for various true-ups.</p>	<p>Requires a journal entry to address UFE splits.</p>
<p>Permits leveraging of existing processes and resources.</p>	
<p>Eliminates risk - process ensures volatility from differences in estimates and actuals related to the GA (CT 148 splits between RPP and non-RPP) and the 1598 settlement calculations are removed and captured in a separate IESO clearing (AR/AP) account so that elements that are to be settled with the IESO are kept separate from the variance account balances. This produces a similar outcome as the OEB's guidance</p>	

PROS	CONS
Able to adjust process with minimal effort to align with OEB methodology outcome.	Does not follow the standardized approach envisioned by the OEB detailed and prescriptive entries and timing requirements.  Final true-up done four times a year vs. monthly.
Avoids disruption to CIS and FS and reduces risk and workload of changes prior to CIS conversion.	

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2 Given the conclusions from EW's review of the OEB's accounting guidance, along with the planned

3 integration of the two legacy CIS and FS and processes in 2020, EW proposes that continuation of the

4 2019 EW methodology be permitted. EW requests, that should the OEB require a more strict adoption of

5 the accounting guidance as outlined in the February 21, 2019 document (ie. standardized process for

6 prescriptive journal entries and timing of true-ups), the timeframe for implementation be extended to a

7 future date beyond August 2019. An extended timeline which is more closely aligned with the

8 implementation date of a new integrated CIS would be reasonable, and would serve to assist in

9 facilitating a planned and thoughtful transition of systems and processes. This will assist with efficiencies

10 and limit risk and costs during a merge transition period which places additional challenges and demands

11 on limited resources.

12 EW also requests, that the OEB consider permitting EW's methodology and process as a reasonable

13 approach consistent with the outcome of the OEB's accounting guidance. This will allow EW to re-

14 evaluate and pursue the best solution to integrate the accounting guidance into the new CIS, FS and

15 processes and to focus on the outcomes the accounting guidance is intended to produce while providing

16 reasonable flexibility to determine the most efficient and cost effective system and operational processes

17 to accomplish the same end result.

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## **2020 IRM – Whitby Rate Zone (EB-2019-0130) Response to OEB Staff Question 4**

**Staff Question #4**

**Ref: January to April 2019 Comparative Analysis using OEB Accounting Guidance and Elexicon-Whitby Methodology & RRR 2.1.1 filing for the same period**

- a) Please confirm that the analysis provided was for the first quarter of 2019 (i.e. for the consumption period from January 1 to March 31, 2019).

**Response:**

The analysis provided was for the period of January – April 2019 to align with the effective date setups in our billing system which facilitates the analysis.

- b) If affirmative to part a), please explain the difference between the GA variance accumulated in the first quarter of 2019, i.e. a credit of \$102,271 and the “Net Accruals Dr Cr this Period” for a debit of \$144,588, reported under RRR 2.1.1. for Account 1589.

**Response:**

As indicated in the response to 4(a), the 2019 analysis period does not represent the first quarter of 2019. As a result, a comparison to the RRR 2.1.1 submission is not applicable.

In reviewing the 2019 analysis file, EW noted that during the conversion of the 2019 analysis working file to the final version submitted, the 2019 GA 1<sup>st</sup> estimate (blended rate) was not updated correctly. The 2019 analysis file included the 2018 GA 1<sup>st</sup> estimate blended rate instead of the 2019 blended rate. A revised version of the 2019 analysis file has been included with the interrogatory responses to reflect the corrected rate. {*Elexicon\_ Whitby RZ\_ 2020\_Accounting Guidance 2019 Analysis\_20190812 IRR\_20191018*}. The correction impacts the GA revenue and 1589 balance equally for both the EW method and OEB method. As a result, there continues to be no difference between the outcomes of the two methodologies for the 2019 analysis.

As per the revised 2019 analysis file, the 1589 Variance balance is a credit of \$930,243. EW is able to reconcile this amount back to its General Ledger transactions for the period Jan 2019 - Apr 2019 after taking in to consideration the GA cost true up (CT 148 true up) and the unbilled revenue estimate to actual revenue adjustments. The reconciliation has been provided as a new tab in the revised Excel file for the 2019 Analysis. For ease of reference, the reconciliation has been included below.

**Reconciliation of Global Adjustment (1589) - Jan -Apr 2019 to General Ledger (GL)**

	<b>GA - Revenue</b>	
GL activity	6,980,735	
Dec 2018 unbilled to actual revenue adjustments	(18,294)	
Apr 2019 unbilled to actual revenue adjustments	85,634	
<b>Adjusted GL activity</b>	<b>7,048,075</b>	
<b>GA - Class B Non-RPP Revenue Comparison Analysis*</b>		<b>7,048,075</b>
	<b>GA - Cost (4707)</b>	
GL activity	8,489,695	
GA Cost True Up (CT 148)	(512,351)	
<b>Adjusted GL activity</b>	<b>7,977,344</b>	
<b>GA - Class B Cost per Comparison Analysis*</b>		<b>7,978,318</b>
<b>Variance Account Impact (1589)</b>	<b>(929,269)</b>	<b>(930,243)</b>

\* per 2019 Analysis - WH Settlement Comparison tab

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## **Additional Review of 2019 - Overview**



Elexicon Energy Inc. - Whitby Rate Zone ("EW") has provided an outline of its request for final disposition of Group 1 Account balances in the 2021 Rate Application Manager's Summary, along with Excel models for the 2021 Rate Generator Model; and GA Analysis Workforms for the years 2017, 2018, and 2019.

This appendix serves to refile those relevant documents and files from Elexicon's 2020 rate application (EB-2019-0130). In addition to the information and analysis provided for the time period January – April 2019 in the 2020 rate application, a further review for the full year of 2019 has been completed. As a follow-up from the process discussions outlined in Appendix I (EB-2019-0130), EW confirms that it has incorporated the following additional steps into its 2019 process to ensure that EW's methodology appropriately aligns its outcomes to those in the OEB's 1588/1589 regulatory accounting guidance for 2019:

- Adjusted the current EW process to incorporate a split of actual GA costs (CT 148) to reflect proportional split of UFE so that they reflect the costs at a Wholesale kWh level for both RPP and Non-RPP.
- Completed true-up reviews of the EW methodology results as compared to the OEB methodology results based on actuals. EW completed this four times for 2019 data. Each review resulted in a single journal entry to align the EW methodology outcome with the OEB accounting guidance outcome so to ensure the treatment of UFE is incorporated into the 1598 Final Settlement calculation. The OEB's Excel model was refined to facilitate the comparison of outcomes using final actual data. A copy of the Excel model for 2019 has been included along with this Appendix (Elexicon\_Whitby RZ\_2020\_Accounting Guidance 2019 Analysis\_Full Year\_20200811). Actual data has been incorporated into Tables 22-30 and Table 32 and a comparison is provided.
- Timing related differences are naturally addressed as billing occurs (similar to other variance accounts). For the purpose of reviewing variance account balances adjustments for timing differences have been reflected in the continuity schedule consistent with OEB accounting guidance.

With these additional processes in place and the journal entries posted, EW's review confirms that the outcomes are fully aligned with the outcomes of the OEB's regulatory accounting guidance. A summary of the comparison for 2019 (fully year) is provided below.

<u>Sale of Energy</u>	EW Method	OEB Method	Difference
RPP - Spot	9,071,925		
RPP - actual differential - Billing from CIS Final (RPP - spot)	34,948,191		
RPP Revenue	44,020,116	44,020,088	27
Non-RPP Revenue	7,131,285	7,131,285	-
	51,151,401	51,151,374	27
<u>Cost of Energy (4705)</u>			
Net Energy Cost Settlement (IESO charge type 101)	15,946,033	15,946,033	
FIT/MicroFit @ spot	104,508	104,508	
RPP - actual differential - Billing from CIS Final (RPP - spot)*	34,948,191		
GA RPP Portion		52,146,700	
1598 Final Settlement		(17,637,296)	
Adjustment for OEB Accounting Guidance (UFE)	(438,787)		
	50,559,944	50,559,945	(1)
<u>1588 Variance Account - Final(after true-up)</u>	<u>(591,457)</u>	<u>(591,428)</u>	<u>(28)</u>
<i>* This line (net of adjustment line) is effectively a combination of the net impact of GA RPP Portion plus 1598 Final Settlement</i>			
<u>GA Revenue</u>	EW Method	OEB Method	Difference
GA - Class B Non-RPP Revenue	25,770,848	25,770,848	
GA - Class A Revenue	11,358,102	11,358,102	
GA - Total Revenue	37,128,950	37,128,950	-
<u>GA - Cost (4707)</u>			
GA - Class A Cost	11,358,102	11,358,102	
GA - Class B Cost	26,006,691	26,006,690	
GA - Total Cost	37,364,792	37,364,792	0
<u>1589 Variance Account (after true-up)</u>	<u>235,842</u>	<u>235,842</u>	<u>0</u>

Materiality Threshold
0.5%
252,800
Not Applicable

Materiality Threshold
0.5%
186,824
Not Applicable

- 1
- 2 While the materiality levels have been calculated, the analysis demonstrates that differences are
- 3 insignificant as the current process ensures that the balances are aligned. As indicated in the Manager's
- 4 Summary, EW will not be integrating its CIS system until late 2020. In conjunction with that project, EW
- 5 will review its practices to shift towards the standardized OEB accounting guidance for the commodity
- 6 accounts. This is expected to occur between 2020 and 2021.