**Westario Staff Question**

**Staff Question - 1**

**Ref: IRM Rate Generator Model, Tab 3**

**GA Analysis Workform**

In Tab 3 of the IRM Rate Generator Model, there are principal adjustments for a debit of $73,364 and a debit of $74,022 for Account 1589 and Account 1588, respectively. In the principal adjustment tab of the GA Analysis Workform, the principal adjustments for Account 1589 and Account 1588 are in credit positions instead (i.e. credit of $73,364 and credit of $74,022 for Account 1588).

1. Please clarify whether the principal adjustments for Accounts 1588 and 1589 should be debits or credits, and revise the evidence as needed.

Principle adjustments for 1589 should be a debit and adjustment for 1588 should be a credit.

1. In the Account 1588 tab of the GA Analysis Workform, there is a principal adjustment for Account 1588 of debit $74,022. Please clarify whether the principal adjustment for should be a debit or credit and revise the evidence as needed.

Adjustment should be credit $411,504 and not $74,022. Line 1588’s columns “transactions” and “principal adjustment” in the 2021 IRM Workform and tab “1588” in the GA Workform have been adjusted accordingly. Please see resubmission for amended models.

**Staff Question - 2**

**Ref: GA Analysis Workform**

In the Account 1588 tab of the GA Analysis Workform, it was noted that the reason for the Account 1588 balance as a percentage of Account 4705 being greater than 1% is due to short term load transfers from prior years was accrued. The amount has been reflected as a principal adjustment.

Principal adjustments adjust the amounts in the general ledger so that all activity that occurred in the calendar year is reflected in the general ledger for that particular year. Therefore, after considering principal adjustments, the balance in Account 1588 would be expected to be small. Westario has included the principal adjustment when comparing the balances in Account 1588 to Account 4705.

1. Please further explain why the Account 1588 balance is greater than 1% of Account 4705.

Difference is due to 2021 principal adjustments being posted to the general ledger in 2022 and 2020 principal adjustments being posted to the general ledger in 2021. When all principal adjustments have been considered and the 2020 adjustments removed and the 2021 adjustments added to account 1588; the new 1588 balance as a percentage of account 4705 is 0.7% which is below the 1% threshold. Below is the breakdown of adjustments for 1588.

|  |  |  |
| --- | --- | --- |
| Long-term load transfer adjustment from prior posted in 2021 | | -49,176 |
| Short-term load-term from prior years posted in 2021 | | -24,846 |
| Differences between accrual and actual 2020 posted in 2021 | | -119,489 |
| Difference between unbilled revenue to actual 2020 posted in 2021 | | 23,402 |
| Differences between accrual and actual 2021 posted in 2022 | | -143,043 |
| Difference between unbilled revenue to actual 2021 posted in 2022 | | -98,352 |
|  | -411,504 | |

|  |  |  |
| --- | --- | --- |
| Transactions | | 629,522 |
| Principal Adjustment | | -411,504 |
| Total Activity for year | | 218,018 |
|  |  | |