

DRAFT ACCOUNTING ORDER – Purchased Power True-up Account (PPTA)

1. This account will record the difference between the amount of the GA credit given to customers through the Power Purchased True-Up (PPT) rate and the amount of the actual avoided GA.
2. For RPP customers, customer energy charges are recorded in USofA Accounts 4006 and 4010. For non-RPP customers GA and energy charges are recorded in USofA Accounts 4015, 4025, 4030 and 4035 based on the customer category. These energy charges are recorded as credit balances.
3. On a monthly basis, the customer portion of the GA savings (100%) is to be recorded by a debit to Accounts 4006, 4010, 4015, 4025, 4030 and 4035 to offset the cost of power and GA charges collected and a credit to USofA Account 1508 “Other Regulatory Assets” subaccount Power Purchased True-Up. (Entry #2)
4. On a monthly basis, ORPC will calculate the 50% of GA Savings to be paid to Brookfield and absorbed by ORPC’s customers and Debit 1508 Other Regulatory Assets/Liabilities - PPTA and Credit 4705 Power Purchased. (Entry #3). ORPC will track actual net GA savings and the amount credited to or recovered from ratepayers on a monthly basis.
5. On a monthly basis, ORPC will Debit 1508 Other Regulatory Assets/Liabilities – PPTA and Credit 1100 Accounts Receivable for the amount of the GA credit given to customers on their bill as calculated based on the Purchased Power True-up rate and customer energy consumption.
6. The net result is that the 1508 Other Regulatory Assets/Liabilities - PPTA account will record the variance between the Power Purchased True-Up credit given to customers (as calculated by using the forecast PPT rate), and customer’s 50% share actual avoided GA.
7. ORPC will also apply interest on the balance in this account at the prevailing OEB prescribed rate. Interest will be calculated based on the opening balance in the account on a monthly basis. This account will be USofA 1508 “Other Regulatory Assets”, sub-account Power Purchased True-Up, Carrying Charges. The offsetting entry will be recorded in USofA Account 4405 or 6035 depending on whether it is a utility expense or revenue.
8. The Power Purchased True-Up account will record the difference between the actual net GA savings and the amounts credited to or recovered from ratepayers. On an annual basis the PPTA rate will be updated to correct for any under or over GA credit given to customers. This updated rate will be brought forward for approval as part of the annual rate setting process.
9. The account will be used for the duration of ORPC’s contract with Evolugen (i.e. Brookfield) and until the date of any applicable modifications to the *Electricity Act, 1998*.
10. The effective date of this account is July 1, 2023.
11. The following are the proposed accounting entries for this variance account:

Dr. 4705 Power Purchased	xxxxxxx	
Cr. 2205 Accounts Payable		xxxxxxx
- to give Brookfield 50% of actual GA Savings		
Dr. 4006/4010/4015/ Energy Sales – GA Sub-accounts		yyyyyyy
4025/4030/4035/		
Cr. 1508 Other Regulatory Assets/Liabilities – PPTA		yyyyyyy
- to give ORPC customers 100% of actual GA savings		
Dr. 1508 Other Regulatory Assets/Liabilities – PPTA	xxxxxxx	
Cr. 4705 Power Purchased		xxxxxxx
- to transfer additional Cost of Power to Account 1508		
Dr. 1508 Other Regulatory Assets/Liabilities – PPTA	zzzzzzz	
Cr. 1100 Accounts Receivable		zzzzzzz
- to record the GA credit given to customers based on the PPT rate		
Dr./Cr.1508 Other Regulatory Assets/Liabilities – PPTA,		
sub-account Carrying Charges	aaaaaaa	
Dr./Cr. 6035 Other Interest Expense or 4405 Interest Income		aaaaaaa
- to record interest on 1508 – PPTA account balance		