

Illustrative Example (#'s are fictional)

Method A: If the Identified Issue Error was never made

Table 1a

| Commodity Purchase | CT | (a) Amount (\$000s) | (b) 1588 Power | (c) 1589 GA Class B |
|--|-----|---------------------------|----------------------|---------------------------|
| 1 Net Energy Market Settlement | 101 | \$ 3,000 | \$ 3,000 | |
| 2 RPP Settlement Amount | 142 | \$ (500) | \$ (500) | |
| 3 Class B GA | 148 | \$ 22,800 | \$ 11,000 | \$ 11,800 |
| 4 Total Commodity Charges | | \$ 25,300 | \$ 13,500 | \$ 11,800 |
| <i>*Class B GA charge was higher due to Identified Issue</i> | | | | |
| RPP Settlement Amount | | Amount | | |
| 5 RPP Fixed price debits = (RPP - HOEP) | | \$ 10,500 | | |
| 6 RPP related GA credits CT148 | | \$ (11,000) | | |
| 7 CT 142 RPP Settlement Amount | | \$ (500) | | |

Calculate RPP Settlement GA credit using the Paid GA price (calculated)

| | | | |
|--|-------------|------------------------------|--|
| 8 Total Class B volume at wholesale level (MWH) | 289,233 | | |
| 9 Total Class B volume used by the IESO to allocate Class B GA (MWH) | 289,233 | | |
| 10 Total GA Charge (CT148, CT2148) (\$000s) | \$ 22,800 | | |
| 11 Paid GA Price for RPP Settlement (\$/MWH) - Used | \$ 78.83 | (\$22,800 / 289,233) | |
| 12 Final GA Price Published by the IESO (\$/MWH) - Not Used | \$ 78.83 | | |
| 13 Estimated Non-RPP consumption (MWH) | 149,693 | | |
| 14 Estimated RPP consumption (MWH) | 139,540 | | |
| 15 RPP related GA credits CT142 (\$000s) | \$ (11,000) | (-139,540 * \$78.83 / 1,000) | |

**Method B: If the Identified Issue Error was never made
(This is the approach London Hydro did use for 2015 & 2016)**

Table 1b

| Commodity Purchase | CT | (a) Amount (\$000s) | (b) 1588 Power | (c) 1589 GA Class B |
|--|-----|---------------------------|----------------------|---------------------------|
| 1 Net Energy Market Settlement | 101 | \$ 3,000 | \$ 3,000 | |
| 2 RPP Settlement Amount | 142 | \$ (500) | \$ 10,500 | \$ (11,000) |
| 3 Class B GA | 148 | \$ 22,800 | \$ 11,000 | \$ 22,800 |
| 4 Total Commodity Charges | | \$ 25,300 | \$ 13,500 | \$ 11,800 |
| <i>*Class B GA charge was higher due to Identified Issue</i> | | | | |
| RPP Settlement Amount | | Amount | | |
| 5 RPP Fixed price debits = (RPP - HOEP) | | \$ 10,500 | | |
| 6 RPP related GA credits | | \$ (11,000) | | |
| 7 CT 142 RPP Settlement Amount | | \$ (500) | | |

Calculated RPP Settlement GA credit using the Published Final GA price

| | | | |
|--|-------------|------------------------------|--|
| 8 Total Class B volume at wholesale level (MWH) | 289,233 | | |
| 9 Total Class B volume used by the IESO to allocate Class B GA (MWH) | 289,233 | | |
| 10 Total GA Charge (CT148, CT2148) (\$000s) | \$ 22,800 | | |
| 11 Paid GA Price (\$/MWH) - Not used | \$ 78.83 | (\$22,800 / 289,233) | |
| 12 Final GA Price Published by the IESO (\$/MWH) - Used | \$ 78.83 | | |
| 13 Estimated Non-RPP consumption (MWH) | 149,693 | | |
| 14 Estimated RPP consumption (MWH) | 139,540 | | |
| 15 RPP related GA credits CT142 - (\$000s) | \$ (11,000) | (-139,540 * \$78.83 / 1,000) | |

Method A: Before making adjustments for Identified Issue

Table 2a

| Commodity Purchase | CT | (a) Amount (\$000s) | (b) 1588 Power | (c) 1589 GA Class B |
|--|-----|---------------------------|----------------------|---------------------------|
| 1 Net Energy Market Settlement | 101 | \$ 3,000 | \$ 3,000 | |
| 2 RPP Settlement Amount | 142 | \$ (596) | \$ (596) | |
| 3 Class B GA | 148 | \$ 23,000 | \$ 11,096 | \$ 11,904 |
| 4 Total Commodity Charges | | \$ 25,404 | \$ 13,500 | \$ 11,904 |
| <i>*Class B GA charge was higher due to Identified Issue</i> | | | | |
| RPP Settlement Amount | | Amount | | |
| 5 RPP Fixed price debits = (RPP - HOEP) | | \$ 10,500 | | |
| 6 RPP related GA credits CT148 | | \$ (11,096) | | |
| 7 CT 142 RPP Settlement Amount | | \$ (596) | | |

Calculate RPP Settlement GA credit using the Paid GA price (calculated)

| | | | |
|--|-------------|------------------------------|--|
| 8 Total Class B volume at wholesale level (MWH) | 289,233 | | |
| 9 Total Class B volume used by the IESO to allocate Class B GA (MWH) | 291,770 | High due to Identified Issue | |
| 10 Total GA Charge (CT148, CT2148) (\$000s) | \$ 23,000 | | |
| 11 Paid GA Price for RPP Settlement (\$/MWH) - To be Used | \$ 79.52 | (\$23,000 / 289,233) | |
| 12 Final GA Price Published by the IESO (\$/MWH) - Not Used | \$ 78.83 | | |
| 13 Estimated Non-RPP consumption (MWH) | 149,693 | | |
| 14 Estimated RPP consumption (MWH) | 139,540 | | |
| 15 RPP related GA credits CT142 (\$000s) | \$ (11,096) | (-139,540 * \$79.52 / 1,000) | |

**Method B: Before making adjustments for Identified Issue
(This is the approach London Hydro did use for 2015 & 2016)**

Table 2b

| Commodity Purchase | CT | (a) Amount (\$000s) | (b) 1588 Power | (c) 1589 GA Class B |
|--|-----|---------------------------|----------------------|---------------------------|
| 1 Net Energy Market Settlement | 101 | \$ 3,000 | \$ 3,000 | |
| 2 RPP Settlement Amount | 142 | \$ (500) | \$ 10,500 | \$ (11,000) |
| 3 Class B GA | 148 | \$ 23,000 | \$ 11,000 | \$ 23,000 |
| 4 Total Commodity Charges | | \$ 25,500 | \$ 13,500 | \$ 12,000 |
| <i>*Class B GA charge was higher due to Identified Issue</i> | | | | |
| RPP Settlement Amount | | Amount | | |
| 5 RPP Fixed price debits = (RPP - HOEP) | | \$ 10,500 | | |
| 6 RPP related GA credits | | \$ (11,000) | | |
| 7 CT 142 RPP Settlement Amount | | \$ (500) | | |

Calculated RPP Settlement GA credit using the Published Final GA price

| | | | |
|--|-------------|------------------------------|--|
| 8 Total Class B volume at wholesale level (MWH) | 289,233 | | |
| 9 Total Class B volume used by the IESO to allocate Class B GA (MWH) | 291,770 | High due to Identified Issue | |
| 10 Total GA Charge (CT148, CT2148) (\$000s) | \$ 23,000 | | |
| 11 Paid GA Price (\$/MWH) - Not Used | \$ 79.52 | (\$23,000 / 289,233) | |
| 12 Final GA Price Published by the IESO (\$/MWH) - Used | \$ 78.83 | | |
| 13 Estimated Non-RPP consumption (MWH) | 149,693 | | |
| 14 Estimated RPP consumption (MWH) | 139,540 | | |
| 15 RPP related GA credits CT142 - (\$000s) | \$ (11,000) | (-139,540 * \$78.83 / 1,000) | |

Method A: After making adjustments for Identified Issue

Table 3a

| Commodity Purchase | CT | (a) Amount (\$000s) | (b) 1588 Power | (c) 1589 GA Class B |
|--|------|---------------------------|----------------------|---------------------------|
| 1 Net Energy Market Settlement | 101 | \$ 3,000 | \$ 3,000 | |
| 2 RPP Settlement Amount | 142 | \$ (500) | \$ (500) | |
| 3 Class B GA | 148 | \$ 23,000 | \$ 11,096 | \$ 11,904 |
| 4 Class B GA credit | 2148 | \$ (200) | \$ (96) | \$ (104) |
| 5 Total Commodity Charges | | \$ 25,300 | \$ 13,500 | \$ 11,800 |
| <i>*Class B GA charge was higher due to Identified Issue</i> | | | | |
| RPP Settlement Amount | | Amount | | |
| 6 RPP Fixed price debits = (RPP - HOEP) | | \$ 10,500 | | |
| 7 RPP related GA credits CT148 | | \$ (11,096) | | |
| 8 RPP related GA credits returned CT2148 | | \$ 96 | | |
| 9 CT 142 RPP Settlement Amount | | \$ (500) | | |

Calculate RPP Settlement GA credit using the Paid GA price (calculated)

| | | | |
|---|-----------|-------------------------------|--|
| 10 Total Class B volume used by the IESO to allocate Class B GA (MWH) | 291,770 | | |
| 11 Correction submitted for Identified Issue (MWH) | (2,537) | | |
| 12 Total corrected Class B volume for Class B GA allocation (MWH) | 289,233 | | |
| 13 Total GA Charge/Credit (CT148, CT2148) (\$000s) | \$ (200) | | |
| 14 Original Paid GA Price (\$/MWH) | \$ 79.52 | (\$23,000 / 289,233) | |
| 15 Paid GA Price Differential for RPP Settlement TU (\$/MWH) | \$ (0.69) | (-\$200 / 289,233 * 1,000) | |
| 16 Paid GA Price after correction (\$/MWH) | \$ 78.83 | (\$79.52 + (\$0.69)) | |
| 17 Final GA Price Published by the IESO (\$/MWH) | \$ 78.83 | | |
| 18 Estimated Non-RPP consumption (MWH) | 149,693 | | |
| 19 Estimated RPP consumption (MWH) | 139,540 | | |
| 20 RPP Sett TU for GA credit Refund CT142 (\$000s) | \$ 96 | (-139,540 * (\$0.69) / 1,000) | |

**Method B: After making adjustments for Identified Issue
(This is the approach London Hydro is proposing be used for the 2015/2016 adjustments)**

Table 3b

| Commodity Purchase | CT | (a) Amount (\$000s) | (b) 1588 Power | (c) 1589 GA Class B |
|--|------|---------------------------|----------------------|---------------------------|
| 1 Net Energy Market Settlement | 101 | \$ 3,000 | \$ 3,000 | |
| 2 RPP Settlement Amount | 142 | \$ (500) | \$ 10,500 | \$ (11,000) |
| 3 Class B GA | 148 | \$ 23,000 | \$ 11,000 | \$ 23,000 |
| 4 Class B GA credit | 2148 | \$ (200) | | \$ (200) |
| 5 Total Commodity Charges | | \$ 25,300 | \$ 13,500 | \$ 11,800 |
| <i>*Class B GA charge was higher due to Identified Issue</i> | | | | |
| RPP Settlement Amount | | Amount | | |
| 6 RPP Fixed price debits = (RPP - HOEP) | | \$ 10,500 | | |
| 7 RPP related GA credits | | \$ (11,000) | | |
| 8 CT 142 RPP Settlement Amount | | \$ (500) | | |

Calculated RPP Settlement GA credit using the Published Final GA price

| | | | |
|--|-----------|-----------------------------|--|
| 9 Total Class B volume used by the IESO to allocate Class B GA (MWH) | 291,770 | | |
| 10 Correction submitted for Identified Issue (MWH) | (2,537) | | |
| 11 Total corrected Class B volume for Class B GA allocation (MWH) | 289,233 | | |
| 12 Total GA Charge/Credit (CT148, CT2148) (\$000s) | \$ (200) | | |
| 13 Final GA Price Published by the IESO (\$/MWH) | \$ 78.83 | | |
| 14 Estimated Non-RPP consumption (MWH) | 149,693 | | |
| 15 Estimated RPP consumption (MWH) | 139,540 | | |
| 16 Correct total GA Charges (\$000s) | \$ 22,800 | (\$78.83 * 289,233 / 1,000) | |
| 17 Correct GA Charge allocation to Non-RPP (\$000s) | \$ 11,800 | (\$78.83 * 149,693 / 1,000) | |
| 18 Correct GA Charge allocation to RPP (\$000s) | \$ 11,000 | (\$78.83 * 139,540 / 1,000) | |

Summary

LH's proposal does not result in an over allocation of the 2148 credit to non-RPP customers. It corrects for the differences that are identified in Line 4 of Tables 2a and 2b. Line 4 in Tables 1a and Table 1b/Line 5 in Tables 3a and Table 3b are the same. This proves that the two methods produce the same result if done consistently and correctly. Tables 3a and 3b show that Method A and Method B do result in the same outcome if the 2148 credit is processed the way LH has proposed. OEB staff are proposing that LH move from the approach in Table 2b to Table 2a then to Table 3a. The data to do that accurately is not available. Moving from Table 2b to Table 3b produces the same result. The second alternative proposed by OEB staff would mix the two methods and not result in a correct outcome. To process the 2148 credit as if Method A was used in 2015 and 2016 when it wasn't, would create a difference in the outcome of the two methods. In the example, the credit in 1589 GA Class B would be (104) rather than (200) which is the correct adjustment required to produce the same result regardless of methodology used.