**Hearst Power (EB-2017-0046)**

**GA Analysis Follow-Up Questions**

1. In regards to actual system losses, please provide the actual system loss factor for 2016 and compare it to the OEB approved loss factor?  Please also provide calculation that quantifies the GA impact of the difference in the loss factor.

Actual:

2016 power purchased (actual) = 82,299,883 kWh (A)

2016 consumption billed (actual) = 79,493,037 kWh (B)

2016 total system loss = 2,806,845 kWh (C)

2016 total system loss % (C / A) = 3.411%

Approved:

OEB approved (2015 COS) loss factor =

* 4.14% for secondary metered
* 3.10% for primary metered

2016 Consumption billed (actual) = 79,493,037 kWh

Primary = 15,061,692 kWh x 3.10% = 466,912 kWh of loss billed

Secondary = 64,431,343 kWh x 4.14% = 2,667,458 kWh of loss billed

Total 2016 loss billed (actual) = 3,134,370 kWh (D)

Impact of difference:

2016 Difference in loss billed (D – C) = 327,525 kWh (E)

2016 monthly GA cost average (12 months) = 0.09754$ / kWh (F)

Estimate difference in dollar value (E x F) = 31,946.79$

1. Please provide the total GA amounts billed to non-RPP customers in 2016 as recorded in the applicant’s revenue G/L accounts for 2016.

2016

Total Non-RPP GA billed (actuals, not as per invoice date) = $4,577,389.07\*

Year-end transfer to RSVA account 1589 = - $29,417.45

Total Non-RPP GA in G/L account for 2016 = $4,547,971.62

\* Includes billing for long term load transfer agreements

3a) How does the applicant determine the RPP/non-RPP proration for charge type148.

 After each month end, the GA statistics reports (from our internal billing system) are printed for the monthly billing cycle. We then add the kWh, including the loss for all non-RPP customers bill codes. For verification, we multiply the total non-RPP kWh (loss included) with the GA rate used for billing. The total dollar amount should be the same as the Dollar amount on the statistics reports

 To determine the RPP portion of kWh, the non-RPP kWh consumption (loss included) is deducted from the total kWh billed (loss included).

 To determine the non-RPP and RPP portions of the charge 148, we multiply the consumption (kWh, loss included) for non-RPP by the rate charged by the IESO. We then deduct the non-RPP cost from the Total GA charges from the IESO and Hydro One invoices. The difference would be the RPP portion of GA transferred to Power. The GL entry would be debit Power (account #4705) and credit GA (account #4707).

1. In the initial IESO settlement done on the fourth business day of the following month, is the RPP/non-RPP proration based on estimated billing information?

Yes

1. When does the estimated RPP/non-RPP split get trued-up to actual (include the period in which the final data needed to do the true-up is known) and how does this true-up get reflected in the balance being brought forward for disposition?

True-up is done every month and since we are requesting GA disposal after true-up is completed, no further adjustments are required.

1. How long are the books kept open in order to capture all of the required year-end GA true-up adjustments.

Accounting firm make final verification and our book are closed 3 to 4 months after year end.

1. In its narrative on the Global Adjustments Process, the applicant has indicated it had no class A customers as at December 31, 2016. Please confirm that the applicant did not have any class A customers at any point during 2016. If the applicant did have a class A customer at some point during 2016, please indicate how the GA balances associated with the class A customers are being settled? Does the balance in account 1589 include GA balances pertaining to class A customers?

Confirmed. There were no Class A customers in 2016.