**West Coast Huron Energy Inc.**

**EB-2017-0083**

**OEB Staff Questions (Follow-Up)**

**Question #1:**

Reference: Response to Question 4 from OEB Staff Questions

In the response the applicant has booked an adjustment to account for the difference between the actual and approved loss factors for both 2015 and 2016.

1. Please explain why this adjustment is necessary. Should this adjustment already have been reflected in the G/L balance?

In general the utility’s billed kwh including approved loss factor does not exactly equal the total kwh charged to the utility by the IESO. This difference is considered to relate to both RPP and Non-RPP customers.

WCHE’s methodology of subtracting Non-RPP billed kwh from the utility’s total kwh to calculate RPP kwh did not include an allocation of the above noted difference to the Non-RPP customer group and would result in the RPP group bearing any loss factor difference. This kwh split formed the basis for allocating the Class B GA expense on the IESO in the general ledger. Therefore, the expense allocation between RPP and Non-RPP requires correction to split the value of the loss factor difference based on the relative proportion of RPP and Non-RPP kwh billed.