

***Greater Sudbury Hydro Inc./
Hydro du Grand Sudbury Inc.***

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Telephone (705)675-7536 Fax (705)671-1413

February 14, 2011

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor - 2300 Yonge Street
Toronto, ON M4P 1E4

**Re: Greater Sudbury Hydro Inc. – 2011 Electricity Distribution Rate
Application EB-2010-0085 – Response to Board Staff Submission dated January 24, 2011**

Dear Ms. Walli

Enclosed is our response to the Board Staff Submission.

If you require further information, please contact the undersigned at (705) 675-0509.

Yours truly,



Nancy Whissell
Vice President – Corporate Services

Enclosures

Copy: C. Huneault
J. Koski
F. Kallonen

**Greater Sudbury Hydro Inc.
2011 EDR 3rd Generation IRM
EB-2010-0085**

Response to Board Staff Submission – January 24, 2011

Board Staff Submission – Deferral and Variance Accounts

Staff notes that the appropriate way to calculate the threshold is to not include prior period adjustments. In this case, the threshold calculation for GSHI would be \$0.000725, still below the Board's threshold of \$0.001. It is open to GSHI to propose to return the credit balance of \$173,576.00 in its next rate application.

Board staff submits that GSHI's proposal to dispose of its global adjustment subaccount balance in this proceeding is not consistent with the policy outlined in the EDDVAR Report. Staff notes that GSHI did not provide any justification for disposing of this sub-account at this time. Board staff submits that the Board should not dispose of GSHI's global adjustment account balance in this proceeding

Response

Review of the policy outlined in the EDDVAR Report suggests that with respect to disposition of variance account 1588, a streamlined separate written hearing process is appropriate when the distributor has exceeded the disposition threshold for two consecutive quarters.

Greater Sudbury Hydro Inc will review the account balances and if necessary file the appropriate separate request for disposition of the global adjustment balances at some later time.

In addition, GSH Inc will propose to return of the credit balance of \$173,576 in a future rate application.