Ontario Energy Board

Board Secretary

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RE: IRM

Hydro 2000 is responding to the e-mail received on January 28, 2016 from

Madame Martha McOuat Project Advisor.

Please confirm that the following changes to the IRM Rate Generator have been implemented appropriately:

         Update model to remove the stretch factor from the calculation of 2016 GDP-IPI

Hydro 2000 confirms the stretch factor removal from the calculation of 2016 GDP-IPI. In Sheet 15 Rev2Cost GDPIPI the Price Cap Index is set at 0.00%.

         Update model to reflect 2016 UTRs and Sub-Transmission rates

Hydro 2000 confirms the 2016 UTRs and Sub-Transmission rates have been updated.

         Update model to reflect 2016 regulatory charges

Hydro 2000 confirm the model was updated to reflect 2016 regulatory charges.

The OESP Rate was included Additional rates tab sheet 16 but does not show up

on the tariff sheet.

* Correct formula of Sheet 12 of the model to reflect 2015 UTRs and sub-transmission rates and update RTSRs accordingly

Hydro 2000 confirms the formula correction pricing of Sheet 12 of the model for January to April 2015 to reflect 2015 UTRs and sub-transmission rates,

Please provide explanations for the following:

* Hydro 2000’s current tariff sheet contains a service charge for “pulling postdated cheques” of $9.00. This service charge is included in Hydro 2000’s approved 2012 cost of service tariff and has been in place since that time. The current tariff in the model appears to calculate a charge for this service of $15.00. Please confirm that the appropriate, approved charge for this service should be $9.00. (Please note that changes to service charges are not permitted in an IRM proceeding)

Hydro 2000 confirms it entered an incorrect amount of $15.00 and will update the model to reflect the proper amount of 9$.

* Please explain the offsetting entries between accounts 1588 and 1589 in the 2013 Adjustments column of the continuity tables.

Hydro 2000 notice a formula contains an error in its spreadsheet that calculates the global adjustment. This entry (adjustments) was to correct the error between the account 1588 and 1589 in 2013

* Please explain the origin of the balance of $77,426 in the Account 1595 (2008) and related interest in the continuity tables.

Hydro 2000 and its auditor have verify the origin of the balance of $77,426 in the account 1595 (2008) and related interest in the continuity tables and discovered that some amount were not posted in the proper years. The Continuity table has been updated with the proper information. The Stranded meter amount of $10,989 was reclassified in account 1555 and $22,959 for the smart meter rider has been reclassified in the revenue which explains the difference of $33,948.

* Please explain why the balance in 1595 (2008) was not included for disposition in 2011, 2012 or 2015.

In previous version of the EDDVAR worksheet embedded in the IRM model, the account 1595 was not split up by year and instead was presented as one single balance. Therefore H2000 was unaware that the residual balance of $19,549 in account 1595 (2008) was eligible for recovery.  Furthermore, the utility does not often meet the threshold set by the OEB and doesn’t have often had the opportunity to dispose of its balances.

* Please confirm that Hydro 2000 does not have any Class A customers or Wholesale Market Participants.

Hydro 2000 confirm it does not have any class A customers or Wholesale Market participants.