

From: Jessy Richard [<mailto:jrichard@hearstpower.com>]
Sent: February-13-17 3:11 PM
To: Kelli Benincasa; manuela@tandemenergyservices.ca
Subject: RE: Hearst Power - account 1595 (2012)

Ok, sounds good.

Additionally, I've added another example where the OEB settlement decision did not match our RRR filings and General Ledger. The example is from our last COS application. The rate rider for disposition of D/V was classified as (2016) in the OEB decision but Hearst Power named the sub-account (2015), not (2016), since the effective date of the transactions and approval is 2015 and the RRR filings would not allow 2016 balances for year ending 2015.

(please refer to document attached)

So what I mean is that OEB settlement decision sub-account names currently does not always match with our records and filings...but in the end the 1595 account balance is the same.

Sincerely,

Jessy Richard
Directeur Général
General Manager

La Corporation de distribution électrique de Hearst
Hearst Power Distribution Co. Ltd.
925 rue Alexandra Street, S.P./P.O. Bag 5000
Hearst, Ontario P0L 1N0
Tel: 705-372-2820
Fax: 705-362-5902
[*jrichard@hearstpower.com*](mailto:jrichard@hearstpower.com)



From: Kelli Benincasa [<mailto:Kelli.Benincasa@ontarioenergyboard.ca>]
Sent: February-13-17 2:40 PM
To: 'Jessy Richard' <jrichard@hearstpower.com>; manuela@tandemenergyservices.ca
Subject: RE: Hearst Power - account 1595 (2012)

Here is the Toll Free #: 1-866-832-4446
Conference Code: 7011028

Talk with you tomorrow.

Thanks Kelli

From: Jessy Richard [<mailto:jrichard@hearstpower.com>]
Sent: February-13-17 2:36 PM
To: Kelli Benincasa; manuela@tandemenergyservices.ca
Subject: RE: Hearst Power - account 1595 (2012)

Hi Kelly,

This works for me.

As for your question, the balance in the RRR filings and continuity schedules are correct. The sub-account names of account 1595, in the 2015 Cost of Service settlement, is one year back. As you can refer in the 2013 IRM rate decision (see attached pdf), prior to the 2015 settlement, we were approved for the disposition of 1595 D/V (2013).

We can discuss more tomorrow.

Sincerely,

Jessy Richard
Directeur Général
General Manager

La Corporation de distribution électrique de Hearst
Hearst Power Distribution Co. Ltd.
925 rue Alexandra Street, S.P./P.O. Bag 5000
Hearst, Ontario P0L 1N0
Tel: 705-372-2820
Fax: 705-362-5902
[*jrichard@hearstpower.com*](mailto:jrichard@hearstpower.com)



From: Kelli Benincasa [<mailto:Kelli.Benincasa@ontarioenergyboard.ca>]
Sent: February-13-17 2:25 PM
To: 'Jessy Richard' <jrichard@hearstpower.com>; manuela@tandemenergyservices.ca
Subject: RE: Hearst Power - account 1595 (2012)

I'd like to set up a conference call with everyone for 9:30 tomorrow morning, it should only take an about half an hour.

Does this work for everyone?

Thanks Kelli

From: Kelli Benincasa
Sent: February-13-17 1:58 PM
To: 'Jessy Richard'
Cc: 'manuela@tandemenergyservices.ca'
Subject: RE: Hearst Power - account 1595 (2012)

Hi Jessy

Before I discuss this with my manager I want to be sure I understand which one is correct. Is the 1595 accounts stated in the decision correct or the 1595 accounts in the RRR and continuity schedule correct?

Thanks Kelli

From: manuela@tandemenergyservices.ca [<mailto:manuela@tandemenergyservices.ca>]
Sent: February-13-17 1:48 PM
To: Kelli Benincasa
Subject: FW: Hearst Power - account 1595 (2012)

Here is Katherine's conversation with Jessy at Hearst.

Manuela Ris-Schofield

e-mail : manuela@tandemenergyservices.ca
tel : 519-856-0080 / mobile: 416-562-9295

From: Jessy Richard [<mailto:jrichard@hearstpower.com>]
Sent: February 13, 2017 11:56 AM
To: 'Katherine Wang' <Katherine.Wang@ontarioenergyboard.ca>
Cc: manuela@tandemenergyservices.ca; Jocelyne Bolduc <jbolduc@hearstpower.com>
Subject: RE: Hearst Power - account 1595 (2012)

Hi Katherine,

As identified, our year of accounts 1595 in the IRM model are off one year in comparison to the COS application. Therefore, I have entered the OEB approved amount in column "BE" as per the last COS application (see attached draft) But as you will see, this does not fix anything but rather it only shows that the name (year) of account 1595 in the settlement proposal were slightly off.

Also, I have attached a monthly reconciliation file for account 1595 for you to review.

If you really want us to continue using the years as stated in the settlement proposal, multiple RRR filings modifications will be required and changes to our GL account name as well.

Manuela Ris-Schofield is our regulatory consultant and she will be contacting you today regarding this matter.

Sincerely,

Jessy Richard

Directeur Général

General Manager

La Corporation de distribution électrique de Hearst

Hearst Power Distribution Co. Ltd.

925 rue Alexandra Street, S.P./P.O. Bag 5000

Hearst, Ontario POL 1N0

Tel: 705-372-2820

Fax: 705-362-5902

jrichard@hearstpower.com



From: Katherine Wang [<mailto:Katherine.Wang@ontarioenergyboard.ca>]

Sent: February-10-17 2:12 PM

To: 'Jessy Richard' <jrichard@hearstpower.com>

Subject: RE: Hearst Power - account 1595 (2012)

Hi Jessy,

No, I don't think that answers my question.

What I mean is that the entries in the "OEB-approved disposition" column on the continuity schedule should always match what has been approved in the OEB Decision for that year. The following screenshot shows that Hearst's 2015 decision approved disposition amounts in accounts 1595 (2010), 1595(2011) and 1595(2012) – these amounts should be entered into the Same accounts on the continuity schedule.

Group 1 Deferral and Variance Account Balances

Account Name	Account Number		Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C = A + B
LV Variance Account	1550	kWh	\$21,840	\$2,466	24,306
Smart Metering Entity Charge Variance Account	1551	kWh	\$1,232	\$68	1,300
RSVA - Wholesale Market Service Charge	1580	kWh	(\$153,937)	(\$3,981)	(157,918)
RSVA - Retail Transmission Network Charge	1584	kWh	\$157,974	\$3,367	161,341
RSVA - Retail Transmission Connection Charge	1586	kWh	\$56,502	\$5,780	62,283
RSVA - Power (excluding Global Adjustment)	1588	kWh	(\$66,794)	(\$5,129)	(71,923)
RSVA - Global Adjustment	1589	kW	\$134,356	\$173	134,529
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	kWh	(\$163,641)	(\$69,999)	(233,640)
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	kWh	\$42,444	(\$107,734)	(65,290)
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	kWh	\$25,518	(\$1,707)	(23,811)
Total of Group 1 Accounts (excluding 1589)					(255,729)

Katherine J Wang

Analyst, Rates
Incentive Rate-setting and Accounting
Applications Division
Ontario Energy Board
Phone: (416) 440-7619 Email: katherine.wang@ontarioenergyboard.ca

From: Jessy Richard [<mailto:jrichard@hearstpower.com>]

Sent: February-10-17 1:54 PM

To: Katherine Wang

Subject: RE: Hearst Power - account 1595 (2012)

Hi Katherine,

Our accounting policies are in line with the OEB handbook. You can refer to Question #2 on the FAQ-Aug 2008 (see attached) of the account handbook. It is stated:

Q.2 What items are recorded in the new sub-account of 1595 (Sub-account - Disposition of Account Balances Approved in 2008)?

A.2 Distributors approved to recover (or refund) account balances, as part of the 2008 regulatory process (i.e., 2008 EDR and 2008 IRM rate applications or other) will use this sub-account to record the approved amount of each regulatory asset/liability account approved for recovery (or refund). The offsetting entries will be to the respective approved regulatory asset/liability accounts to transfer the approved amount from those accounts into the new sub-account, inclusive of accumulated interest, if applicable. The date of these entries is the start of the recovery period, which normally coincides with the start of rate year for most distributors (e.g. May 1, 2008 or date specified by the Board).

Therefore, the amounts collected or accumulated in the accounts of Group 1 in 2011 are in disposition of account 1595 (2012).

Does this answer your question?

Sincerely,

Jessy Richard

***Directeur Général
General Manager***

***La Corporation de distribution électrique de Hearst
Hearst Power Distribution Co. Ltd.
925 rue Alexandra Street, S.P./P.O. Bag 5000
Hearst, Ontario P0L 1N0
Tel: 705-372-2820
Fax: 705-362-5902
jrichard@hearstpower.com***



From: Katherine Wang [<mailto:Katherine.Wang@ontarioenergyboard.ca>]
Sent: February-10-17 1:15 PM
To: 'Jessy Richard' <jrichard@hearstpower.com>
Subject: RE: Hearst Power - account 1595 (2012)

Hi Jessy,

Before we look into the reason why the balance in account 1595 (2012) is high, I just want to confirm the data entries on the continuity schedule. I noted that the 2015 OEB approved disposition amounts in accounts **1595 (2010)**, **1595 (2011)** and **1595 (2012)** were entered into the rows for 1595 (2011), (2012) and (2013) – one row below the correct cell for each account.

I would like to talk to you and confirm the correct data entries for 1595 accounts on the continuity schedule. Could you give me a call when you're available? Thanks.

		2			
	Account Number	Opening Principal Amounts as of Jan 1, 2015	Transactions* Debit / (Credit) during 2015	OEB-Approved Disposition during 2015	Principal Adjustments ¹ during 2015
	1550	21,840	53,759	21,840	
	1551	1,232	540	1,232	
	1580	(153,937)	(110,088)	(153,937)	
	1580	0	0	0	
	1580	0	10,383	0	
	1584	157,974	5,052	157,974	
	1586	56,502	12,471	56,502	
	1588	(66,794)	(5,436)	(66,794)	
	1589	134,356	112,654	134,356	
s (2009) ⁴	1595	0	0	0	
s (2010) ⁴	1595	0	0	0	
s (2011) ⁴	1595	(163,641)	53	(163,641)	
s (2012) ⁴	1595	42,444	97,057	42,444	
s (2013) ⁴	1595	25,518	17	25,518	
s (2014) ⁴	1595	0	0	0	
s (2015) ⁴					
Balance has been audited	1595	0	110,553		
	1589	134,356	112,654	134,356	0
Final Adjustment		(78,861)	174,360	(78,862)	0
		55,494	287,014	55,494	0
Balance for disposition of this account)	1568	0		0	
		55,494	287,014	55,494	0

Katherine J Wang

Analyst, Rates

Incentive Rate-setting and Accounting

Applications Division

Ontario Energy Board

Phone: (416) 440-7619 Email: katherine.wang@ontarioenergyboard.ca

From: Jessy Richard [<mailto:jrichard@hearstpower.com>]

Sent: February-10-17 12:55 PM

To: Katherine Wang

Cc: Jocelyne Bolduc

Subject: RE: Hearst Power - account 1595 (2012)

Hi Katherine,

The explanation is simple. The balance in account 1595 (2012) as of December 2014, was approved and disposed but the rate rider itself was not finished until May 2015, therefore approximately 20,000\$ was collected in revenues for this rate rider per month...so 5 months (in year 2015) x 20,000\$ is 100,000\$. No amounts were collected afterwards.

Also, it seems that the 1595 (2012), a 3-year rate rider from June 2012 to May 2015, might have been based on forecast that were lower than actual.

Sincerely,

Jessy Richard

Directeur Général

General Manager

La Corporation de distribution électrique de Hearst

Hearst Power Distribution Co. Ltd.

925 rue Alexandra Street, S.P./P.O. Bag 5000

Hearst, Ontario P0L 1N0

Tel: 705-372-2820

Fax: 705-362-5902

jrichard@hearstpower.com



From: Katherine Wang [<mailto:Katherine.Wang@ontarioenergyboard.ca>]

Sent: February-08-17 10:23 AM

To: 'jrichard@hearstpower.com' <jrichard@hearstpower.com>

Subject: Hearst Power - account 1595 (2012)

Hi Jessy,

I'm just sending you this email in case you don't have my email address. As discussed, please review and provide us the explanations for account 1595 (2012) balances.

Thanks.

Katherine J Wang

Analyst, Rates

Incentive Rate-setting and Accounting

Applications Division

Ontario Energy Board

Phone: (416) 440-7619 Email: katherine.wang@ontarioenergyboard.ca

This electronic transmission, including any accompanying attachments, may contain information that is confidential, privileged and/or exempt from disclosure under applicable law, and is intended only for the recipient(s) named above. Any distribution, review, dissemination or copying of the contents of this communication by anyone other than the intended recipient(s) is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return e-mail and permanently delete the copy you have received.

Ce message, transmis par courriel, y compris tout fichier joint, peut contenir des renseignements qui sont confidentiels, qui sont protégés par le secret professionnel ou qui ne peuvent être divulgués aux termes des lois applicables et s'adressent exclusivement au(x) destinataire(s) indiqué(s) ci-dessus. La distribution, la diffusion, l'examen ou la reproduction du contenu du courriel par une autre personne que le(s) destinataire(s) voulu(s) sont strictement interdits. Si vous recevez ce message par erreur, veuillez le supprimer définitivement et en aviser l'expéditeur immédiatement par retour du courriel.

This electronic transmission, including any accompanying attachments, may contain information that is confidential, privileged and/or exempt from disclosure under applicable law, and is intended only for the recipient(s) named above. Any distribution, review, dissemination or copying of the contents of this communication by anyone other than the intended recipient(s) is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return e-mail and permanently delete the copy you have received.

Ce message, transmis par courriel, y compris tout fichier joint, peut contenir des renseignements qui sont confidentiels, qui sont protégés par le secret professionnel ou qui ne peuvent être divulgués aux termes des lois applicables et s'adressent exclusivement au(x) destinataire(s) indiqué(s) ci-dessus. La distribution, la diffusion, l'examen ou la reproduction du contenu du courriel par une autre personne que le(s) destinataire(s) voulu(s) sont strictement interdits. Si vous recevez ce message par erreur, veuillez le supprimer définitivement et en aviser l'expéditeur immédiatement par retour du courriel.

This electronic transmission, including any accompanying attachments, may contain information that is confidential, privileged and/or exempt from disclosure under applicable law, and is intended only for the recipient(s) named above. Any distribution, review, dissemination or copying of the contents of this communication by anyone other than the intended recipient(s) is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return e-mail and permanently delete the copy you have received.

Ce message, transmis par courriel, y compris tout fichier joint, peut contenir des renseignements qui sont confidentiels, qui sont protégés par le secret professionnel ou qui ne peuvent être divulgués aux termes des lois applicables et s'adressent exclusivement au(x) destinataire(s) indiqué(s) ci-dessus. La distribution, la diffusion, l'examen ou la reproduction du contenu du courriel par une autre personne que le(s) destinataire(s) voulu(s) sont strictement interdits. Si vous recevez ce message par erreur, veuillez le supprimer définitivement et en aviser l'expéditeur immédiatement par retour du courriel.

This electronic transmission, including any accompanying attachments, may contain information that is confidential, privileged and/or exempt from disclosure under applicable law, and is intended only for the recipient(s) named above. Any distribution, review, dissemination or copying of the contents of this communication by anyone other than the intended recipient(s) is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return e-mail and permanently delete the copy you have received.

Ce message, transmis par courriel, y compris tout fichier joint, peut contenir des renseignements qui sont confidentiels, qui sont protégés par le secret professionnel ou qui ne peuvent être divulgués aux termes des lois applicables et s'adressent exclusivement au(x) destinataire(s) indiqué(s) ci-dessus. La distribution, la diffusion, l'examen ou la reproduction du contenu du courriel par une autre personne que le(s) destinataire(s) voulu(s) sont strictement interdits. Si vous recevez ce message par erreur, veuillez le supprimer définitivement et en aviser l'expéditeur immédiatement par retour du courriel.

This electronic transmission, including any accompanying attachments, may contain information that is confidential, privileged and/or exempt from disclosure under applicable law, and is intended only for the recipient(s) named above. Any distribution, review, dissemination or copying of the contents of this communication by anyone other than the intended recipient(s) is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return e-mail and permanently delete the copy you have received.

Ce message, transmis par courriel, y compris tout fichier joint, peut contenir des renseignements qui sont confidentiels, qui sont protégés par le secret professionnel ou qui ne peuvent être divulgués aux termes des lois applicables et s'adressent exclusivement au(x) destinataire(s) indiqué(s) ci-dessus. La distribution, la diffusion, l'examen ou la reproduction du contenu du courriel par une autre personne que le(s) destinataire(s) voulu(s) sont strictement interdits. Si vous recevez ce message par erreur, veuillez le supprimer définitivement et en aviser l'expéditeur immédiatement par retour du courriel.