**Hearst Power Distribution Co. Ltd.**

**EB-2017-0046**

**Staff-1**

**Ref: Rate Generator Model**

OEB staff notes that the Rate Generator Model submitted as part of this filing contained a macro error. In tab 4 Billing Det. for Def-Var, the model was not pulling through Hearst Power’s number of customers for Residential and GS<50kW classes. This caused Account 1551 to not be allocated in tab 5 Allocating Def-Var balances.

OEB staff has updated Hearst Power’s model as part of these questions. OEB staff has also updated the most recent inflation index of 1.20% issued by the OEB, and the most recent UTRs.

Please confirm the accuracy of the updated Rate Generator Model and use this version if any further updated are required as a result of the questions below.

**Hearst Power: Ok.**

**Staff-2**

**Ref: Rate Generator Model, Tab 1 Information Sheet**

Tab 1, row 30 of the Rate Generator Model asks to indicate the rate year in which Group 1 Accounts were last cleared. Hearst Power has entered 2016.

OEB staff notes that Hearst Power received OEB approval to dispose of its Group 1 deferral and variance account balances as part of its 2017 rate application (EB-2016-0224)

Please make the necessary correction to the Rate Generator Model.

**Hearst Power: Ok. 2016 was changed to 2017.**

**Staff-3**

**Ref: Rate Generator Model, Tab 3 Continuity Schedule**

Hearst Power has entered amounts in columns G and L for OEB-approved disposition during 2011. OEB staff notes that Hearst Power did not file an application in the 2011 rate year.

Please explain this discrepancy.

**Hearst Power: As per application EB-2009-0266, disposition was effective February 1st, 2011.**

**Staff-4**

**Ref: Rate Generator Model, Tab 3 Continuity Schedule**

Please explain the principle adjustments for the 2011 rate year, entered in column H. If any corrections are required, please make them to the Rate Generator Model.

**Hearst Power: As per OEB in-person audit EB-2012-0131.**

**Staff-5**

**Ref: Rate Generator Model, Tab 3 Continuity Schedule**

OEB staff notes that the amounts entered in columns Q and V for OEB-Approved principle and interest in the 2012 rate year do not reconcile to the OEB’s decision in EB-2011-0171.

Please reconcile these amounts, and if any changes are required, please make them to the Rate Generator Model.

**Hearst Power: As per EB-2011-0171 and OEB audit EB-2012-0131 (Please refer to attached spreadsheet for reconciliation)**

**Staff-6**

**Ref: Rate Generator Model, Tab 3 Continuity Schedule**

Please explain the principle and interest adjustments for the 2012 rate year, entered in columns R and W. If any corrections are required, please make them to the Rate Generator Model.

**Hearst Power: As per OEB in-person audit EB-2012-0131.**

**Staff-7**

**Ref: Rate Generator Model, Tab 3 Continuity Schedule**

Please explain the principle and interest adjustments for the 2013 rate year, entered in columns AB and AG. If any corrections are required, please make them to the Rate Generator Model.

**Hearst Power: As per OEB in-person audit EB-2012-0131.**

**Staff-8**

**Ref: Rate Generator Model, Tab 3 Continuity Schedule**

Please explain why amounts have not been populated in columns BM and BN (i.e. principle and interest disposition in 2017 – instructed by the OEB). OEB staff notes that Hearst Power was approved to dispose of its deferral and variance accounts in its 2017 application (EB-2016-0224).

Please update the Rate Generator Model.

**Hearst Power: Rate Generator Model was updated to show 2017 principle and interest disposition instructed by OEB.**

**Staff-9**

**Ref: Rate Generator Model, Tab 3 Continuity Schedule**

With regards to the December 31 balance in Account 1588, all components that flow into Account 1588 (i to iv in table below) should be all based on actuals at year end.

Please complete the following table to a) indicate whether the component is based on estimates or actuals at year end and b) quantify the adjustment pertaining to each component that is trued up from estimate to actual.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Component** | **a) Estimate or Actual** | **Notes/Comments** | **b) Quantify True Up Adjustment** |
| i | Revenues (i.e. is unbilled revenues trued up by year end) | **Actual** |  |  |
| ii | Expenses – Commodity: Charge Type 101 (i.e. is expense based on IESO invoice at year end) | **Actual** |  |  |
| ijj | Expenses - GA RPP: Charge Type 148 with respect to the quantum dollar amount (i.e. is expense based on IESO invoice at year end) | **Actual** |  |  |
| iv | Expenses - GA RPP: Charge Type 148 with respect and RPP/non-RPP pro-ration percentages | **Actual** |  |  |
| v | RPP Settlement: Charge Type 142 including any data used for determining the RPP/HOEP/RPP GA components of the charge type | **Actual** |  |  |