**North Bay Hydro Distribution Ltd. - Price Cap IR Application (EB-2017-0065)**

**OEB Staff Questions**

**OEB Staff Question #1**

**References: 2018 Rate Generator Model – Tab 3 Continuity Schedule**

With regards to the amount in USoA 1588[[1]](#footnote-1) account balance as at Dec. 31, 2016, 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:

1. Indicate whether the component is based on estimates or actuals at year end, and
2. Quantify the adjustment pertaining to each component that is trued-up from estimate to actual

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Component** | **Estimate or Actual?** | **Notes/Comments** | **Quantify True Up Adjustment $ Amount** |
| i | Revenues (i.e. is an unbilled revenue true-up adjustment reflected in the balances being requested for disposition?)  |  |  |  |
| ii | Expenses – Commodity: Charge Type 101 (i.e. is expense based on IESO invoice at year end) |  |  |  |
| 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) |  |  |  |
| iv | Expenses - GA RPP: Charge Type 148 with respect to the RPP/non-RPP kWh volume proportions. |  |  |  |
| v | RPP Settlement: Charge Type 142 including any data used for determining the RPP/HOEP/RPP GA 185,405components of the charge type |  |  |  |

1. For each item in the table above, please confirm that the 2018 Rate Generator Model Tab 3 Continuity Schedule for 2016 have been adjusted for settlement true-ups where settlement was originally based on estimate and trued up to actuals subsequent to 2016..

**OEB Staff Question #2**

**References: Deferral of Accounts 1588 and 1589**

1. North Bay Hydro has requested to defer the disposition of USoA 1588 and 1589 an additional year. Accounts 1588 and 1589 are a portion of the Group 1 accounts which are normally disposed contemporaneously in a rate proceeding. Please calculate the effects on the total bill by customer class of disposing of Group 1 account balances as compared to not disposing of Group 1 account balances.
2. In the customer impacts for the Residential and General Service < 50 kW Customer Classes, please perform the same calculations for customers with retailers.

**OEB Staff Question #3**

**References: 2018 IRM Model – Continuity Schedule (Sheet #3)**

In the 2018 continuity schedule, North Bay Hydro has recorded an LRAMVA disposition amount of $190,949, consisting of a principal amount of $184,734 and an interest amount of $6,215. In its 2017 IRM decision, the OEB approved a debit balance of $191,584, consisting of a principal amount of $185,405 and an interest amount of $6,179.

Please reconcile the differences and update the continuity schedule if necessary.

**OEB Staff Question #4**

As Per the OEBs Accounting Guidance on the Disposition of Accounts 1588 and 1589 issued May 23, 2017:

The OEB requires distributors to complete RPP settlement true-up claims and to reflect these true-ups in the account balances being requested for disposition, before filing for disposition of the RSVA Power (1588) and Global Adjustment (1589) variance accounts.

…

The balances in distributors’ RSVA Power (1588) and Global Adjustment (1589) variance accounts that are requested for disposition by distributors must reflect RPP settlement amounts pertaining to the period that is being requested for disposition. This means that RPP settlement true-up claims made with the IESO in the period subsequent to the fiscal year for which disposition is being requested must be reflected in the balances being requested for disposition.

North Bay Hydro stated in its Managers Summary that it will be revising its year-end settlement procedures to address this new guidance, The applicant however would like to ensure that balances requested for disposition agree with the audited financial statements and requests not to make such adjustments for 2016, but rather defer the disposal of accounts 1588 and 1589 until it has updated its settlement procedures so that the amounts requested for disposition align with the audited financial statements.

1. Please confirm that North Bay Hydro performs RPP settlement true-ups with the IESO. If not, please explain.
2. If North Bay Hydro does perform RPP settlement true-ups please provide an itemized list of each of the elements of the RPP Settlement true-up amounts that were recorded in 2017 that relate to 2016 for both accounts 1588 and 1589 and explain how the true-ups are calculated.

**OEB Staff Question #4
Reference: Tab 3 “Continuity Schedule”
 Account 1595 (2014)**

In its DVA Continuity Schedule North Bay Hydro recorded a disposition of $807,284 in 2014 and recoveries of $831,396 during 2014 and 2015.

1. Please confirm that North Bay Hydro complied with the Accounting Guidance from October 2009 related to the over recoveries for sub-account 1595 (2014).
2. If the Accounting Guidance was not followed, please provide a worksheet calculating the correct monthly balances for each Principal and Interest component of sub-account 1595 (2014).
3. Adjust the DVA Continuity Schedule as required.
1. Note the following in relation to all references in OEB Staff questions relating to amounts booked to account 1588. Amounts are not booked directly to account USoA 1588 relating to power purchase and sale transactions, but are rather booked to the cost of power USoA 4705 Power Purchased and the respective Energy Sales USoA accounts. However, account 1588 is impacted the same way as accounts 4705 is for cost of power transactions, and the same way as the Energy Sales accounts are for revenue transactions. [↑](#footnote-ref-1)