**Cooperative Hydro Embrun Inc. – 2019 Rates Application (EB-2018-0026)**

**OEB Staff Follow Up Questions**

**October 18, 2018**

**Question #1**

**Ref: IRM Model, Tab 3**

The updated IRM Model filed in response to the initial OEB staff questions shows a variance between the December 31, 2017 balances in the Continuity Schedule and the balances reported in the RRR 2.1.7 as of December 31, 2017. OEB staff notes that the since the Continuity Schedule should reflect the distributor’s GL, as is the trial balance 2.1.7 filing, there should be no difference in balances as of the same date. Please explain why the revised Continuity Schedule is now showing variances.

**Question #2**

**Ref: Revenue-to-Cost Ratio Adjustments Model - Tab 14**

**IRM Model - Tab 16**

Please file the 2019 version of the Revenue-to-Cost Ratio Adjustments model which was posted on the OEB’s 2019 electricity distribution rates [webpage](https://www.oeb.ca/industry/applications-oeb/electricity-distribution-rates/2019-electricity-distribution-rate) on August 22, 2018. Please ensure that Tab 1 is completed in the updated model, as no information was inputted into the 2018 version of the model that was filed by Cooperative Hydro Embrun.

**Question #3**

**Ref: GA Analysis Workform**

**IRM Model, Tab 3**

In response to question #10, Cooperative Hydro Embrun stated the following:

“cell C62 in the GA Workform was modified. The cell calculation should have been -14,333 instead of +14,033. With the change the amount match cell BG 29 in the Continuity schedule.”

OEB staff notes that Cell C62 should only show the variances recorded in the account for year. [Note: The mechanics of recording variances is described in the OEB’s Accounting Procedures Handbook (APH), Article 490]. OEB approved dispositions should not be included as part of the transactions in the account, nor are they supposed to be adjusted on the GA workform (Cooperative Hydro Embrun is showing it under item 9 on the GA workform). Please update the GA workform accordingly.

**Question #4**

**Ref: Manager’s Summary, page 15**

OEB staff would like to further clarify Cooperative Hydro Embrun’s response to question #11. It is not clear how exactly the RPP settlements are calculated. It appears from the response that Cooperative Hydro Embrun is settling for the difference between revenue collected, i.e. RPP price vs. only HOEP, which is not correct. RPP settlement involves calculating the difference between RPP price at each ToU/Tiered price and cost of power which includes hourly price plus actual GA. Please explain whether Cooperative Hydro Embrun is ignoring GA costs for RPP customers in its calculations.

**Question #5**

**Ref: Accounts 1588 and 1589 Questions**

OEB staff would like to further clarify Cooperative Hydro Embrun’s response to question #12.

1. Global Adjustment costs are paid by all customers. Why does Cooperative Hydro Embrun not record RPP customers’ portion of CT 148 in Account 4705?
2. Please provide the specific reference to the OEB issued guidance/APH where the OEB has stated that all GA costs are to be recorded in Account 4707.