

**North Bay Hydro Distribution Ltd. (North Bay Hydro)
EB-2018-0057**

Staff Question-5

Ref: GA Analysis Workform; GA Methodology Appendix A

The applicant has recorded amounts of \$449,174 and \$54,681 for reconciling items 1a and 2a in the GA Analysis Workform. However, in the previous year's application (EB-2017-0065), as well as in the answers to GA Methodology Appendix A questions, the Applicant identified adjustments 1b and 2b as \$409,353 and \$76,016, respectively.

- (a) Please reconcile this difference and explain why the reconciling items 1a and 2a in the current (2017) GA Analysis Workform are not the reversed amounts reported in EB-2017-0065's GA Analysis Workform (2016) reconciling items 1b and 2b.

Response

NBHDL has updated the model to reflect the reversal of prior year adjustment of \$76,016 only. NBHDL would like to highlight that the reversal of \$409,353 is incorrect. Upon review of the 2016 GA Analysis it is clear that the numerical direction of 1a and 1b is reversed. That is, 1a should be \$349,705 and 1b should be (\$409,353).

Below is the prior year's calculation used to determine the amount as submitted during EB-2017-0065 interrogatories:

REVENUES:

kWh - Dec16	485,484
1st Estimate	<u>0.1059</u>
Total Dec16	51,432
Prior Months	<u>24,583</u>
Total Revenue Adj	<u>76,016</u>

COST:

	Actual (Actual Rate)	Estimate (2nd Estimate)	Variance
RPP kWh	28,503,271	26,330,177	2,173,094
	<u>0.08708</u>	<u>0.07872</u>	
Total RPP GA \$	2,482,065	2,072,712	<u>409,353</u>
Volume Variance	2,173,094		
Rate	<u>0.08708</u>		
	<u>189,233</u>		
Estimate	26,330,177		
Rate Variance	<u>0.00836</u>		
	<u>220,120</u>		<u>409,353</u>

Adjustment	485,369
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As illustrated, the \$409,353 adjustment is calculated using the RPP variance. The resulting settlement would therefore credit the non-RPP GA analysis variance.

This error has a net effect of (\$119,296) resulting in the following unresolved difference and still within the required 2016 threshold.

Adjusted Net Change in Principal Balance in the GL		-\$	370,197
Net Change in Expected GA Balance in the Year Per Analysis		-\$	165,730
Unresolved Difference		-\$	204,467
Unresolved Difference as % of Expected GA Payments to IESO			-0.9%

This error can be further highlighted in NBHDL's approved 1589 principal adjustment for 2016. The approved (\$485,369) is made up of the above corrected (\$409,353) and the 2016 GA analysis 2b (\$76,016).

NBHDL has updated the GA analysis model to reflect both the prior year correction of 1b and the previously stated reversal of \$76,016.

If required, NBHDL can resubmit a corrected 2016 GA Analysis Workform.

(b) Please update the GA Analysis Workform, if necessary, or explain why an update to the workform is not required.

Response

NBHDL has updated the workform.