

Greater Sudbury Hydro Inc. – 2019 Rates Application (EB-2018-0034)
OEB Staff Additional Follow Up Questions
March 1, 2019

Follow Up Question #1

Ref. GA Methodology Description, Question 1

In the response to the above noted question, Greater Sudbury Hydro indicated that it uses approach B with respect to recording IESO charges CT 148 and CT 1142. Based on the responses provided to questions 5 and 6, OEB staff believes that the utility uses approach A to recording of CT 148 and CT 1142, as opposed to approach B that the utility had originally indicated in its response to Question 1 of the GA Methodology Description. Although Greater Sudbury Hydro initially records the entire CT 148 charge to account 1589, the utility subsequently allocates a portion of the CT 148 balance to account 1588, representing the portion of the total charge relating to RPP customers. Then, Greater Sudbury Hydro records the full amount of CT 1142 against the balance in Account 1588.

Please confirm that OEB staff's understanding is correct, and please also confirm that this would mean that Greater Sudbury Hydro actually applies approach A as described in Question 1 of the GA Methodology Description, not approach B.

GSH has re-read the two methodologies described (A and B) and still feels that method B is the most appropriate description of its methodology.

GSH is allocating a portion of CT 148 charge between 1588 and 1589 when performing the quarterly true-up, but otherwise the methodology in part B best describes what we do.

GSH is at no time recording the full amount of CT 1142 against the balance in account 1588. CT 1142 is broken into its components and recorded in line with method B.

Follow Up Question #2

Ref. Response to OEB Staff Question 9c

Greater Sudbury Hydro indicated that adjustment 9 that it had originally presented in Note 5 of its 2016 GA Analysis Workform was no longer necessary and has removed it from their updated version of that GA Analysis Workform.

- a) What period was the \$440K adjustment between accounts 1588 and 1589 actually recorded in Greater Sudbury Hydro's G/L, in 2015 or 2016? **It was recorded in Greater Sudbury Hydro's G/L in 2016.**

- b) If the response to the above is 2016, then OEB staff believes that this adjustment would still be necessary in the 2016 GA Analysis Workform because the adjustment would be picked up in the "Transactions during 2016" of the DVA continuity and as such would still need to be reversed since they have actually been reflected in the 2015 closing balance. Please confirm if this is correct. **GSH feels the balances are correctly reflected in the GA analysis workform. The "transactions during 2016" column correctly captures all activity excluding the adjustment booked in the GL that year for the \$440k. Therefore the -\$217,403 net change in principal balance only consists of transactions for 2016 as the \$440k pertained to 2015 and was reflected in the DVA continuity for 2015.**
- c) If this is the case, please update the 2016 GA Analysis Workform to include this item as a reconciling item in Note 5, and also please update the DVA continuity schedule to reflect the reversal of that adjustment in the "Principal Adjustment" column of the 2016 DVA continuity schedule.

No adjustment is necessary.

Follow Up Question #3

Ref. Calculation of Loss Factor Difference

Greater Sudbury Hydro provided an excel calculation in support of the loss factor difference adjustments that it has recorded in both the 2016 and 2017 GA Analysis Workforms.

- a) In the 2017 calculation, please explain for the month of January, cell B9 does not equal cell B14. **This has been corrected and a new version of the calculation has been included. When creating the workbook, the 2016 tab was copied to create 2017 and that field was erroneously not updated. However it has no impact on the calculation as the Non-RPP kWh Purchased field was correct and that is what is used to calculate the final difference.**
- b) This same difference exists for all other months in the calculation as well. OEB staff believes that these cells should agree. Please explain why they do not. If they should, then please update accordingly and explain what impact it had on the overall calculation. **See explanation for part a.**