

**OEB Staff Interrogatories**  
**Hydro One Networks Inc. (Hydro One)**  
**2020 Custom IR Annual Update**  
**EB-2019-0043**  
**October 10, 2019**

**Staff-1**

**Ref: Exhibit 2.0 Rate Design**

Hydro One provided the 2020 revenue requirement by rate class in Exhibit 2.0.

- a) Please explain how revenue requirement was allocated to rate classes in column B of Exhibit 2.0.

**Staff-2**

**Ref: Hopper Foundry and Transformer Cost Allowance Rate Adders**

Hydro One stated that the forecast lost revenue related to Hopper Foundry is \$65,227 and results in a rate adder of \$0.0085 per kW. The customer supplied transformer allowance (CSTA) rate rider for 2020 reflects the forecast CSTA credit of \$683,724 and results in a rate rider of \$0.0650 per kW.

- a) Please explain how Hydro One forecast the lost revenue related to Hopper Foundry.
- b) Please explain how Hydro One forecast the CSTA credit.

**Staff-3**

**Ref: Specific Service Charge**

- a) Please clarify whether Hydro One proposes any changes to the specific service charges for the 2020 rate year.
  - i. If so, please specify all proposed changes and explain the basis for the change(s).

**Staff-4**

**Ref: Application, page 15 of 28**

At the above reference, Hydro One proposes to dispose of the Group 1 DVA balances for Hydro One Distribution, Norfolk Power Distribution Inc., Haldimand County Hydro Inc., and Woodstock Hydro Services Inc. collectively as part of its 2021 CIR update.

- (a) Please explain how Hydro One plans to dispose of the Group 1 DVAs collectively given that the Hydro One Acquired Utilities file a separate Price Cap IR rate application, including Group 1 DVA disposition, and that the tariff sheets are to remain separate.
- (b) Does Hydro One expect that the Decision on its 2021 Distribution Rates CIR Update proceeding will opine on the accuracy of the Acquired Utilities' DVA balances when currently they are being addressed through a separate proceeding?

**Staff-5**

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At the above reference, Hydro One indicates that it has yet to implement the OEB's February 21, 2019 accounting guidance related to accounts 1588 and 1589.

- a) Please confirm that Hydro One intends to apply this accounting guidance retroactively from the date that accounts 1588 and 1589 were last disposed (i.e. December 31, 2014).