London Hydro Inc.
EB-2019-0052

Staff Question-1

Ref: (1) Manager's Summary, page 25
(2) Addendum to Filing Requirements For Electricity Distribution Rate Applications - 2020 Rate Applications, page 12

Preamble:

At the above noted first reference, London Hydro stated the following:

> During the implementation process of the new accounting guidance, London Hydro reviewed its historical balances and identified process changes regarding the IESO billed charge type (CT) 148 GA cost allocation between RPP and Non-RPP consumption. London Hydro implemented a process to acquire more accurate billing information to assist in the determination of RPP and Non-RPP portion of the GA cost and the reconciliation of the commodity account balances. Due to the process change in GA cost allocation small adjustments were identified for both Year 2017 and Year 2018 between Accounts 1588 and 1589. These adjustments will be posted in the 2019 general ledger and considered for the appropriate year at the time the commodity account balances will be proposed for disposition in a future rate application. The adjustments are reflected in the GA Analysis Workform.

At the above noted second reference, the OEB referenced the OEB's February 21, 2019 letter entitled *Accounting Guidance related to Accounts 1588 Power, and 1589 RSVA Global Adjustment* as well as the related accounting guidance. The OEB further stated that the:

> The accounting guidance is effective January 1, 2019 and is to be implemented by August 31, 2019. Distributors are expected to consider the accounting guidance in the context of historical balances that have yet to be disposed on a final basis (including the 2018 balances that may be requested for disposition in this rate application). In this application, distributors are to provide a status update on the implementation of the new accounting guidance, a review of

historical balances, results of the review, and any adjustments made to account balances.

Questions:

a) Please confirm that London Hydro is following the OEB's new accounting guidance (including the timing of true-ups) both on a monthly basis and on a year-end basis. Please also state the effective date of the alignment with this guidance on both a monthly basis and on a year-end basis.

b) If yes to above question a), please confirm that London Hydro has reviewed both the 2017 and 2018 balances and that it made the new accounting guidance retroactive to January 1, 2017. Also, please state when this task was completed by.

c) If no to above question a), please explain why London Hydro is not following the OEB's new accounting guidance (including the timing of true-ups) both on a monthly basis and on a year-end basis.

d) If no to above question a) and also if London Hydro has not made the new accounting guidance retroactive to January 1, 2017, please explain how London Hydro has considered this guidance in the context of historical balances that have yet to be disposed on a final basis (e.g. 2017, 2018, and 2019 balances).

Staff Question-2

Ref: (1) Manager's Summary, page 25
(2) Manager's Summary, page 18

Preamble:

At the above noted reference, London Hydro stated the following:

> During the implementation process of the new accounting guidance, London Hydro reviewed its historical balances and identified process changes regarding the IESO billed charge type (CT) 148 GA cost allocation between RPP and Non-RPP consumption. London Hydro implemented a process to acquire more accurate billing information to assist in the determination of RPP and Non-RPP portion of the GA cost and the reconciliation of the commodity account balances.

Due to the process change in GA cost allocation small adjustments were identified for both Year 2017 and Year 2018 between Accounts 1588 and 1589. These adjustments will be posted in the 2019 general ledger and considered for the appropriate year at the time the commodity account balances will be proposed for disposition in a future rate application. The adjustments are reflected in the GA Analysis Workform.

At the above noted second reference, London Hydro indicated that the result of the threshold test did not exceed the OEB established limit of $0.001/kWh. As a result, London Hydro proposes to not dispose the balances in Group 1 accounts in this proceeding.

Questions:

a) At the above noted first reference, London Hydro stated that "small adjustments were identified for both Year 2017 and Year 2018 between Accounts 1588 and 1589." Please provide more detail, including a summary breakdown of the actual dollar amounts impacting Account 1588 and Account 1589 by year.

b) At the above noted first reference, London Hydro indicated that the adjustments related to 2017 and 2018 balances that were generated from its review of the new accounting guidance will be posted in the 2019 general ledger. London Hydro further stated that these adjustments will be considered for disposition in a future rate application.

   i. Please provide more detail as to why these adjustments related to 2017 and 2018 balances were not reflected as 2017 and 2018 principal adjustments in Tab 3 of the 2020 IRM Rate Generator Model (e.g. column AV, BA, BF, BK), versus being "considered for disposition in a future rate application."

   ii. Please provide more detail describing whether the disposition threshold test for the Group 1 deferral and variance accounts would be met if the above noted adjustments related to 2017 and 2018 balances were reflected as 2017 and 2018 principal adjustments in Tab 3 of the 2020 IRM Rate Generator Model.

c) Please calculate the amount per kWh for the Group 1 account balances excluding Account 1589. Please also calculate the amount per kWh for Account 1589 only. If any of these amounts are $0.001/kWh or greater, please describe

the merits of requesting disposition in the current proceeding, considering issues such as intergenerational inequity.

Staff Question-3

Ref: (1) Manager's Summary, page 25

Preamble:

At the above noted first reference, London Hydro indicated that from its review of the new accounting guidance, "small adjustments were identified for both Year 2017 and Year 2018 between Accounts 1588 and 1589." London Hydro also "identified process changes regarding the IESO billed charge type (CT) 148 GA cost allocation between RPP and Non-RPP consumption." London Hydro also indicated that it had implemented a process to acquire more accurate billing information to help determine the RPP and non-RPP portions of the GA cost and the reconciliation of the commodity account balances.

Questions:

a) Please explain the above noted process changes made by London Hydro at a high level.

b) Please explain if there are any systemic issues with the RPP settlement or related accounting processes for Group 1 DVAs that have been identified from the review of the new accounting guidance.

c) If there are systemic issues, please explain whether adjustments to Group 1 DVA balances that have yet to be disposed on a final basis have been quantified.

d) If adjustments have not yet been quantified, please provide a timeline as to when the applicant expects any discrepancies to be resolved.

Staff Question-4

Ref: (1) Chapter 3 of the Filing Requirements for Electricity Distribution Applications Rate Applications, dated July 12, 2018, page 15
(2) EB-2018-0051, 2017 GA Analysis Workform, July 12, 2018

(3) 2017 GA Analysis Workform, November 25, 2019

Preamble:

At the above noted first reference, it is stated that distributors must complete the GA Analysis Workform for each applicable fiscal year subsequent to the most recent year in which Accounts 1588 and 1589 were approved for disposition on a final basis by the OEB.

At the above noted second reference, London Hydro provided a 2017 GA Analysis Workform in its 2019 IRM proceeding.

At the above noted third reference, London Hydro provided a 2017 GA Analysis Workform in the current proceeding.

OEB staff has reviewed both GA Analysis Workforms relating to 2017 balances filed in the 2019 IRM proceeding and the current proceeding. OEB staff notes that there are differences between the two workforms. Table 1 below summarizes the difference between these two references.

Table 1 – Discrepancies in 2017 Unresolved Differences Between the GA Workforms

		Current Proceeding 2017 GA Analysis Workform	EB-2018-0051 2017 GA Analysis Workform	Difference	Difference %
		A	B	C = A - B	D = C / B
Sum of "Deduct Previous Month Unbilled Loss Adjusted Consumption (kWh)"	kWh	1,367,741,488	1,593,144,504	(225,403,016)	-14.1%
Sum of "Add Current Month Unbilled Loss Adjusted Consumption (kWh)"	kWh	1,337,404,236	1,573,076,258	(235,672,022)	-15.0%
Line 1a	$	(62,426)	(62,426)	-	0.0%
Line 1b	$	(5,067)	-	(5,067)	NA
Line 2a	$	331,737	-	331,737	NA
Line 2b	$	216,917	-	216,917	NA
Line 5	$	(1,062,675)	-	(1,062,675)	NA
Line 7	$	(296,639)	(427,029)	130,391	-30.5%
Line 9	$	(390,115)	-	(390,115)	NA

Questions:

a) At a high level, please explain the differences shown in column C of the above noted Table 1.

b) If there is an impact on either Account 1588 or Account 1589 from the difference shown in column C of Table 1, please describe and quantify the impacts, including which years are impacted.

Staff Question-5

Ref: (1) Accounting-Guidance-on-Accounts-1588-1589-QA-20190711, Q29
(2) EB-2018-0051, 2019 IRM Rate Generator Model, Tab 3, March 28, 2019
(3) 2020 IRM Rate Generator Model, Tab 3, November 25, 2019
(4) EB-2017-0059, 2018 IRM Rate Generator Model, Tab 3, March 22, 2018

Preamble:

At the above noted first reference, the OEB described what is considered to be a material adjustment that would require an adjustment to historical balances, when applicants are considering the new accounting guidance in the context of historical account balances.[1] The OEB further stated that in the case where an adjustment affects both accounts, but only adjustments to one account is above the materiality threshold, the adjustment to both accounts must be made to ensure that the books are balanced upon making any adjustments.

As noted in a previous interrogatory, the 2017 GA Analysis Workform filed in the 2019 IRM proceeding was changed and a revised spreadsheet was filed in the current proceeding.

OEB staff observes that no amounts were shown in any of the 2018 IRM DVA Continuity Schedule (above noted fourth reference), the 2019 IRM DVA Continuity Schedule (above noted second reference) or the 2020 IRM DVA Continuity Schedule (above noted third reference) as “Principal Adjustments during 2016”, “Principal Adjustments during 2017”, or “Principal Adjustments during 2018”.

[1] The materiality threshold to be used in assessing total adjustments to historical balances of each commodity account is as follows:
• Account 1589 – 0.5% of annual GA costs (Account 4707 Charges – Global Adjustment) from the year pertaining to the balance requested for disposition
• Account 1588 – 0.5% of annual Cost of Power (Account 4705 Power Purchased) from the year pertaining to the balance requested for disposition

Question:

a) Some of the interrogatories that follow inquire about whether principal adjustments, during 2017 and 2018, should be made to London Hydro's 2020 IRM DVA Continuity Schedule. In London Hydro's response to these questions, please also describe how London Hydro has addressed the OEB's *Accounts 1588 and 1589 Q&A's* Q29 (at the above noted first reference).

Staff Question-6

Ref: (1) Accounting-Guidance-on-Accounts-1588-1589-QA-20190711, Q6
(2) Accounting-Guidance-on-Accounts-1588-1589-QA-20190711, Q30
(3) Manager's Summary, page 25
(5) 2018 GA Analysis Workform, November 25, 2019
(6) 2017 GA Analysis Workform, November 25, 2019
(7) EB-2017-0059, 2016 GA Analysis Workform, July 24, 2017

Preamble:

At the above noted first reference, the OEB stated that distributors should use the best data available for recording unbilled revenues. Whether a distributor records unbilled revenue at year end based on estimates as a journal entry would depend on a utility's timing and practices. The key is that any estimated revenue is ultimately trued up to actuals.

At the above noted second reference, the OEB stated that not truing up estimated revenues to actuals and not truing up RPP settlements would fall in the category of systemic issues. The OEB noted that distributors must assess whether these issues have resulted in material errors or discrepancies.

At the above noted third reference, London Hydro stated the following:

> The initial RPP settlement and unbilled energy estimates are updated once the final consumption and GA rate becomes available. The general ledger is updated with the final amounts and the results of the true-up process. The true-up process takes place two months after the initial recording of results for the current month, except at year-end when the general ledger remains open until the 31st December consumption is billed to the customer (approximately 48 days

later) and billing results become available to complete the true-up process. The general ledger is then updated with the final results for both November and December.

Questions:

a) OEB staff has reviewed London Hydro's description of unbilled revenue at the above noted third reference. Please provide more detail as OEB staff is not clear if London Hydro:

Scenario i)

In its general ledger at year-end, estimated accruals are made. For example, the unbilled amounts accrued in the general ledger at year-end incorporate the estimated post year-end billings made in a subsequent year (e.g. 2019) and estimated true-ups that reflect the consumption for the previous calendar year (e.g. 2018) - OR

Scenario ii)

Leaves its general ledger open long enough at year-end to make actual accruals. For example, the unbilled amounts accrued in the general ledger at year-end incorporate the actual post year-end billings made in a subsequent year (e.g. 2019) and actual true-ups that reflect the consumption for the previous calendar year (e.g. 2018)

b) If Scenario i) above is the case for London Hydro:

OEB staff notes that London Hydro has made adjustments on line 1a, line 1b, line 2a, and line 2b on both the 2018 GA Analysis Workform and the 2017 GA Analysis Workform regarding unbilled revenue and true-ups. These amounts range from approximately $5k to $370k.

Please confirm that London Hydro did not record these amounts as principal adjustments in the respective years in the DVA Continuity Schedule (and then reversed in the following year) because the materiality threshold was not met. If this is not the case, please explain.

c) If Scenario ii) above is the case for London Hydro:

Please explain why adjustments are recorded on line 1a, line 1b, line 2a, and line 2b on both the 2018 GA Analysis Workform and the 2017 GA Analysis Workform.

d) Please explain why the revised 2017 GA Analysis Workform (above noted sixth reference) shows a reversal on line 2a of a debit balance of $331,737, when no corresponding credit balance was included on line 2b in the 2016 GA Analysis Workform (above noted seventh reference).

Staff Question-7

Ref: (1) 2017 GA Analysis Workform, November 25, 2019
(2) 2018 GA Analysis Workform, November 25, 2019
(3) EB-2018-0051, 2019 IRM Rate Generator Model, Tab 3, March 28, 2019
(4) 2020 IRM Rate Generator Model, Tab 3, November 25, 2019

Preamble:

On line 5 “Significant Prior Period Billing Adjustments Recorded in Current Year”, the 2017 GA Analysis Workform shows a credit balance of $1,062,675 and the 2018 GA Analysis Workform shows a credit balance of $30,191. On line 5 in the “Explanation” column, London Hydro has included the same explanation of “non-RPP portion” in both the 2017 GA Analysis Workform and the 2018 GA Analysis Workform.

Questions:

a) Please provide a more enhanced explanation regarding these amounts on line 5 of both the 2017 GA Analysis Workform and the 2018 GA Analysis Workform.

b) Please describe whether these amounts of a credit balance of $1,062,675 for 2017 and a credit balance of $30,191 for 2018 also impact Account 1588 and quantify these impacts.

c) Please explain in what years the above noted Account 1589 amounts were recorded in London Hydro’s general ledger, including any amounts also recorded in Account 1588.

d) Please explain whether the above noted Account 1589 amounts (both 2017 and 2018) should be accrued as principal adjustments in the respective years in the DVA Continuity Schedule and then reversed in the following year, including also

any impacts on Account 1588. For example, please describe whether the credit balance of $1,062,675 for 2017 should be shown as an Account 1589 “Principal Adjustment during 2017” and then reversed as an Account 1589 “Principal Adjustment during 2018.”

Staff Question-8

Ref: (1) 2017 GA Analysis Workform, November 25, 2019
(2) 2018 GA Analysis Workform, November 25, 2019
(3) EB-2018-0051, 2019 IRM Rate Generator Model, Tab 3, March 28, 2019
(4) 2020 IRM Rate Generator Model, Tab 3, November 25, 2019

Preamble:

On line 7 “Differences in Actual System Losses and Billed TLFs”, the 2017 GA Analysis Workform shows a credit balance of $296,639 and the 2018 GA Analysis Workform shows a credit balance of $876,873. On line 7 in the “Explanation” column, London Hydro has included the same explanation as follows in both the 2017 GA Analysis Workform and the 2018 GA Analysis Workform:

> Difference in wholesale (purchased) and billed quantities (billed uplifted with Board approved TLF) prorated to Class B non-RPP consumption at actual GA rate.

Questions:

a) Please provide a more enhanced explanation regarding these amounts on line 7 of both the 2017 GA Analysis Workform and the 2018 GA Analysis Workform, as well as a high level breakdown showing how these amounts were generated.

b) Please describe whether these amounts of a credit balance of $296,639 for 2017 and a credit balance of $876,873 for 2018 also impact Account 1588. If so, please quantify these differences between actual system losses versus billed TLF in Account 1588 .

Staff Question-9

Ref: (1) 2017 GA Analysis Workform, November 25, 2019

(2) 2018 GA Analysis Workform, November 25, 2019
(3) EB-2018-0051, 2019 IRM Rate Generator Model, Tab 3, March 28, 2019
(4) 2020 IRM Rate Generator Model, Tab 3, November 25, 2019

Preamble:

On line 9 labelled by London Hydro as "CT 148 Allocation", the 2017 GA Analysis Workform shows a credit balance of $390,115 and the 2018 GA Analysis Workform shows a credit balance of $627,838. On line 9 in the "Explanation" column, London Hydro has included the same explanation in both the 2017 GA Analysis Workform and the 2018 GA Analysis Workform which is "GA cost related to RPP portion, to be moved to 1588."

Questions:

a) Please provide a more enhanced explanation regarding these amounts on line 9 of both the 2017 GA Analysis Workform and the 2018 GA Analysis Workform.

b) Please describe whether these amounts of a credit balance of $390,115 for 2017 and a credit balance of $627,838 for 2018 also impact Account 1588 and quantify these impacts.

c) Please explain in what years the above noted Account 1589 amounts were recorded in London Hydro's general ledger, including any amounts also recorded in Account 1588.

d) Please explain whether the above noted Account 1589 amounts (both 2017 and 2018) should be accrued as principal adjustments in the respective years in the DVA Continuity Schedule and then reversed in the following year, including also any impacts on Account 1588. For example, please describe whether the credit balance of $390,115 for 2017 should be shown as an Account 1589 "Principal Adjustment during 2017" and then reversed as an Account 1589 "Principal Adjustment during 2018."

Staff Question-10

Ref: (1) 2020 IRM Rate Generator Model, Tab 3, November 25, 2019
(2) EB-2016-0091, 2017 CoS DVA Continuity Schedule, Settlement Proposal, February 9, 2017

(3) EB-2018-0051, Staff Question #2
(4) EB-2017-0059, 2018 IRM Rate Generator Model, Tab 3, March 22, 2018

Preamble:

At the above noted first reference, cell AU29 shows a credit balance of $493,463 representing the Account 1589 Principal "OEB-Approved Disposition during 2017." At the above noted fourth reference, cell BM29 reflects the same amount. OEB staff also notes that these 2018 IRM balances were cleared on a final basis.

At the above noted second reference, cell BO32 shows a credit balance of $766,420 representing the Account 1589 "Closing Principal Balances as of Dec 31-15 Adjusted for Dispositions during 2016." This amount represents the Account 1589 principal balance included in the 2017 CoS settlement proposal.

OEB staff notes that these two numbers should match, but there is a discrepancy of a credit of $272,957.

At the above noted third reference, London Hydro provided the following table, as well as referencing certain sections of the 2017 CoS Settlement agreement.

1589 RSVA GA Balance allocated to Billing Class Group	Principal Amount	Interest	Total Amount
Class B Customers *Ref: London Hydro_Settlement Proposal_2017 DVA Continuity Schedule_20170209.XLSM*	$ (766,420.13)	$ (45,593.26)	$ (812,013.39)
Transitional (New Class A) Customers *Ref: London Hydro_Settlement Proposal_2017 DVA Class A B_20170209.XLSX*	$ 272,957.24	$ 5,660.07	$ 278,617.31
Total = Cells BE29 and BJ29 in Cont. Sch.	**$ (493,462.89)**	**$ (39,933.19)**	**$ (533,396.08)**

At the above noted third reference, London Hydro also indicated that the amounts recorded in the 2019 IRM Rate Generator Model, Tab 3, "OEB-Approved Disposition during 2017" relating to both principal and interest "represent the approved disposition amounts in Account 1589 RSVA GA to Class B customers and to transitional (new Class A) customers, who contributed to the GA variance while they were Class B during the first six months of Year 2015."

OEB staff notes that the full credit amount of $766,420 relating to Account 1589 2017 principal approved in the 2017 cost of service should have been transferred out of Account 1589, and not a credit of $493,463. OEB staff notes that this is also an issue

regarding carrying charges not being fully transferred out of Account 1589, however the carrying charge discrepancy is immaterial.

Questions:

a) Please describe how London Hydro has accounted for the above noted discrepancy of a credit of $272,957 in its general ledger (i.e. for regulatory purposes), as it appears that the full credit amount of $766,420 has not been transferred from Account 1589 to Account 1595.

b) Going forward when Account 1589 balances are cleared, please confirm that London Hydro will transfer the full principal amount to Account 1595 in its DVA Continuity Schedule and general ledger.

c) If London Hydro is not in agreement, please explain.

Staff Question-11

Ref: (1) Appendix A GA Methodology Description Questions on Accounts 1588 & 1589, page 139 (of PDF 150 pages)

Preamble:

At the above noted reference, “Appendix A GA Methodology Description Questions on Accounts 1588 & 1589”, the table in Question 1 for Account 1588 requests an analysis of the applicant’s 2018 Account 1588 balance.

Questions:

a) Please confirm that the first line of this table of a credit balance of $329,142 represents the Account 1588 general ledger balance as at December 31, 2018. If this is not the case, please explain.

b) The last line of this table does not represent the closing principal Account 1588 balance of a credit $329,142 as at December 31, 2018 in the DVA continuity schedule (cell BG28). Please update the table.

c) Please explain any differences between (a) and (b), including any offsetting differences, considering any OEB-approved dispositions that occurred in the year.

d) Please also repeat steps (a), (b), and (c) for Account 1588 balances as at December 31, 2017, in a similar table, considering any OEB-approved dispositions that occurred in the year.

e) Please quantify and explain any large amounts shown in these tables relating to either a 2017 or 2018 balance.

f) Please make sure the signs (i.e. debit / credit) are accurate in the Account 1588 tables relating to the 2017 and 2018 balances. For example, in the 2018 Account 1588 table line #4 “Reversal of RPP vs. Non-RPP allocation”, based on the Account 1589 amount shown in the 2017 GA Analysis Workform, please confirm that the debit amount of $390,115 should instead be a credit and not a debit.

Staff Question-12

Ref: (1) Accounting-Guidance-on-Accounts-1588-1589-QA-20190711, Q22
(2) Manager’s Summary, page 19-21

Preamble:

At the above-noted first reference, the OEB confirmed that the total volumes used in the RPP settlement process are based on wholesale volumes. The OEB noted that the IESO invoice is based on wholesale volumes, therefore, the RPP settlement is also to be completed based on wholesale volumes. However, the OEB stated that the proportions between the tiers and time of use periods are based on retail volumes.

At the above-noted second reference, London Hydro makes some references to wholesale consumption. However, OEB staff requires further clarification regarding its settlement processes.

Questions:

a) Please confirm that London Hydro has reflected the above noted OEB requirements in its settlement processes.

b) If this is the case, please describe which month and year these OEB requirements were made effective in London Hydro's settlement processes.

c) If this is not the case, please explain.

Staff Question-13

Ref: (1) Appendix A GA Methodology Description Questions on Accounts 1588 & 1589, page 2

Preamble:

At the above-noted reference, London Hydro stated that in booking expense journal entries for Charge Type (CT) 1142 and CT 148 from the IESO invoice, it utilizes approach "b." In approach "b" CT 148 is booked into Account 1589. The portion of CT 1142 equaling RPP minus HOEP for RPP consumption is booked into Account 1588. The portion of CT 1142 equaling GA RPP is credited into Account 1589.

Questions:

a) Please explain why London Hydro is using approach "b", which is a deviation from the OEB's methodology.

b) Please explain whether London Hydro plans on changing its approach to the OEB's methodology which is approach "a". In approach "a" CT 1142 is booked into Account 1588 (i.e. Account 4705). CT 148 is pro-rated based on RPP/non-RPP consumption and then booked into Account 1588 and 1589 respectively (i.e. Account 4705 and Account 4707).

Staff Question-14

Ref: (1) Appendix A GA Methodology Description Questions on Accounts 1588 & 1589, page 4
(2) Accounting-Guidance-on-Accounts-1588-1589-QA-20190711, Q20

Preamble:

At the above noted first reference, London Hydro stated that “the GA credit is recalculated with the actual billed kWh at final GA rate.”

At the above noted second reference, the OEB confirmed that the GA price used for RPP settlements should be the invoiced GA price. However, the OEB noted that the invoiced GA price should generally equal the posted price, except in some circumstances.

Question:

a) Please confirm that London Hydro performs its final RPP settlements based on the invoiced GA price, versus the final posted GA rate. If this is not the case, please explain.

Staff Question-15

Ref: (1) Appendix A GA Methodology Description Questions on Accounts 1588 & 1589, page 4
(2) *Accounting Procedures Handbook Update, Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589*, February 21, 2019, page 8

Preamble:

At the first above noted reference, London Hydro stated that the “price variance adjustment to the GA credit is submitted to the IESO two month later with the RPP Settlement True-up.”

At the above noted second reference, the OEB articulated its requirement for the first true-up:

> The first true-up is done the month following the initial RPP settlement claim. The first true-up relates to the update of the GA 2nd estimate price with the actual GA price. In addition, this would include any differences between estimated and actual wholesale power cost at the HOEP.

OEB staff notes that London Hydro may not be following the OEB’s requirement that the first true-up is done the month following the initial RPP settlement claim.

Questions:

a) Please explain whether London Hydro performs the first true-up the month following the initial RPP settlement claim.

b) If this is not the case, please explain, including how London Hydro plans to address the OEB requirement.

Staff Question-16

Ref: (1) IRM Rate Generator, Sheet 4. Billing Det. For Def-Var, Column O

Although London Hydro is not requesting disposition for its Group 1 accounts, please provide a comparison between the allocations of Account 1595 approved for in 2016 and the values in column O at the above reference.

Staff Question-17

Ref: (1) IRM Rate Generator

Staff has made the following changes to your model.

a. Sheet 11. RTSR – UTRs & Sub-Tx, column L was updated for the OEB approved 2020 Hydro One Sub-Transmission Rates.
b. Sheet 16. Rev2Cost_GDPIPI, Price escalator was updated to 2%
c. Sheet 17. Regulatory Charges, TOU pricing was updated for November 1, 2019 rates
d. Sheet 20. Bill impacts, updated to include the 31.8% Ontario Electricity Rebate.

Please confirm the changes and that London Hydro is in agreement with the changes.