Hydro One Networks Inc. - Acquired

OEB Staff Questions

EB-2020-0031

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**Staff Question – 1**

**Ref: Appendix F**

Per Appendix F, Norfolk Power service area’s January to August 2015 pre-integration transactions for Account 1588 is $1,169,040. Typically, large balances are not expected for Account 1588 as it should only hold the difference between actual and approved line losses. Based on RRR data filed for 2012 to 2014 (as a proxy for 2015), the annual balance in Account 4705 Cost of Power has remained relatively consistent. OEB staff calculates the 2015 pre-integration transactions as a percentage of annual Account 4705 Cost of Power for 2012 to 2014 is in the range of 5% to 6% as shown in the table below. Please explain the large pre-integration transactions for Norfolk Power service area in consideration of line losses.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2014** | **2013** | **2012** |
| Pre-integration transactions 2015 | $1,169,040 | $1,169,040 | $1,169,040 |
| RRR Account 4705 ($) | $23,380,650 | $21,046,137 | $19,787,946 |
| Transactions as % of Account 4705 | 5.00% | 5.55% | 5.91% |

**Staff Question – 2**

**Ref: page 20**

With regards to the pre-integration balances for each of the Acquired Utilities, please explain Hydro One’s consideration of the pre-integration balances in the context of the Feb. 21, 2019 accounting guidance[[1]](#footnote-1) for commodity accounts.

**Staff Question – 3**

**Ref: page 19**

Hydro One is requesting disposition of December 31, 2019 Group 1 balances for the Acquired Utilities.

1. Please explain if Hydro One is requesting interim or final disposition.
2. Please confirm whether Hydro One would be agreeable to an interim disposition, until such time that the December 31, 2019 Group 1 balances for Hydro One Distribution (currently being reviewed in Hydro One Distribution’s 2021 Custom IR Update application[[2]](#footnote-2)) are approved for disposition on a final basis.
3. Please confirm that Hydro One would update the balances allocated to the Acquired Utilities if the balances approved for disposition (if approved at all) in Hydro One’s 2021 Custom IR Update application change from the amounts presented in the pre-filed evidence.

**Staff Question – 4**

**Ref: Rate Generator Tab 3 and 1595 Workform**

In the DVA Continuity Schedule for Haldimand County in tab 3, in 2017, Account 1595 (2017) principal and interest is $50,187 and $155,042. Per the decision and order for Hydro One Acquired’s 2017 rate application, total approved Group 1 principal and interest are ($2,989,725) and ($141,025).

In the 1595 Workform Schedule for Haldimand County for 2017, the total principal and interest is ($3,159,264) and ($155,042).

1. Please reconcile the difference between what was approved in the decision and order and the entries in Tab 3 of the Rate Generator model for 1595 (2017).
2. Please reconcile the difference between the 1595 Workform Schedule and what was approved in the decision and order.
3. Please update all models if necessary.

1. https://www.oeb.ca/sites/default/files/Accounting-Guidance-Commodity-Accounts-20190221.pdf [↑](#footnote-ref-1)
2. EB-2020-0030 [↑](#footnote-ref-2)