**Follow-up #2 – Staff Question 1**

**Ref: Follow-up Staff Question 4**

 **Updated DVA Continuity Schedule**

In response to the follow-up questions of Staff Question 4, in the revised DVA Continuity Schedule, the ending 2016 account 1588 and 1589 balances are different than that in the DVA Continuity Schedule filed in Hydro 2000’s 2020 Cost of Service (COS) settlement proposal, which was based on the Inspection Report. Hydro 2000 indicated that the difference is due to the recalculation of the balances using the OEB’s February 21, 2019 Illustrative Model.

The differences are shown in the table below.

|  |  |  |  |
| --- | --- | --- | --- |
|  |  **Updated DVA Continuity Schedule recalculated using Illustrative Model** |  **2020 COS DVA Continuity Schedule derived from Inspection**  | **Difference** |
|  | **Account 1588** | **Account 1589** | **Account 1588** | **Account 1589** | **Account 1588** | **Account 1589** |
| **Principal** |  65,187  |  113,142  |  204,494  |  49,433  |  (139,307) |  63,709  |
|  **Interest**  |  296  |  3,255  |  3,193  |  1,184  |  (2,898) |  2,071  |
| **Total** |  65,482  |  116,397  |  207,687  |  50,617  |  (142,205) |  65,780  |

1. For the ($139,307) and $63,709 principal balance differences for Account 1588 and Account 1589, please breakdown the differences to the differences pertaining to 2015 and differences pertaining to 2016.

Difference Dec 31, 2014 (158,168)

Difference 2015 54,989

Difference 2016 (36,128)

Total differences (139,307)

Difference Dec 31, 2014 (32,891)

Difference 2015 96,600

Difference 2016 0

Total differences 63,709

1. The use of the Illustrative Model should produce the same balances for Accounts 1588 and 1589 as that was recalculated during the Inspection. For each of the 2015 and 2016 differences in Account 1588 and Account 1589 balances between that in the 2020 COS DVA Continuity Schedule and the updated DVA Continuity Schedule in this proceeding, please explain each of the reasons for the differences in the balances (e.g. was different consumption used for RPP settlements, pro-ration of charge type 148 etc).

The differences are the differences identified during the inspection. 2015 and 2016 have not been recalculated with the Illustrative Model. 2017, 2018 and 2019 have been recalculated with the Illustrative Model.