**Staff Question-X**

**Ref: Staff Question 5**

In response to Staff Question,

1. 5a Hydro 2000 indicated that it revised its methodology for RPP settlements and microFits to use estimated amounts for the preceding month. Please confirm that Hydro 2000 performs an estimate to actual true-up for RPP settlements and microFits in subsequent months for both any price and quantity differences.
2. 5b, it appears that Hydro 2000’s RPP settlement is based on retail consumption as consumption is derived from RPP revenues. In response to Staff Question 6, Hydro 2000 appears to be performing RPP settlements based on wholesale consumption. The OEB’s Feb. 21, 2019 Accounting Guidance on Accounts 1588 and 1589 requires RPP settlements to be done on wholesale consumption. Please clarify if Hydro 2000 is settling RPP based on wholesale or retail consumption.
3. 5b, Hydro 2000 only discussed the RPP revenues and HOEP portion of RPP settlements. Please confirm that Hydro 2000 is also settling the GA portion in RPP settlements.
   1. Please confirm that any GA estimate to actual price and quantity variances are trued-up in subsequent months.
4. 5c, Hydro 2000 indicated that it adapted its methodology to be aligned with the Feb. 21, 2019 Accounting Guidance in July 2019. Please confirm that the methodology was applied to account balances effective January 1, 2019.

**Staff Question-X**

**Ref: Staff Question 4**

**Updated DVA Continuity Schedule**

In response to Staff Question 4, Hydro 2000 updated its DVA Continuity Schedule to start from 2014. Hydro 2000 states that the year-end balances in the DVA Continuity Schedule match the inspection report. 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. The differences are shown in the table below. The difference appears to be due to 2016 principal adjustments of ($139,307) and $63,710 for Accounts 1588 and 1589, respectively.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Updated DVA Continuity Schedule** | | **2020 COS DVA Continuity Schedule** | | **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. Please explain the differences between the two DVA Continuity Schedules.
2. If the 2016 ending balances in the 2020 COS DVA Continuity Schedule are not the appropriate ending balances, please explain why not.
   1. Please also show a how the 2016 ending balance is derived from the 2014 opening balances and how the transactions/adjustments reconcile to the Inspection Report of Hydro 2000’s Account 1588 and Account 1589 balances.

**Staff Question-X**

**Ref: Staff Question 4**

**Updated DVA Continuity Schedule**

In the updated DVA Continuity Schedule, column BW shows the RRR to DVA Continuity Schedule variances for Account 1588 and Account 1589 to be ($407,757) and ($30,388), respectively.

1. Please confirm that all the adjustments from the Inspection Report have been recorded in the general ledger already.
2. If confirmed, please explain whether Hydro 2000 has recorded all the adjustments necessary for 2017 to 2019 in the general ledger balances.
3. If part b is confirmed, please explain why there would be RRR to DVA Continuity Schedule variances for accounts 1588 and 1589 if all adjustments have been made and the balances between the general ledger and DVA Continuity Schedule should be aligned.