**OEB Staff Questions**

**Hydro One Networks Inc. (Hydro One)**

**EB-2021-0032**

**October 6, 2021**

**Staff Question-1**

**Ref: EB-2017-0049, Exhibit H1, Tab 1, Schedule 1, P. 24**

**Ref: Manager’s Summary, p. 21**

In the 2018-2022 Custom IR application, Hydro One projected the 2022 Customer Supplied Transformer Allowance (CSTA) to be $985,709. In the current application, Hydro One has forecasted and requested to recover a CSTA credit of $687,211 for 2022.

1. Please explain the discrepancy between the 2018-2022 Custom IR application and this application and provide the calculations for the 2022 CSTA amount as requested in the current application.

**Staff Question-2**

**Ref: Manager’s Summary, p. 22**

The total bill impacts for low consumption Seasonal customers exceed 10%.

1. Please explain if Hydro One has a mitigation plan for these customers. If no, please explain why a mitigation plan is not required.

**Staff Question-3**

**Ref: Manager’s Summary, Tab 4**

OEB staff notes that the Retail Service Charges in Hydro One’s proposed 2022 Tariff is the same as Hydro One’s current 2021 Tariff, i.e. the Retail Service Charges have not been adjusted for inflation.

1. Please confirm if Hydro One is requesting an inflationary increase to its Retail Service Charges. If yes, please ensure that the draft tariff correctly reflects the updated inflation-adjusted Retail Service Charges after the OEB issues the 2022 inflation factor (excluding the wireline pole attachment charge).

**Staff Question-4**

**Ref: Manager’s Summary, p. 23**

**Ref: EB-2017-0049, Exhibit H1, Tab 2, Schedule 3**

Hydro One provided the above reference to the 2018-2022 Custom IR application which shows updates to the Specific Service Charges for 2022. Within that schedule, OEB staff was unable to find the updates to the charges pertaining to “Specific Charge for LDCs Access to the Power Poles ($/pole/year)” and “Specific Charge for Generator Access to the Power Poles ($/pole/year).”

1. Please provide the calculations for the updates to the specific charges noted above.

**Staff Question-5**

**Ref: Exhibit 2 – Rate Design**

Please explain how the 2022 miscellaneous revenue is derived or provide a reference to where the amount originates from.

**Staff Question-6**

**Ref: Manager’s Summary, p. 11**

Regarding Hydro One’s proposed disposition approach for Group 1 balances,

1. Hydro One indicated that the 2023 Rebasing application is the first application for both Hydro One Distribution and the Acquired Utilities, which introduces the opportunity to dispose Group 1 balances on a consolidated basis and without performing an allocation to Distribution and each of the Acquired Utilities. Please provide a high level approximate comparison of the 2020 Group 1 disposition related bill impacts to Distribution and each of Acquired Utilities using the consolidated approach and using an allocation approach.
2. Hydro One indicated that it intends to update the 2023 Rebasing application for audited 2021 Group 1 balances during the course of that proceeding. Hydro One further stated that in the event that Group 1 balances change based on 2021 audited transactions from a credit balance to a debit balance or a smaller credit balance, the combined disposition based on 2020 and 2021 audited balances would result in less volatility to rate payers.
   1. Given that there are 9 months of data for 2021 available, please confirm that net 2021 transactions to date have been debit transactions which would reduce the 2020 credit Group 1 balances. If not confirmed, please explain the basis for Hydro One’s statement above.
3. Hydro One indicated that it receives one consolidated invoice for settlement of commodity, bulk transmission and wholesale settlements for all service territories. Please explain when Hydro One started to receive one consolidated bill for Hydro One Distribution and the Acquired Utilities.