Kingston Hydro Corporation
EB-2021-0037

Please note, Kingston Hydro Corporation is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff questions and any other supporting documentation, do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

Staff Question-7

Reference: (i) Response to Staff Question-1

(ii) Manager's Summary, page 11

In response to Staff Question-1, Kingston Hydro stated that "if prior year's interim approvals are disposed of on a final basis, Kingston Hydro's preference is to also dispose of 2020 so that all periods included in the OEB inspection (i.e. 2016 to 2020) can be finalized".

Kingston Hydro states in its Managers Summary that it "proposes to dispose Group 1 DVA account balances on an interim basis since the OEB inspection of accounts is ongoing".

a) Please clarify whether Kingston Hydro is seeking final or interim disposition with respect to any Group 1 DVA account balances approved for disposition in this proceeding, given the ongoing OEB inspection.
b) Please provide a status update of the ongoing OEB inspection.

Staff Question-8

Reference: (i) Response to Staff Question-3

In explaining the 2020 adjustment of $(83,702), Kingston Hydro states that:

> The adjustment of ($83,701) in the 2020 GA analysis workform is a true-up of the December 2018 GA rate.
>
> When recalculating the 2019 RPP settlements using the OEB's Illustrative Commodity Model (in accordance with the new Accounting Guidance issued February 21, 2019) Kingston Hydro settled the $83,701 with the IESO again,

> believing this had been missed when transitioning to the new Accounting Guidance. **This was settled with the IESO on September 4, 2019 and recorded in the GL January 1, 2019**. Kingston Hydro discovered that the $83,701 had been settled with the IESO twice and reversed $83,701 with the IESO on September 4, 2020. The reversal was recorded in the GL August 31, 2020. As a result, a reconciling item was required in the 2020 GA analysis workform. This was not included in "Net Change in Principal Balance in the GL" in the 2019 GA analysis workform therefore no adjustment is required to the 2019 GA analysis workform. [Emphasis Added]

a) Please confirm that the second settlement (incorrect one) amount submitted by Kingston Hydro to the IESO on September 4, 2019 was recorded in the GL in September 2019 rather than January 1, 2019.
    i) If the transaction was recorded at any point in 2019, please explain why it was not included in "Net Change in Principal Balance in the GL" in the 2019 GA Analysis Workform and why no adjustment is required to the 2019 GA analysis workform.
    ii) If not confirmed (i.e. the second settlement was not recorded in 2019 GL), please explain why.
b) Please explain why the 2020 true-up adjustment of 2018 GA rate in Account 1589 did not result in a corresponding adjustment in Account 1588.

Staff Question-9

Reference: (i) Response to Staff Question-4

In explaining the 2020 adjustment of $(233,504) for Account 1589, Kingston Hydro states that:

> When recalculating the 2019 RPP settlements using the OEB's Illustrative Commodity Model (in accordance with the new Accounting Guidance issued February 21, 2019) Kingston Hydro settled the $235,504 with the IESO, believing this had been missed when transitioning to the new Accounting Guidance. **This was settled with the IESO on September 4, 2019 and recorded in the GL January 1, 2019**. Kingston Hydro realized that the $235,504 should not have been settled with the IESO because it was an unbilled revenue accrual and reversed $235,504 with the IESO on September 4, 2020. The reversal was recorded in the GL August 31, 2020. As a result, a reconciling item was required in the 2020 GA analysis workform. This was not included in "Net Change in Principal Balance in the GL" in the 2019 GA analysis workform therefore no adjustment is required to the 2019 GA analysis workform. [Emphasis Added]

In explaining the 2020 adjustment of $(142,294) for Account 1588, Kingston Hydro states that:

> Similar to the issue noted in part a) above, when recalculating the 2019 RPP settlements using the OEB's Illustrative Commodity Model (in accordance with the new Accounting Guidance issued February 21, 2019) Kingston Hydro settled the $142,294 with the IESO, believing this had been missed when transitioning to the new Accounting Guidance. This was settled with the IESO on September 4, 2019 and recorded in the GL January 1, 2019. Kingston Hydro realized that the $142,294 should not have been settled with the IESO because it was an unbilled revenue accrual and reversed $142,294 with the IESO on September 4, 2020. The reversal was recorded in the GL August 31, 2020. As a result, a reconciling item was required in the 2020 GA analysis workform. This was not included in "Net Change in Principal Balance in the GL" in the 2019 GA analysis workform therefore no adjustment is required to the 2019 GA analysis workform.

a) Please confirm that the settlement amounts submitted by Kingston Hydro to the IESO on September 4, 2019 was recorded in the GL in September 2019, rather than January 1, 2019.
    i) If the transaction was recorded at any point in 2019, please explain why it was not included in "Net Change in Principal Balance in the GL" in the 2019 GA Analysis Workform and why no adjustment is required to the 2019 GA analysis workform.
    ii) If not confirmed (i.e. the settlement was not recorded in 2019 GL), please explain why.
b) Please explain if the September 4, 2019 settlement with the IESO included additional adjustments related to prior periods, other than the adjustments of $(83,702), $(233,504) and $(142,294).
    i) If so, please provide the details.