

**Greater Sudbury Hydro Inc.  
EB-2021-0026**

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**Staff Follow-up Question-1**

**Ref:** Response to Staff Question-1

**Preamble:**

Greater Sudbury stated that it has not implemented the monthly accrual accounting for the cost of power and explained that:

GSHI will elaborate on the difficulty in implementing the accruals in accordance with the accounting guidance. Pertaining to cost of energy - when reversing the "initial estimate" in the subsequent month it would be expected that an LDC would have actual cost of energy invoices received and recorded in their general ledger. GSHI is partially embedded in HONI service territory and sometimes receives delayed billings. If GSHI designed a process that relied on receiving all cost of energy invoices in a timely manner there would be months where cost of energy is understated. GSHI cannot rely on receiving these invoices and this accrual process would need to account for that possibility, which adds significant complexity to the process. When delayed billing affects the monthly RPP submission (namely, the 1st true up) GSHI will manually intervene and is forced to use estimates in place of missing data. GSHI has struggled to resource the time/effort required to design an accruals process that is robust enough that it can be done quickly at month end, will provide accurate month-end accruals consistently, and can be performed by both our subject matter expert (Supervisor) and Accountant. This accounting guidance component of the guidance does not impact GSHI DVA balances or any OEB or IESO-facing reporting.

**Question(s):**

- a) Please confirm that the annual cost of power represents the actual 12 months cost of power for the year from Hydro One Networks and that the RPP settlements for the year are trued up and recorded in Account 1588.

Confirmed.