

**Greater Sudbury Hydro Inc.
EB-2022-0034**

Please note, Greater Sudbury Hydro Inc. (Greater Sudbury Hydro) 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- 1

Ref 1: 2023 IRM Rate Generator Model, Tab16, Tab 17 and Tab 19

OEB staff has updated Greater Sudbury Hydro's Rate Generator Model with the following changes:

Tab 11: The UTRs and RTSRs have been updated to reflect the appropriate tariffs (per EB-2022-0250 and EB-2021-0110 respectively)

Tab 17: The Wireline Pole Attachment Charge in Tab 17 of the IRM model is inflated by 3.7% from the 2022 current charge of \$34.76 to the new 2023 charge of \$36.05.

Tab 17: Retail Service Charges is updated using the 2023 inflation factor (3.7%)

Tab 17: Updates to the following (per EB-2022-0269):

- WMS from 0.0030 kWh to 0.0041
- RRRP from 0.0005 to 0.0007

Tab 17: Updated TOU rates from May 1, 2022 to Nov 1, 2022

Tab 20: Updates to reflect the Ontario Electricity Rebate of 11.7%

Wireline Pole Attachment Charge	Unit	Current charge	Inflation factor *	Proposed charge ** / ***
Specific charge for access to the power poles - per pole/year	\$	34.76	3.70%	36.05
Retail Service Charges				
		Current charge	Inflation factor*	Proposed charge ***
One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	107.68	3.70%	111.66
Monthly fixed charge, per retailer	\$	43.08	3.70%	44.67
Monthly variable charge, per customer, per retailer	\$/cust.	1.07	3.70%	1.11
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.64	3.70%	0.66
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.64)	3.70%	(0.66)
Service Transaction Requests (STR)			3.70%	-
Request fee, per request, applied to the requesting party	\$	0.54	3.70%	0.56
Processing fee, per request, applied to the requesting party	\$	1.07	3.70%	1.11
Electronic Business Transaction (EBT) system, applied to the requesting party				
up to twice a year		no charge		no charge
more than twice a year, per request (plus incremental delivery costs)	\$	4.31	3.70%	4.47
Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)	\$	2.15	3.70%	2.23

Question:

- a) Please confirm the accuracy of the updates.

GSHI Response:

GSHI has reviewed these changes and confirms the accuracy of the updates.

Staff Question- 2

Ref 1: 2023 IRM Rate Generator Model, Tab 4

In Tab 4, the threshold test resulted in a \$0.0009/kWh, which did not meet the requirements for disposition. Greater Sudbury Hydro indicated that it chose not to dispose of the Group 1 Deferral and Variance Account Balances.

Question:

- a. Please confirm that Greater Sudbury Hydro is not looking to dispose of Group 1 balances through the 2023 IRM.

GSHI Response:

GSHI confirms it is not looking to dispose of Group 1 balances through the 2023 IRM.

Staff Question- 3

Ref 1: Manager's Summary, page 9, 11

During preparation of this application GSHI noted that the 2020 balance of (\$172,700) in account 1580 – Variance WMS – Subaccount CBR Class B was submitted with the incorrect sign during GSHI's 2020 2.1.7 RRR filing. This was not identified during the preparation of the 2022 IRM application and therefore, the incorrect amount was disposed. In the current application, a total adjustment of (\$343,095) in account 1580 – Variance WMS – Subaccount CBR Class B, that is also reflected in account 1580 – RSVA Wholesale Market Service Charge has been included as a principal adjustment. The adjustment is made up of (\$172,700), which reverses the effect of the balance submitted as a debit position in 2020 and (\$170,395), which reflects the correct balance and sign that would have been carried forward from the 2022 IRM.

Questions:

- a) Please confirm that in the 2022 IRM, the Account 1580, WMS balance was determined by taking the total Account 1580 control account balance and removing the Account 1580, Sub-account CBR Class B balance. Therefore, the error is an allocation error between Account 1580, Sub-account CBR Class B and Account 1580, WMS. If not confirmed, please explain.

GSHI Response:

GSHI confirms the statement above. The error is an allocation error between Account 1580, sub-account CBR Class B and account 1580, WMS.

- b) Page 11 states that Greater Sudbury Hydro previously disposed of Account 1580, Subaccount Class B in its 2022 IRM which consist of the balances at December 31, 2019. Please confirm that the balances as at December 31, 2020 were disposed on a final basis. If not confirmed, please explain.

GSHI Response:

GSHI confirms the balances as at December 31, 2020 were disposed on a final basis. December 31st, 2019 was a typographical error in the managers summary.

- c) With regards to the (\$343,095) adjustment, please confirm that the (\$170,395) portion of the adjustment is different than the (\$172,700) of the adjustment to account for the interest impact. If not confirmed, please explain.

GSHI Response:

GSHI confirms the difference in the adjustments is to account for the interest impact.

Staff Question - 4

Ref 1: Manager's Summary, pages 9-10

Ref 2: Tab 3, IRM Rate Generator Model

Ref 3: EB-2021-0026 Tab 3, Rate Generator Model

Greater Sudbury Hydro noted a reclassification error between Account 1595 (2019) and Account 1595 (2020) in its 2021 RRR filing. It was noted that no correction is needed to the general ledger but only the RRR filing. In the IRM Rate Generator Model, the Account 1595 (2019) 2021 opening principal and interest balances were reallocated when compared to the 2020 closing principal and interest balances as shown in Greater Sudbury Hydro's 2022 IRM Rate Generator Model. The differences are shown below.

	Principal	Interest	Difference
2023 Rate Generator Model	\$31,120	(\$19,898)	\$11,222
2022 Rate Generator Model	\$62,398	(\$51,176)	\$11,222
Total	\$31,278	(\$31,278)	\$0

Question:

- a. Please explain the reallocation.

GSHI Response:

This reallocation is an input error, \$31,278 was entered into the wrong column of the 2023 IRM continuity schedule. It was included with the 2021 "Transactions Debit/Credit for 2021" when it should have been included in the 2020 "Transactions Debit/Credit for 2020". This has been corrected in the Rate Generator model included with this submission.

Staff Question- 5

Ref 1: 2023 IRM Rate Generator Model, Tab 3

Ref 2: Greater Sudbury Hydro, 2022 IRM Rate Generator Model, EB-2021-0026

In Tab 3 of the 2023 Rate Generator Model, in 2020 there is a transaction of \$594,543 in Account 1595 (2019).

In Tab 3 of the 2022 Rate Generator Model, in 2020 there was a transaction of \$563,265 in Account 1595 (2019).

Question:

- a. Please explain the discrepancies between the two rate generators and what caused the change. Please update the evidence as needed.

GSHI Response:

Please see question 4 above, \$(31,278) was input in the wrong column in the IRM continuity schedule. It should have been included with the 2020 transactions for Account 1595 (2019) resulting in the correct transactions amount of \$563,265 (594,543 – 31,278).

Staff Question- 6

Ref 1: Manager's Summary, page 10, 11

Greater Sudbury Hydro indicated that RPP settlement true-ups for all months of 2021 were performed using incorrect GA rates that incorrectly included the GA deferral recovery. Greater Sudbury Hydro re-calculated true ups for each month of 2021 correcting for the rates and the result is a \$1,003,569 adjustment to the amount Greater Sudbury Hydro owes the IESO for Class B GA. The offset will impact Account 1589. Greater Sudbury Hydro noted that it will submit the re-calculated RPP settlement true-up to the IESO in November 2022.

- a) Please explain whether CT6148 for the GA deferral recovery was correctly recorded in Account 1589 for 2021. If not, please explain where it was recorded.

GSHI Response:

GSHI confirms that CT6148 was correctly recorded in account 1589 for 2021.

- b) Please confirm that the RPP portion of the GA expense from CT 148 recorded in Account 1588 for 2021 prior to any correction equaled the RPP GA amount that was included in the RPP settlements prior to any correction, and therefore, the correction of the RPP settlement does not result in a principal adjustment to the balance in Account 1588. If not confirmed, please explain why a principal adjustment to Account 1588 is not needed to correct for the recalculated RPP settlements.

GSHI Response:

The RPP rates (On-peak, mid-peak, off-peak, Tier 1 & tier 2) used for true up purposes did not change due to this correction, but the GA rate used for true up purposes did. This GA rate impacts two things - the allocation of GA costs to 1588 and the true up with the IESO (RPP revenues vs. costs incurred pertaining to those revenues). GSHI has included Appendix A as a response to this question as an illustration of the adjustment performed.

Appendix A illustrates the initial calculation and subsequent adjustment (performed in November 2022) pertaining to October 2021. You can see the GA rate used for RPP

true up purposes was \$0.0541 but was subsequently adjusted to \$0.0525. In this illustrative example is a total GA difference of \$63,433 after this correction is made. To correct this, GSH would record the following adjusting entry:

Acct	DR	CR
1588		\$63,433
1589	\$63,433	
To allocate the portion of GA back to 1589 that was incorrectly allocated to 1588.		

Now because the RPP true up was performed using \$0.0541 as a GA rate, but it should have been \$0.0525, the RPP true up with the IESO needs to be adjusted.

Acct	DR	CR
1588	\$63,433	
Payable to IESO		\$63,433
To adjust the RPP true up and settle the difference with the IESO.		

Once the transactions are recorded, the net impact on 1588 is zero, the net impact on 1589 is a debit of \$63,433 and a credit (payable) to the IESO results. So while there is a principal adjustment to 1588 initially, once the RPP true up is complete the impact on 1588 is netted to zero. This is the case for all months of 2021 that this adjustment was calculated for.

Therefore, GSH confirms that once all transactions are recorded for this adjustment, no principal adjustment to the balance in account 1588 results.

- c) Please confirm that Greater Sudbury Hydro has already submitted the recalculated RPP settlement true-up to the IESO.

GSHI Response:

GSHI confirms that the recalculated RPP settlement true-up amount had already been submitted to the IESO.

Staff Question- 7

Ref 1: Greater Sudbury Hydro EB-2022-0034 LRAMVA Workform, Tab 6

Ref 2: OEB Prescribed Interest Rates

Greater Sudbury Hydro noted in its application that it had used the Q4 2022 OEB prescribed interest rate when calculating LRAMVA carrying charges for Q1 and Q2 2023, as the rates for those periods were not available at the time of application submission. Subsequently, the prescribed interest rate for Q1 2023 has been established by the OEB.

Question:

- a. OEB staff have updated Tab 6 of Greater Sudbury Hydro's LRAMVA Workform with the OEB prescribed interest rate for Q1 2023. Please confirm acceptance of this change.

GSHI Response:

GSHI confirms acceptance of this change. GSHI has also updated the IRM Rate Generator Model submitted with this response to reflect the change for account 1568.

Staff Question- 8

Ref 1: Greater Sudbury Hydro EB-2022-0034 Manager's Summary, pages 14-15

Greater Sudbury Hydro is seeking prospective disposition of annual LRAM balances for 2023 to 2027, inclusive. Greater Sudbury Hydro also noted that its next Cost of Service application will be for 2025 rates.

Question:

- a. Considering that LRAM balances may be reviewed and incorporated in rates at the time of re-basing, please explain why Greater Sudbury Hydro is seeking prospective disposition of annual LRAM balances that correspond to periods subsequent to its next scheduled Cost of Service application.

GSHI Response:

GSHI is seeking approval of prospective disposition amounts to be claimed in IRM applications up to, but not including, its next Cost of Service Application. Assuming GSHI rebases as scheduled in 2025, it will not claim disposition of the prospective disposition amounts in 2025 or subsequent applications. The prospective disposition amounts after 2025 are included in the LRAMVA model in the event that rates are rebased after 2025.

Appendix A

Table 31: Estimated RPP Revenue & Actual GA price

Description	Settlement Month	RPP Revenue Prices	RPP Rate	Estimated RPP Energy Price	GA	Total Commodity	Difference	kWh Volumes	\$ Estimated RPP Revenue	\$ Estimated RPP Energy	\$ Estimated GA	\$ Estimated RPP Settlement	
FINAL YE TRUE UP	October 2021	Tier 1	\$ 0.0980	\$ 0.0397	\$ 0.0541	\$ 0.0938	\$ 0.0042	3,353,114	328,605	\$ 133,143	\$ 181,471	\$ 13,991	
FINAL YE TRUE UP	October 2021	Tier 2	\$ 0.1150	\$ 0.0397	\$ 0.0541	\$ 0.0938	\$ 0.0212	1,526,480	\$ 175,545	\$ 60,612	\$ 82,613	\$ 32,320	
FINAL YE TRUE UP	October 2021	TOU Off-peak	\$ 0.0820	\$ 0.0397	\$ 0.0541	\$ 0.0938	-\$ 0.0118	21,103,082	\$ 1,730,453	\$ 837,945	\$ 1,142,102	\$ (249,595)	
FINAL YE TRUE UP	October 2021	TOU Mid-peak	\$ 0.1130	\$ 0.0397	\$ 0.0541	\$ 0.0938	\$ 0.0192	6,311,406	\$ 713,189	\$ 250,609	\$ 341,574	\$ 121,006	
FINAL YE TRUE UP	October 2021	TOU On-peak	\$ 0.1700	\$ 0.0397	\$ 0.0541	\$ 0.0938	\$ 0.0762	6,363,233	\$ 1,081,750	\$ 252,666	\$ 344,379	\$ 484,704	
								\$ 0.1042	38,657,315	\$ 4,029,542	\$ 1,534,975	\$ 2,092,141	\$ 402,426

Final RPP Settlement Calculation

Table 32 Final Revised RPP Settlement based on Actual RPP Revenue and Actual GA Price

Description	Settlement Month	RPP Revenue Prices	RPP Rate	Actual RPP Energy Price	GA Actual ¹³	Total Commodity	Difference	kWh Volumes	\$ Actual RPP Revenue	\$ Actual RPP Energy	\$ Actual GA	\$ Final RPP Settlement	
FINAL YE TRUE UP 2 - Fix GA Deferral	October 2021	Tier 1	\$ 0.0980	\$ 0.0397	\$ 0.0525	\$ 0.0922	\$ 0.0058	3,353,114	328,605	\$ 133,143	\$ 175,969	\$ 19,493	
FINAL YE TRUE UP 2 - Fix GA Deferral	October 2021	Tier 2	\$ 0.1150	\$ 0.0397	\$ 0.0525	\$ 0.0922	\$ 0.0228	1,526,480	\$ 175,545	\$ 60,612	\$ 80,109	\$ 34,824	
FINAL YE TRUE UP 2 - Fix GA Deferral	October 2021	TOU Off-peak	\$ 0.0820	\$ 0.0397	\$ 0.0525	\$ 0.0922	-\$ 0.0102	21,103,082	\$ 1,730,453	\$ 837,945	\$ 1,107,474	\$ (214,967)	
FINAL YE TRUE UP 2 - Fix GA Deferral	October 2021	TOU Mid-peak	\$ 0.1130	\$ 0.0397	\$ 0.0525	\$ 0.0922	\$ 0.0208	6,311,406	\$ 713,189	\$ 250,609	\$ 331,218	\$ 131,362	
FINAL YE TRUE UP 2 - Fix GA Deferral	October 2021	TOU On-peak	\$ 0.1700	\$ 0.0397	\$ 0.0525	\$ 0.0922	\$ 0.0778	6,363,233	\$ 1,081,750	\$ 252,666	\$ 333,938	\$ 495,145	
								\$ 0.1042	38,657,315	\$ 4,029,542	\$ 1,534,975	\$ 2,028,707	\$ 465,859

2nd RPP Settlement True-up

Table 33: True-up of RPP Volumes and Revenue and GA price to actual

Description	Settlement Month	True-Up elements	RPP Rate	RPP Energy Price Difference	GA Price Difference	Total Commodity	Difference	kWh Volumes	\$ True-Up RPP Revenue	\$ True-up RPP Energy	\$ True-up GA	\$ RPP Settlement True-UP
	October 2021	Tier 1	\$ -	\$ -	\$ 0.0016	\$ 0.0016	-\$ 0.0016	-	\$ -	\$ -	\$ (5,502)	\$ 5,502
	October 2021	Tier 2	\$ -	\$ -	\$ 0.0016	\$ 0.0016	-\$ 0.0016	-	\$ -	\$ -	\$ (2,505)	\$ 2,505
	October 2021	TOU Off-peak	\$ -	\$ -	\$ 0.0016	\$ 0.0016	-\$ 0.0016	-	\$ -	\$ -	\$ (34,628)	\$ 34,628
	October 2021	TOU Mid-peak	\$ -	\$ -	\$ 0.0016	\$ 0.0016	-\$ 0.0016	-	\$ -	\$ -	\$ (10,356)	\$ 10,356
	October 2021	TOU On-peak	\$ -	\$ -	\$ 0.0016	\$ 0.0016	-\$ 0.0016	-	\$ -	\$ -	\$ (10,442)	\$ 10,442
								-	\$ -	\$ -	\$ (63,433)	\$ 63,433