



Ontario
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BY EMAIL

September 8, 2023

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Marconi:

**Re: Hydro One Sault Ste. Marie Limited Partnership (HOSSM)
2024 Electricity Transmission Rates
OEB Staff Interrogatories
Ontario Energy Board File Number: EB-2023-0130**

In accordance with Procedural Order #1, please find attached the Ontario Energy Board (OEB) staff interrogatories in the above proceeding. The applicant has been copied on this filing.

Hydro One Sault Ste. Marie Limited Partnership 's responses to interrogatories are due by September 22, 2023.

Any questions relating to this letter should be directed to Musab Qureshi at Musab.Qureshi@oeb.ca. The Board's toll-free number is 1-888-632-6273.

Yours truly,

Musab Qureshi
Manager, Generation & Transmission

cc. HOSSM

Encl.

**Hydro One Sault Ste. Marie Limited Partnership (HOSSM)
2024 Transmission Rate Application
EB-2023-0130
OEB Staff Interrogatories
September 8, 2023**

Please note, HOSSM 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-1

Ref.: Exhibit A / Tab 4 / Schedule 1 / page 3 / footnote 4

Preamble

HOSSM notes that at the time of filing this application, the ESM balance submitted for disposal was slightly higher than the amount submitted pursuant to section 3.1.1 of HOSSM's 2023 RRR reporting. This is due to an error in the ESM calculation at the time of RRR submission. HOSSM stated that it will be submitting a correction to the RRR filing.

Question

- a) Please confirm that HOSSM has submitted a correction to the RRR filing. If the correction has not yet been filed, please advise as to when it will be done.

Staff-2

Ref.: Exhibit A / Tab 4 / Schedule 1 / page 3 / line 12

Preamble

The calculation of the ESM amount is based on HOSSM's audited financial statements. However, HOSSM has not provided its audited financial statements as part of this application.

Question

- a) Please provide HOSSM's audited financial statements as an appendix to the application.

Staff-3

Ref.: Exhibit A / Tab 4 / Schedule 1 / page 5

Preamble

HOSSM has shown calculation for "Over/(Under) earning (%)" as $K = H - J$, or $\text{Over/(Under) earning (\%)} = \text{Regulated Net Income} - \text{Allowed ROE}$.

This appears to be an error and OEB staff believe the formula should be $\text{Over/(Under) earning (\%)} = \text{Achieved ROE} - \text{Allowed ROE}$. HOSSM's calculations in Table 4 appear to use this formula.

Question

- a) Please confirm that the formula should read $K = I - J$, or $\text{Over/(Under) earning (\%)} = \text{Achieved ROE} - \text{Allowed ROE}$.

Staff-4

Ref.: Exhibit A / Tab 4 / Schedule 1 / page 5

Preamble

HOSSM has shown the capital structure and debt rates in the ESM calculation table. Long term debt or "E" is listed at 6.87%.

Questions

- a) Please confirm whether the long term debt rate used represents HOSSM's updated/current long term debt rate.
- b) Does the long term debt rate impact any of the calculations in Table 4? If so, please provide additional details on the relevant calculations.

Staff-5

Ref.: Exhibit A / Tab 4 / Schedule 1 / page 4 / line 8

Preamble

HOSSM has indicated that the ROE calculation is “normalized for revenue impacting items such as entries recorded in the year which relate 8 to prior years to normalize the in-year net income”.

Question

- a) Please confirm and explain the normalizing adjustments made in this application.