

**Hearst Power Distribution Co. Ltd.**  
**EB-2024-0029**  
**December 11, 2024**

Please note, Hearst Power Distribution Co. Ltd. (Hearst Power) 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: HPDCL 2025-IRM-Rate-Generator-Model 20241028, Tab 1 Information Sheet**

**Preamble:**  
The green shaded cells are input fields and have not been filled out by Hearst Power.

Utility Name	Hearst Power Distribution Co. Ltd.		
Assigned EB Number			
Name of Contact and Title			
Phone Number			
Email Address			
Rate Effective Date	Thursday, May 1, 2025	+	
Rate-Setting Method	Price Cap IR		
7. Retail Transmission Service Rates: Hearst Power Distribution Co. Ltd. is:	Partially Embedded	Within	
		(If necessary, enter all host-distributors' names in the above green shaded cell.)	

**Question(s):**  
a) Please fill out the details for the above fields.

**Response(s):** HPDCL had updated the utility information in the model filed with these responses.

**Staff Question-2**

**Ref. 1: HPDCL 2025-IRM-Rate-Generator-Model 20241028, Tab 3, Continuity  
Schedule**

**Preamble:**

On September 13, 2024, the OEB published the 2024 Q4 prescribed accounting interest rates applicable to the carrying charges of deferral, variance and construction work in progress (CWIP) accounts of natural gas utilities, electricity distributors and other rate-regulated entities.

**Question(s):**

- a) Please update Tab 3 (Continuity Schedule) as necessary to reflect the Q4 2024 OEB-prescribed interest rate of 4.40%.

**Response(s): HPDCL had updated the interest rates Tab 3 of the model filed with these responses.**

**Staff Question-3**

**Ref. 1: HPDCL 2025-IRM-Rate-Generator-Model 20241028, Tab 4 Billing Det. For Def-Var**

**Preamble:**

The blue shaded cells are drop-down input fields and have not been filled out by Hearst Power.

<p>Data on this worksheet has been populated using your most recent RRR filing.</p> <p>If you have identified any issues, please contact the OEB.</p> <p>Have you confirmed the accuracy of the data below?</p>	<input type="text"/>
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**Question(s):**

- a) Please fill out the details for the above fields.

**Response(s):**

**HPDCL has confirmed and updated the cell in question to reflect its confirmation of the RRR Filings used as inputs.**

#### Staff Question-4

#### Ref. 1: HPDCL 2025-IRM-Rate-Generator-Model 20241028, Tab 5 Allocating Def-Var Balances

#### Preamble:

In the Continuity schedule, there are three rows that reference 1580 Account.

Account Descriptions	Account Number	Total Claim
<b>Group 1 Accounts</b>		
LV Variance Account	1550	11,772
Smart Metering Entity Charge Variance Account	1551	(5,636)
RSVA - Wholesale Market Service Charge <sup>5</sup>	1580	(80,966)
Variance WMS – Sub-account CBR Class A <sup>5</sup>	1580	0
Variance WMS – Sub-account CBR Class B <sup>5</sup>	1580	4,891
RSVA - Retail Transmission Network Charge	1584	51,131
RSVA - Retail Transmission Connection Charge	1586	42,153
RSVA - Power <sup>4</sup>	1588	(137,750)
RSVA - Global Adjustment <sup>4</sup>	1589	(70,357)

During the Allocation of Balances on Tab 5, only the first amount of (80,966) has been taken into account and not the other amount of 4,891.

Rate Class	% of Total kWh	% of Customer Numbers **	% of Total kWh adjusted for WMP	1550	1551	1580
RESIDENTIAL SERVICE CLASSIFICATION	28.8%	84.5%	28.8%	3,395	(4,764)	(23,348)
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	13.4%	15.5%	13.4%	1,577	(872)	(10,844)
GENERAL SERVICE 50 TO 1,499 KW SERVICE CLASSIFICATION	31.4%	0.0%	31.4%	3,691	0	(25,388)
INTERMEDIATE USER SERVICE CLASSIFICATION	25.8%	0.0%	25.8%	3,037	0	(20,888)
SENTINEL LIGHTING SERVICE CLASSIFICATION	0.0%	0.0%	0.0%	1	0	(10)
STREET LIGHTING SERVICE CLASSIFICATION	0.6%	0.0%	0.6%	71	0	(488)
Total	100.0%	100.0%	100.0%	11,772	(5,636)	(80,966)

#### Question(s):

- Please update the 1580 allocation on Tab 5 to account for all three rows of balances from the Continuity Schedule. If not, please provide reasoning for why the amount of 4,891 was not included.

#### Response(s):

Tab 5 of the model serves as a calculation tab within the OEB model, rather than an input tab. If the data presented does not meet Board Staff's expectations, it may wish to consider adjusting the model as it sees fit.

**Staff Question-5**

**Ref. 1: HPDCL 2025-IRM-Rate-Generator-Model 20241028, Tab 8 STS Tax Change**

**Preamble:**

The values in the tab are to align with the previous cost of service<sup>1</sup> application. For Hearst Power, its last cost of service application was for the rebasing year of 2021.

**Question(s):**

- a) Please confirm the reason for the values not aligning with Hearst Power's last cost of service application.
- b) During the kick off meeting, Hearst Power indicated that there should be another tax rate applicable. Please provide what Hearst Power believes is the tax rate that should be applicable and provide reasoning for why this tax rate should apply.

**Response(s):**

- a) **Hearst confirms that the inputs are consistent with the 2021 cost of service. This alignment could have been easily verified by reviewing the 2022, 2023, and 2024 IRM filings as can be seen in the screenshots below.**

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<sup>1</sup> EB-2020-0027

## 2024 IRM Tab 8 STS – Tax Change

### Summary - Sharing of Tax Change Forecast Amounts

	2021	2024
OEB-Approved Rate Base	\$ 2,485,169	\$ 2,485,169
OEB-Approved Regulatory Taxable Income	\$ 46,130	\$ 46,130
Federal General Rate		15.0%
Federal Small Business Rate		9.0%
Federal Small Business Rate (calculated effective rate) <sup>1,2</sup>		9.0%
Ontario General Rate		11.5%
Ontario Small Business Rate		3.2%
Ontario Small Business Rate (calculated effective rate) <sup>1,2</sup>		3.2%
Federal Small Business Limit		\$ 500,000
Ontario Small Business Limit		\$ 500,000
Federal Taxes Payable		\$ 4,152
Provincial Taxes Payable		\$ 1,476
Federal Effective Tax Rate		9.0%
Provincial Effective Tax Rate		3.2%
Combined Effective Tax Rate	12.2%	12.2%
Total Income Taxes Payable	\$ 5,628	\$ 5,628
OEB-Approved Total Tax Credits (enter as positive number)	\$ -	\$ -
Income Tax Provision	\$ 5,628	\$ 5,628
Grossed-up Income Taxes	\$ 6,410	\$ 6,410
Incremental Grossed-up Tax Amount		\$ -
Sharing of Tax Amount (50%)		\$ -

## 2023 IRM Tab 8 STS – Tax Change

### Summary - Sharing of Tax Change Forecast Amounts

	2021	2023
OEB-Approved Rate Base	\$ 2,485,169	\$ 2,485,169
OEB-Approved Regulatory Taxable Income	\$ 46,130	\$ 46,130
Federal General Rate		15.0%
Federal Small Business Rate		9.0%
Federal Small Business Rate (calculated effective rate) <sup>1,2</sup>		9.0%
Ontario General Rate		11.5%
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Federal Small Business Limit		\$ 500,000
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Federal Taxes Payable		\$ 4,152
Provincial Taxes Payable		\$ 1,476
Federal Effective Tax Rate		9.0%
Provincial Effective Tax Rate		3.2%
Combined Effective Tax Rate	12.2%	12.2%
Total Income Taxes Payable	\$ 5,628	\$ 5,628
OEB-Approved Total Tax Credits (enter as positive number)	\$ -	\$ -
Income Tax Provision	\$ 5,628	\$ 5,628
Grossed-up Income Taxes	\$ 6,410	\$ 6,410
Incremental Grossed-up Tax Amount		\$ -
Sharing of Tax Amount (50%)		\$ -

## 2022 IRM Tab 8 STS – Tax Change

### Summary - Sharing of Tax Change Forecast Amounts

	2021	2022
<b>OEB-Approved Rate Base</b>	\$ 2,485,169	\$ 2,485,169
<b>OEB-Approved Regulatory Taxable Income</b>	\$ 46,130	\$ 46,130
Federal General Rate		15.0%
Federal Small Business Rate		9.0%
Federal Small Business Rate (calculated effective rate) <sup>1,2</sup>		9.0%
Ontario General Rate		11.5%
Ontario Small Business Rate		3.2%
Ontario Small Business Rate (calculated effective rate) <sup>1,2</sup>		3.2%
Federal Small Business Limit		\$ 500,000
Ontario Small Business Limit		\$ 500,000
Federal Taxes Payable		\$ 4,152
Provincial Taxes Payable		\$ 1,476
Federal Effective Tax Rate		9.0%
Provincial Effective Tax Rate		3.2%
Combined Effective Tax Rate	12.2%	12.2%
Total Income Taxes Payable	\$ 5,628	\$ 5,628
OEB-Approved Total Tax Credits (enter as positive number)	\$ -	\$ -
<b>Income Tax Provision</b>	\$ 5,628	\$ 5,628
<b>Grossed-up Income Taxes</b>	\$ 6,410	\$ 6,410
<b>Incremental Grossed-up Tax Amount</b>		\$ -
<b>Sharing of Tax Amount (50%)</b>		\$ -

- b) During the kick off meeting, Hearst indicated that it was subjected to a Minister of Finance tax audit in 2023 and the auditors determined that Hearst Power was not allowed to use the Small Business Tax Rate of 12.2% due to its association of its Shareholder. Therefore, the MOF retroactively applied a 26.5% tax rate since the year 2017 and the same rate will be applicable for all further years. Consequently, Hearst was asking the OEB if there was a way to adjust the model in order to reflect the actual tax rate. On October 21, 2024, Hearst reached out to the OEB for further information. The response from Staff is reproduced below.

----- Forwarded message -----

From: Urooj Iqbal <[Urooj.Iqbal@oeb.ca](mailto:Urooj.Iqbal@oeb.ca)>

Date: Thu, Oct 24, 2024, 2:30 p.m.

Subject: RE: Hearst Power 2025 IRM Model

To: Tandem Energy Services <[manuela@tandemenergyservices.ca](mailto:manuela@tandemenergyservices.ca)>

Cc: David Martinello <[David.Martinello@oeb.ca](mailto:David.Martinello@oeb.ca)>, ratemodels <[ratemodels@oeb.ca](mailto:ratemodels@oeb.ca)>, Helena Wang <[Helena.Wang@oeb.ca](mailto:Helena.Wang@oeb.ca)>

Good afternoon, Manuela,

Regarding the email chain below, OEB staff notes that the **tax** rate change for Hearst does not appear to be due to legislated changes in **tax** rules, based on current available information. As outlined in Section 3.2.8, "**Tax** Changes," of the Chapter 3 Filing Requirements for the 2025 IRM applications, the 50/50 sharing of the impact of legislated **tax** changes from a distributor's **tax** rates embedded in its OEB-approved base rates will be reported in Tabs 8 and 9 of the Rate Generator model, if applicable. However, these tabs are not intended for reconciling the actual effective **tax** rate or the actual PILs paid.

To gain a clearer understanding of your request and the reasons Hearst was placed in a different **tax** bracket following the audit by the Ministry of Finance, I will schedule a meeting between OEB staff members and you early next week to discuss the specifics.

Feel free to reach out if you have any concerns or questions.

Thank you,

**Urooj Iqbal**

Advisor, Incentive Rate-Setting Mechanism

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**Staff Question-6**

**Ref. 1: HPDCL 2025-IRM-Rate-Generator-Model 20241028, Tab 12 RTSR – Historical Wholesale**

**Preamble:**

The values for the “Rate” column do not align with the Historical Uniform Transmission Rates (UTRs).

IESO Month	Network			Line Connection			Transformation Connection		
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount
January	4,888	\$4.48	\$ 21,918	4,888	\$0.85	\$ 4,161	4,888	\$2.87	14,021
February	4,777	\$4.55	\$ 21,745	4,777	\$0.88	\$ 4,216	4,777	\$2.97	14,207
March	4,818	\$4.50	\$ 21,661	4,818	\$0.87	\$ 4,187	4,818	\$2.93	14,108
April	4,885	\$4.93	\$ 24,091	4,885	\$0.89	\$ 4,330	4,885	\$2.99	14,589
May	4,718	\$4.53	\$ 21,375	4,718	\$0.88	\$ 4,131	4,718	\$2.95	13,919
June	4,168	\$4.76	\$ 19,818	4,168	\$0.94	\$ 3,908	4,168	\$3.16	13,169
July	4,423	\$4.38	\$ 19,376	4,423	\$0.85	\$ 3,744	4,423	\$2.85	12,617
August	4,390	\$3.93	\$ 17,253	4,390	\$0.78	\$ 3,431	4,390	\$2.66	11,682
September	4,288	\$4.23	\$ 18,129	4,288	\$0.85	\$ 3,632	4,288	\$2.87	12,298
October	4,594	\$4.23	\$ 19,450	4,594	\$0.84	\$ 3,859	4,594	\$2.84	13,067
November	4,928	\$4.25	\$ 20,922	4,928	\$0.82	\$ 4,060	4,928	\$2.79	13,750
December	5,541	\$3.90	\$ 21,614	5,541	\$0.76	\$ 4,221	5,541	\$2.58	14,295
<b>Total</b>	<b>56,419</b>	<b>\$ 4.38</b>	<b>\$ 247,353</b>	<b>56,419</b>	<b>\$ 0.85</b>	<b>\$ 47,881</b>	<b>56,419</b>	<b>\$ 2.87</b>	<b>\$ 161,723</b>

**Question(s):**

- a) Please explain the discrepancy between the historical and what is reported in Tab 12.

**Response(s):**

- a) The model was updated with the appropriate rates.

## Staff Question-7

### Ref. 1: HPDCL 2025-IRM-Rate-Generator-Model 20241028, Tabs 11, 15, and 20

#### Preamble:

On November 1, 2024, the OEB issued a letter regarding 2025 Preliminary UTRs and Hydro One Sub-Transmission Rates. The OEB determined to use preliminary UTRs to calculate 2025 Retail Service Transmission rates (RTSR) to improve regulatory efficiency, allowing for this data to feed into the rate applications including annual updates for electricity distributors on a timelier basis. The OEB also directed distributors to update their 2025 application with Hydro One Networks Inc.'s proposed host RTSRs. Any further updates to Hydro One's proposed host RTSR will be reflected in the final Rate Generator Model.

On November 19, 2024, the OEB issued a letter outlining that the fixed microFIT Generator Service Classification charge (microFIT charge) would be increased from \$4.55 to \$5.00 for the 2025 rate year.

OEB staff has updated Hearst Power's Rate Generator Model with the preliminary UTRs, proposed host RTSR for Hydro One, and microFIT charge as follows:

#### UTRs

Uniform Transmission Rates	Unit	2023 Jan to Jun		2023 Jul to Dec		2024 Jan to Jun		2024 Jul to Dec		2025
Rate Description		Rate				Rate				Rate
Network Service Rate	kW	\$	5.60	\$	5.37	\$	5.78	\$	6.12	\$ 6.25
Line Connection Service Rate	kW	\$	0.92	\$	0.88	\$	0.95	\$	0.95	\$ 1.00
Transformation Connection Service Rate	kW	\$	3.10	\$	2.98	\$	3.21	\$	3.21	\$ 3.39

#### Hydro One Sub-Transmission Rates

Hydro One Sub-Transmission Rates		Unit		2023		2024		2025	
Rate Description				Rate		Rate		Rate	
Network Service Rate	kW	\$		4.6545	\$	4.9103	\$	5.2172	
Line Connection Service Rate	kW	\$		0.6056	\$	0.6537	\$	0.6537	
Transformation Connection Service Rate	kW	\$		2.8924	\$	3.3041	\$	3.3041	
Both Line and Transformation Connection Service Rate	kW	\$		3.4980	\$	3.9578	\$	3.9578	

#### microFIT Charge

Rate Class	Current MFC	MFC Adjustment from R/C Model	Current Volumetric Charge	DVR Adjustment from R/C Model	Price Cap Index to be Applied to MFC and DVR	Proposed MFC	Proposed Volumetric Charge
RESIDENTIAL SERVICE CLASSIFICATION	26.8				3.60%	27.76	0.0000
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	27.71		0.0102		3.60%	28.71	0.0106
GENERAL SERVICE 50 TO 2,999 KW SERVICE CLASSIFICATION	100.83		4.0251		3.60%	104.46	4.1700
GENERAL SERVICE 3,000 TO 4,999 KW SERVICE CLASSIFICATION	6037.86		2.235		3.60%	6,255.22	2.3155
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	10.76		0.016		3.60%	11.15	0.0166
SENTINEL LIGHTING SERVICE CLASSIFICATION	6.49		14.7818		3.60%	6.72	15.3139
STREET LIGHTING SERVICE CLASSIFICATION	2.04		5.3511		3.60%	2.11	5.5437
microFIT SERVICE CLASSIFICATION	4.55					5.00	

#### Question(s):

- a) Please confirm the accuracy of the Rate Generator Model updates, as well as the accuracy of the resulting RTSRs following these updates.

**Response(s):**

- a) Hearst has updated the STRs to reflect the Hydro One December 19, 2024, Decision (EB-2024-0032).

Hydro One Sub-Transmission Rates	Unit	2025
Rate Description		Rate
Network Service Rate	kW	\$5.3280
Line Connection Service Rate	kW	\$0.6882
Transformation Connection Service Rate	kW	\$3.4894
Both Line and Transformation Connection Service Rate	kW	\$4.1776

**Staff Question-8**

**Ref. 1: HPDCL 2025-IRM-Rate-Generator-Model 20241028, Tab 16.1 LV Expense**

**Preamble:**

For “Deferred Tax Fixed” and “Deferred Tax Var”, no values have been provided for the months of July to December.

**Question(s):**

- a) Please confirm that this is accurate. If not, please update the Rate Generator Model, as necessary, and provide commentary for the updates made.

**Response(s):**

- a) For “Deferred Tax Fixed” and “Deferred Tax Var”, no amounts were charged from Hydro One to Hearst Power for the months of July to December 2023, therefore, there are no change necessary for this matter.

## Staff Question-9

### Ref. 1: HPDCL 2025-IRM-Rate-Generator-Model 20241028, Tabs 18 and 21

#### Preamble:

On October 18, 2024 the OEB issued a letter regarding updated Regulated Price Plan (RPP) prices effective as of November 1, 2024. Also, effective November 1, 2024, the Ontario government's Ontario Electricity Rebate (OER) was changed to 13.1%.

On December 10, 2024, the OEB set its new Rural or Remote Rate Protection (RRRP) rate. There was no changes to the Wholesale Market Service rate and the RRRP rate was updated to \$0.0015 kWh.

OEB staff has updated Hearst Power's Rate Generator Model with the updated RRRP, RPP, and OER values as follows:

#### Regulatory Charges

Effective Date of Regulatory Charges		January 1, 2024	January 1, 2025
Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$/kWh	0.25	0.25

#### Time-of-Use RPP Prices and Percentages

As of	November 1, 2024		
Off-Peak	\$/kWh	0.0760	64%
Mid-Peak	\$/kWh	0.1220	18%
On-Peak	\$/kWh	0.1580	18%

#### Ontario Electricity Rebate (OER)

Ontario Electricity Rebate (OER)	\$	13.10%
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#### Question(s):

- Please confirm the accuracy of the Rate Generator Model updates for the RRRP, RPP, and OER values.

**b) Confirmed**

**Staff Question-10**

**Ref. 1: HPDCL 2025 IRM Manager Summary 20241028, p. 11**

**Preamble:**

Under the Low Voltage Rate section, Hearst Power states “The following tables show five historical years of actual charges from Hydro One....”.

OEB staff notes that only one table is provided, and there are no other tables detailing the five historical years of actual charges.

**Question(s):**

- a) Please provide tables detailing the five historical years of actual charges from Hydro One. Within each table, please provide the actual charge for each month and a total charge for each value (i.e., like the format currently provided in Table 4 on p. 11 of the Manager’s Summary).

**Response(s):**

**While the Chapter 3 filing requirements do not explicitly mandate providing a monthly breakdown of charges for the past five historical years, Hearst Power acknowledges the need to ensure clarity and transparency. The filing requirements specifically call for the “*presentation of actual Low Voltage (LV) costs for the last five years, accompanied by year-over-year variances and explanations for any significant changes.*”**

**To specifically address the Board Staff’s request, Hearst Power has included a summary of yearly totals and year-over-year variances below. Additionally, to provide further detail and go beyond the standard filing requirements, Hearst Power has prepared an attached spreadsheet (H1 Low Voltage Charges – 5 years history). This spreadsheet includes tabs with detailed tables showing the requested monthly breakdowns and total charges for each year, formatted similarly to Table 4 on page 11 of the Manager’s Summary.**

**Please note that adjustments have been made to the 2023 values, as the "Total Charges" were previously entered incorrectly in the "Rate" column. These corrections ensure the accuracy of the provided data.**

**Host I: (Hydro One)**

	2019	2020	2021	2022	2023
Host Charges	162,213	168,767	182,003	197,466	174,867
YoY Variance		4.0%	7.8%	8.5%	-11.4%

**Host II: (if applicable)**

**Host Charges**

YoY Variance

**Staff Question-11**

**Ref. 1: 2025 GA Analysis Workform, Account 1588 Tab**

**Ref. 2: HPDCL 2025-IRM-Rate-Generator-Model 20241028, Tab 3, Continuity Schedule**

**Preamble:**

In Reference 1, the total transaction reported for 2023 is a debit balance of \$124,839. This amount represents 2.7% of the cost of power purchased. Hearst Power states that the supply facility loss factor (SFLF) approved in its 2021 cost of service proceeding is overstated. Hearst Power further states "In EB-2020-007, the Board approved line loss was set at 5.98% but when considering the actual SFLF paid to Hydro One, it should have represented 4.60%".

OEB staff notes that the total activity reported for 2023 in Reference 2 is a credit balance of \$124,839.

**Question(s):**

- a) Please confirm the total transaction amount for 2023 and update the applicable model accordingly.

**Response(s):**

**The total transaction amount for 2023 is confirmed. A detailed breakdown is provided in the document titled "Hearst Power Line Loss Analysis\_rv Jessy\_Jan 8, 2025", specifically in the tab labeled "Monthly RSVA Variance".**

- b) Please complete and file the attached Line Loss Analysis worksheet to provide more information on the impact of the overstated line loss on Account 1588. OEB staff has prepared the worksheet based on Hearst Power's statement that the actual SFLF paid to Hydro One is 4.6%.

**Response(s):**

**Hearst Power has reviewed the provided Line Loss Analysis worksheet and identified significant limitations in its design. The worksheet, as presented, is overly simplified and omits critical considerations necessary for a reliable analysis. Specifically:**

- **It does not account for the SFLF paid to both Hydro One and the IESO.**

- It does not incorporate dates, hourly HOEP rates, or kWh quantities, which are essential for an accurate calculation.
- It does not differentiate between the loss factors applied to primary-metered customers (4.94%) and secondary-metered customers (5.98%), relying solely on the latter.
- It also fails to reflect the General Service (GA) Non-RPP portion transferred to the cost of power.

To address these deficiencies, Hearst Power has prepared a comprehensive analysis using a modified version of the OEB's template. The updated calculations, including all relevant inputs and factors, are available in the spreadsheet titled "Hearst Power Line Loss Analysis\_rv Jessy Jan 8, 2025", under the tab labeled "Hearst Power Copy OEB Template". This file provides revised representation of requested OEB tables and the impact of the overstated line loss on Account 1588, but not fully including the 4 considerations above.

#### **Staff Question-12**

**Ref. 1: 2025 GA Analysis Workform, GA 2023 Tab**

**Ref. 2: 2024 GA Analysis Workform, GA 2022 Tab**

#### **Preamble:**

In Reference 2, Hearst Power reported a debit of \$10,952 for the difference between the retail Global Adjustment (GA) price billed and the wholesale GA actual price paid to IESO.

OEB staff observes that there is no variance reported in Reference 1 for 2023.

#### **Question(s):**

- a) Please explain why there is no amount reported in 2023 for the difference between the retail GA price billed and the wholesale GA actual price paid.

#### **Response(s):**

**The 2025 GA Analysis Workform has been revised to address the issue. Previously, an incorrect set of values was used. Specifically:**

- The "Retail vs Wholesale Volume Variance" was erroneously included and has now been removed.



- The correct value, “Retail GA Price Billed vs Wholesale GA Actual Price Paid to IESO”, has been inserted, consistent with the methodology applied in previous years.

This adjustment ensures alignment with the intended reporting standards. It is worth noting that, while this value has been reported in Box 8 of Note 5, it could alternatively have been reported in Box 6 under “Difference in GA IESO Posted Rate and Rate Charged on IESO Invoice”. Both placements are valid depending on the interpretation of the workform’s requirements.

**Staff Question-13**

**Ref. 1: 2025 GA Analysis Workform, GA 2023 Tab**

**Preamble:**

In Reference 1, Hearst Power reported a debit of \$38,794 for the difference between the retail and the wholesale GA volume (UFE differences) in Note 5.

**Question(s):**

- a) Please explain in detail why the retail vs. wholesale volume variance is included in the table to reconcile with the expected GA variance, given that the expected GA variance is comprised of price and volume variances.

**Response(s):**

**Same as previous answer.**

**The 2025 GA Analysis Workform has been revised. The incorrect set of values was used → “Retail vs Wholesale Volume Variance” was removed; and “Retail GA Price Billed vs Wholesale GA Actual Price paid to IESO” was inserted, same as previous years. Instead of being reported in box 8 of Note 5, this value could have also been reported in the box 6 under “Difference in GA IESO posted rate and rate charged on IESO invoice”**