PUBLIC INTEREST ADVOCACY CENTRE
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May 23, 2025 **VIA E-MAIL**

Ms. Nancy Marconi
Registrar (registrar@oeb.ca)
Ontario Energy Board
Toronto, ON

Dear Ms. Marconi:

Re: EB-2024-0026 Greater Sudbury Hydro Inc. (GSHI)
Phase 2 OPEB Transition
Interrogatories 2 of the Vulnerable Energy Consumers Coalition (VECC)

Please find attached the revised interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

Mark C. Garner
Digitally signed by Mark C. Garner
Date: 2025.05.23 12:40:50 -04'00'

Mark Garner
Consultants for VECC/PIAC

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REQUESTOR NAME	**VECC**
TO:	**Greater Sudbury Hydro Inc. (or GSHi)**
DATE:	**May 23, 2025**
CASE NO:	**EB-2024-0026**
APPLICATION NAME	**2025 Cost of Service Rate Application Phase 2 OPEB Transition**

Supplementary Evidence May 9, 2025

(Numbering continues from VECC's Phase 1 interrogatories)

S-VECC-49
Reference: OPEB Supplemental Evidence Ilustrative Example

a) Please define and explain what is entailed in the types of each valuation listed: i.e. Full Valuation Update, Projection Used, Extrapolation Updated – Discount rate.

b) Please explain how the "Actual PV DBO at End of Year" is calculated and specifically for each variable in the calculation how it is different from the variable used to calculated the "Expected PV DBO at End of Year."

S-VECC-50
Reference: OPEB Supplemental Evidence, Appendix E

"*GSHi follows the same methodology that the OEB approved for Enbridge. GSHi is proposing for disposition the actuarially determined OPEB liability as of December 31, 2019, recorded in the OPEB Cash-to-Accrual Transitional Amount deferral account. This balance represents the cumulative shortfall that arose while GSHi recovered OPEB costs on a cash basis—exactly what Enbridge captured in its unamortized transitional obligation dated December 31, 2010*."

a) Please provide data in the form (attached for reference) completed by EGI in the proceeding that GHSI is relying upon. Update for the form for the dates proposed by GHSi

S-VECC-51
Reference: OPEB Supplemental Evidence, OEB Decision with Reasons, EB-1999-0034,

Board Findings
3.3.32 The Board concludes that transitional costs should be classified into two categories. The first category is costs related to corporate reorganization and to the transfer by-law whereby the municipal corporation acquires the assets of the municipal electric utility. The second is costs related to the business reengineering

of the incorporated distribution company to conform to the new business orientation and requirements of a "wires only" company.

Decision with Reasons, EB-1999-0034, January 18, 2000, page 34

a) Please provide the OEB reporting of OPEB transition costs which occurred on the incorporation of Sudbury Hydro.

S-VECC-52
Reference: OPEB Supplemental Evidence/ Enbridge Gas Distribution EB-2011-0354, Exhibit A2, Tab 3, Schedule 1, pages 2-3

"*In 2001, Enbridge first disclosed in its financial statements the unrecorded accrued OPEB liability. The OPEB liability balance at September 30, 2001 was approximately $55 million (excluding the impact of the Transitional Obligation noted in paragraph 10), which was the first year-end in which the new provisions were applicable. See Appendix 2 for a historical continuity of the OPEB liability from 2001 to 2010*."

a) Please provide the financial statements which first disclosed the unrecorded accrued OPEB liability of $6,491,000.
b) Please provide the first regulatory filing informing the Board of the future liability it was seeking to recover.
c) Did GHSi seek a regulatory deferral account at the time it recognized the liability? If not, why not?

S-VECC-53
Reference: OPEB Supplemental Evidence, OEB Decision with Reasons, EB-1999-0034,

Board Findings
3.3.32 The Board concludes that transitional costs should be classified into two categories. The first category is costs related to corporate reorganization and to the transfer by-law whereby the municipal corporation acquires the assets of the municipal electric utility. The second is costs related to the business reengineering of the incorporated distribution company to conform to the new business orientation and requirements of a "wires only" company.

Decision with Reasons, EB-1999-0034, January 18, 2000, page 34

d) Please provide the OEB reporting of OPEB transition costs which occurred on the incorporation of Sudbury Hydro.

S-VECC-54
Reference: Exhibit 9, Tab 1, Schedule 1, page 11 /OPEB Supplemental Evidence

"*This OPEB Transition Balance is comprised of an audited opening balance of 5 $16,109,318 for GSHi and an allocated balance for Greater Sudbury Hydro Plus Inc. of 6 $3,066,706 summing to a sub-total balance of $19,176,084*"

a) Please explain why pension related costs of affiliates of Greater Sudbury Hydro are properly recouped from utility ratepayers.

b) Please provide the affiliate agreements which support the post payment of pension liabilities for affiliates providing services to the regulated utility.

c) Does GSHi provide pension payments to non-related contractors?

d) Please recalculate Options A and B removing any affiliate related OPEB liabilities

S-VECC-55
Reference: OPEB Supplemental Evidence Ilustrative Example/ Enbridge Gas Distribution EB-2011-0354, Exhibit A2, Tab 3, Schedule 1, page 12-

35. An amortization period alternative would be the current expected average remaining service life of employees of 12.7 years (rounded to 13 years). Alternatively, an option would be to amortize over the amortization period of 15 years , which was utilized for the amortization of the Transitional Obligation originating in 2000. When Union Gas and Newfoundland Power converted from cash to accrual basis, they utilized amortization periods of 17 and 15 years respectively.

36. Enbridge is of the view that a 15 year amortization period is reasonable because it prevents rate shock, similar to length as other utilities who converted to the accrual method and is similar to the expected average remaining service life of employees.

a) Please explain the rationale for the amortization period proposed by GHSi for recovery of the proposed debit and credit to customers.

b) Please explain the rationale for offsetting the debit to customers with the credit ($7,218,181). For example, why is not more appropriate to provide the credit to customers immediately and recover the debit over a different (longer) period?

Enbridge Distribution EB-2011-0354 Table attached

Appendix 2
Enbridge Gas Distribution Inc.
Continuity Schedule of the OPEB Funded Status
(in millions) (see Note 1)

	A	B	C	D	E	F	G	H	I	J	K	L
	30-Sep-01	**30-Sep-02**	**30-Sep-03**	**31-Dec-04**	**31-Dec-05**	**31-Dec-06**	**31-Dec-07**	**30-Dec-08**	**30-Dec-09**	**30-Dec-10**	**30-Dec-09**	**30-Dec-10**
Change in Accrued Benefit Obligation												
Benefit obligation at beginning of year	50.40	54.80	59.60	62.60	72.00	89.10	95.00	99.50	83.20	81	77	74
Service cost	1.00	1.10	1.50	1.00	1.20	1.60	1.60	1.50	1.20	1	1	1
Interest Cost	3.50	3.80	4.40	3.80	4.50	4.60	4.90	5.60	5.40	5	5	5
Actuarial loss/(gain) and other adjustments	2.00	2.10	(5.70)	9.20	13.90	2.30	0.80	(20.30)	(5.80)	4	(6)	4
Benefits paid	(2.10)	(2.20)	(2.40)	(2.40)	(2.50)	(2.60)	(2.80)	(3.30)	(3.50)	(3)	(3)	(3)
Net transfer in/(out)										(2)		(2)
Adjustment due to change in measurement date								0.20		1		1
Plan amendments				(2.20)								
Employees transferred back to the Company			5.20									
Benefit obligation at end of year	54.80	59.60	62.60	72.00	89.10	95.00	99.50	83.20	80.50	87	74	80
Change in Plan Assets												
Fair value of plan assets at beginning of year	-	-	-	-	-	-	-	-	-	-	-	-
Employer's contributions	2.10	2.20	2.40	2.40	2.50	2.60	2.80	3.30	3.50	7	3	3
Benefits paid	(2.10)	(2.20)	(2.40)	(2.40)	(2.50)	(2.60)	(2.80)	(3.30)	(3.50)	(3)	(3)	(3)
Net transfer in												
Fair value of plan assets at end of year	-	-	-	-	-	-	-	-	-	4	-	-
Funded Status												
Benefit obligation	(54.80)	(59.60)	(62.60)	(72.00)	(89.10)	(95.00)	(99.50)	(83.20)	(80.50)	(87)	(74)	(80)
Fair value of plan assets	-	-	-	-	-	-	-	-	-	4	-	-
Overfunded/(Underfunded) status at end of year	(54.80)	(59.60)	(62.60)	(72.00)	(89.10)	(95.00)	(99.50)	(83.20)	(80.50)	(83)	(74)	(80)
Contribution after measurement date				0.60	0.60	0.70	0.70	0.80	0.80		1	
Unamortized prior service cost							(0.70)	(0.60)				
Unamortized net actuarial loss/(gain)	2.00	4.00	(0.50)	8.70	22.40	23.20	18.90	(2.40)	(8.50)	(4)	(9)	(4)
Unamortized transitional (asset)/obligation	47.10	43.70	42.40	34.90	31.70	28.50	24.90	21.80	18.70	16	19	16
Net Amount Recognized on the Balance Sheet	(5.70)	(11.90)	(20.70)	(27.80)	(34.40)	(42.60)	(55.70)	(63.60)	(69.50)	(71)	(63)	(68)

Note 1: amounts in columns A through to J are from Enbridge's consolidated external financial statements, which include amounts from St. Lawrence Gas, a wholly owned subsidiary.
The balances in columns K and L presents the 2009 and 2010 results excluding the impact of St. Lawrence Gas.