Ontario Energy Board | Commission de l'énergie de l'Ontario

BY EMAIL

July 11, 2025

Ritchie Murray
Acting Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Registrar@oeb.ca

Dear Mr. Murray:

Re: Ontario Energy Board (OEB) Staff Submission
Greater Sudbury Hydro Inc.
2025 Cost of Service Application
OEB File Number: EB-2024-0026

Please find attached OEB staff's submission in the above referenced proceeding, pursuant to Procedural Order No. 4.

Yours truly,

Georgette Vlahos

Digitally signed by Georgette Vlahos
Date: 2025.07.11 13:30:12 -04'00'

Georgette Vlahos
Advisor – Electricity Distribution Rates

Encl.

cc: All Parties in EB-2024-0026

ONTARIO ENERGY BOARD

OEB Staff Submission

Greater Sudbury Hydro Inc.

Cost of Service Application

EB-2024-0026

July 11, 2025

1. Introduction and Overview

This is OEB staff's submission on the unsettled matters in Greater Sudbury Hydro's 2025 electricity distribution rates application (Application). The unsettled elements are part of Issue 6.1 of the OEB-approved issues list.[1] The unsettled elements outlined below are linked as both arise from Greater Sudbury Hydro's transition from cash-based accounting to accrual-based accounting for Other Post-Employment Benefits (OPEBs). The unsettled elements pertain to Account 1508, Sub-Account OPEB Cash to Accrual Transitional Amount and Account 1508 – Sub-Account Actuarial Gains & Losses. Specifically, the following matters comprise the unsettled elements:

- The proposed recovery of $25,068,558 related to Account 1508 – Other Regulatory Assets, Sub-Account OPEB Cash to Accrual Transitional Amount, including the length of any disposition period.
- The proposed credit of ($6,881,814) related to disposition of Account 1508 – Other Regulatory Assets, Sub-Account OPEB Actuarial Gains & Losses, including the length of any disposition period.[2]

OEB staff makes this submission intending to assist the OEB in deciding upon the unsettled elements. OEB staff does not support the disposition of the noted accounts as proposed by Greater Sudbury Hydro. Further details of OEB staff's supported amounts are set out below.

[1] The Issues List approved in the OEB's Decision on Issues List, December 19, 2025.
[2] As per the EB-2024-0026 Cover Letter to Settlement Proposal, p. 2, these amounts were originally $26,089,910 and ($7,218,181), respectively. As part of Greater Sudbury Hydro's response to interrogatory SEC-31(g) on its supplemental OPEBs evidence (June 13, 2025), Greater Sudbury Hydro proposes a net $503,464 (pre-tax) downward adjustment to the claimed total combined amounts of the two deferral accounts in question to recognize work performed by Greater Sudbury Hydro employees for affiliates and third parties.

2. OEB Staff Submission on the Unsettled Matters

Background

As part of the current proceeding, Greater Sudbury Hydro is proposing the following:

- To dispose a debit balance of $25,068,558 in its OPEB Cash to Accrual Transitional Amount Deferral Account related to the transition from cash-based to accrual-based recovery of OPEBs in rates beginning in 2020. The OEB approved this account in Greater Sudbury Hydro's 2020 cost of service application
- To dispose a credit balance in its OPEB Actuarial Gains and Losses Account of $6,881,814 as of December 31, 2023
- To recover from its customers through rate riders over a ten-year period from May 1, 2026, to April 30, 2036, based on the netted debit amount of $18,186,744 from the above two requested amounts.

Greater Sudbury Hydro is proposing to recover the net resulting OPEBs amount over ten years, noting that this recovery period "strikes a practical balance between two OEB priorities: moderating annual bill impacts while avoiding an undue transfer of costs to future customers."[3] Further, Greater Sudbury Hydro proposes the rate riders be in effect from May 1, 2026, to April 30, 2036. This timing was proposed by Greater Sudbury Hydro in its Argument in Chief, noting that given the probable timing of any OEB decision with respect to the outstanding issues, this proposed start date would coincide with the implementation of Greater Sudbury Hydro's 2026 rates, avoiding a mid-year rate change related only to the proposed rider.[4]

Prior to May 1, 2020, Greater Sudbury Hydro recovered OPEBs on a cash basis. As part of Greater Sudbury Hydro's 2020 rebasing application,[5] the OEB approved changing the basis on which Greater Sudbury Hydro recovers OPEB costs in rates from the cash basis to the accrual basis of accounting. Two deferral accounts associated with OPEBs were also established:

> Account 1508 - Other Regulatory Assets, Sub-Account OPEB Cash to Accrual Transitional Amount (OPEB Transitional Amount DVA)
>
> Account 1508 - Other Regulatory Assets, Sub-Account OPEB Actuarial Gains & Losses.[6] (OPEB Actuarial Gains/Losses Variance Account)

The Accounting Order for OPEB Transitional Amount DVA states the following:

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[3] EB-2024-0026, Argument in Chief, June 27, 2025, p. 13
[4] Ibid, Footnote 3, p. 2
[5] EB-2019-0037
[6] These accounts were established to track i) the transition impact from cash to accrual accounting, and ii) actuarial gains and losses arising from the accrual basis of accounting for OPEBs.

> When transitioning between the cash and accrual method of accounting for OPEBs, the "*Report of the Ontario Energy Board – Regulatory Treatment of Pension and Other Post-employment Benefits (OPEBs) Costs*" dated September 14, 2017 speaks to calculating the amount that a regulated utility has already recovered from customers with regards to OPEBs in the rates charged to date, compared to what would have been collected in the rates had the newly approved method been in place since the beginning. This new account shall record the difference determined in performing the above calculation. GSHI will perform the above calculation before its next cost of service rate application.

The Accounting Order for the OPEB Actuarial Gains/Losses Variance Account states that the account is effective May 1, 2020, until such time as the effective date of the next cost of service rate application. In addition, the Accounting Order states that Greater Sudbury Hydro is to propose disposition in its next cost of service rate application, should the gains and losses that are tracked in this account not substantially offset over time.

OPEB Transitional Amount DVA

In the supplemental evidence provided in this proceeding, Greater Sudbury Hydro proposed three options for calculating the OPEB transitional amount. Each option reflects a different approach to calculating the OPEB transitional amount:

- Option A: This option is supported by Greater Sudbury Hydro and results in the proposed transitional balance of $19.18 million, before tax gross-up. The total difference of $19.18 million comprises three parts:
    1) the difference between OPEB on an accrued basis and OPEB on a cash basis from 2000 to 2019, with a total difference amounting to $10.28 million. Under this Option, actual cash payments have been consistently used as a baseline as a proxy for the forecasted cash amounts embedded in rates from 2000 to 2019;
    2) An initial recognition amount of $6.49 million in year 2000, representing the actuarially determined liability first booked on the utility's financial statements when the utility adopted accrual accounting for OPEBs for financial reporting purposes in October 2000;
    3) Actuarial gains/losses from 2000 to 2019, amounting to $2.41 million.
- Option B: adopts a blended method to determine the OPEB cash amount where, for the embedded in rates amounts, actual cash OPEB payments are used for 2000-2008, and from 2009-2019 forecast OPEB cash payments that were embedded in rates are used. Plus the same components of the initial recognition amount of $6.49 million and the actuarial gains/losses of $2.41 million. This option results in a transitional amount of $20.02 million, before tax gross-up.

- Option C: Greater Sudbury Hydro states that it cannot complete the calculation because the embedded in rates data from 2000-2008 is unavailable. Option C also includes the same components of the initial recognition amount of $6.49 million and the actuarial gains/losses of $2.41 million. The difference calculated for the OPEB cash vs. accrual basis from 2009 to 2019 results is $6.99 million. The total transitional amount when including the actuarial gains/losses and the initial recognition amount as in Option A and B results in $15.89 million, before tax gross-up.

Greater Sudbury Hydro supports Option A as the best balance of fairness, regulatory intent and evidentiary robustness.

First, it argues that Option A mitigates forecast risk because the utility absorbs the difference between any cash and accrued cost difference.

Second, it claims that Option A avoids a windfall or penalization to either ratepayers or the utility by using actual cash payments as a reasonable proxy for what was likely incurred and recovered.

Third, it states that Option A aligns with the actuarial snapshot taken as of December 31, 2019, by ensuring that the basis for the transitional amount calculation matches the same period used in the valuation of the OPEB liability.

Lastly, it asserts that Option A offers the most complete and auditable data, as actual cash payments are based on tangible financial records whereas accrual-based proxies for pre-2009 periods require more assumptions and reconstructions that are difficult to verify.[7]

In response to interrogatories, Greater Sudbury Hydro updated the transitional amount in Option A to remove a portion related to the external parties it serves, similar to how the unfunded OPEB liability associated with its affiliate, GSHPi, is allocated to GSHi.[8]

OPEB Actuarial Gains/Losses Variance Account

Greater Sudbury Hydro requests the disposition of a credit balance of $6,881,814 actuarial gains as at December 31, 2023 inclusive of PILs, that has accumulated since the 2020 transition to accrual accounting.[9] In its evidence and interrogatory responses, Greater Sudbury Hydro stated that the actuarial gains/losses amount booked in this account updated the OPEB liability using the up-to-date assumptions as at the end of 2023. Greater Sudbury Hydro states that "excluding the disposition of those actuarial gains and losses would, arguably, over-state the balance now sought for disposition and leave the recognized OPEB liability misaligned with expected future benefit

[7] OPEB Supplemental Evidence, p 17-18
[8] IRR SEC-31, part g
[9] OPEB Supplemental Evidence, p 10

payments."[10]

Greater Sudbury Hydro provides the following reasons for including the actuarial gains/losses: recognizes the economic and demographic conditions have evolved; keeps the recognized liability in line with the most current, realistic assumptions; disposes of the costs that would have been recorded each year had the revised assumptions been in place since the outset; avoids creating intergenerational inequity by disposing of historical gains and losses in a timely way.

Precedent Case Cited by Greater Sudbury Hydro

Greater Sudbury Hydro cites Enbridge Gas Distribution Inc.'s (Enbridge Gas) disposition of its own OPEB accounts[11] as its model in requesting the components that make up the overall disposition request. Greater Sudbury Hydro stated that it followed the identical methodology in proposing the actuarially determined OPEB liability as of December 31, 2019, along with PILS impact and offset by the actuarial gains and losses account.[12]

OEB's Policy for Pension and OPEB Costs

In September 2017, the OEB issued a Report of the OEB Regulatory Treatment of Pension and OPEB Costs (Report). The Report describes the policy of the OEB for the regulatory treatment of the cost of pension and OPEBs incurred by rate-regulated Ontario energy utilities as part of the overall compensation paid to their employees.

The Report established the accrual method as the most appropriate basis for the recovery of OPEB costs in rates and states that:

> Whatever the past trends, the utilities had and continue to have, significant control over the costs of their pension and OPEB plans: they design their compensation structure, negotiate collective bargaining agreements, and have input on the actuarial assumptions upon which the costs in the financial statements are based. Ratepayers are required to pay the rates the OEB approves based on a review of information filed by the utilities.[13]

The Report notes that "Regulations and requirements for OPEBs and unregistered pension plans are less rigorous than for registered pension plans. There is no legislative requirement imposed on plan administrators to ensure that these plans are adequately funded."[14] The Report further states that:

> The OEB will not prescribe a set-aside mechanism for OPEBs as part of this

[10] Ibid, p 12
[11] EB-2011-0354, Settlement Agreement, October 3, 2012
[12] OPEB Supplemental Evidence, p 27
[13] OPEB Report at p 10
[14] OPEB Report at p 14

> policy. However, the OEB expects that utilities will manage and accept the risks inherent in funding OPEB plans. Utilities have the responsibility to manage their cash flows over time. The OEB expects that utilities will not seek further recovery from ratepayers if their cash requirements exceed their accrual expense in the future.[15]

Regarding the actuarial gains/losses, the Report recognizes the different accounting treatment under various accounting standards such as US GAAP, IFRS and Accounting Standards for Private Enterprises. With regards to those utilities recovering their pension and OPEB costs on an accrual basis under IFRS, the Report states that they will not be able to dispose of any amounts pertaining to actuarial gains and losses because they will never form part of net income.[16]

Submission

<u>OPEB Transitional Amount DVA</u>

Regarding the OPEB transitional amount, OEB staff does not support a debit balance of $25,068,558 as proposed by Greater Sudbury Hydro, which corresponds to the amount of $19.18 million in Option A as proposed by Greater Sudbury Hydro in the supplemental evidence. OEB staff also does not support the calculated amounts in Option B and Option C (where Greater Sudbury Hydro did not complete the calculation due to the claimed lack of information). OEB staff is of the view that the cash vs. accrual difference for OPEB should be calculated the same as the first component of Option C: the differences between the accrual-based costs that are recorded in income (current service cost plus interest cost) and the forecasted cash costs that were embedded in rates from 2009 to 2019—these differences in the period from 2009 to 2019 amount to $6.99 million, before gross-up tax.

OEB staff notes that Greater Sudbury Hydro's three options for the calculated difference in the OPEB transitional amount comprise the following components:

- Component 1: Difference between the OPEB cost under the accrual basis and the OPEB cost under the cash basis from 2000 to 2019
- Component 2: Initial Recognition Amount at the beginning of year 2000
- Component 3: Annual Net Actuarial Gains or Losses from 2000 to 2019

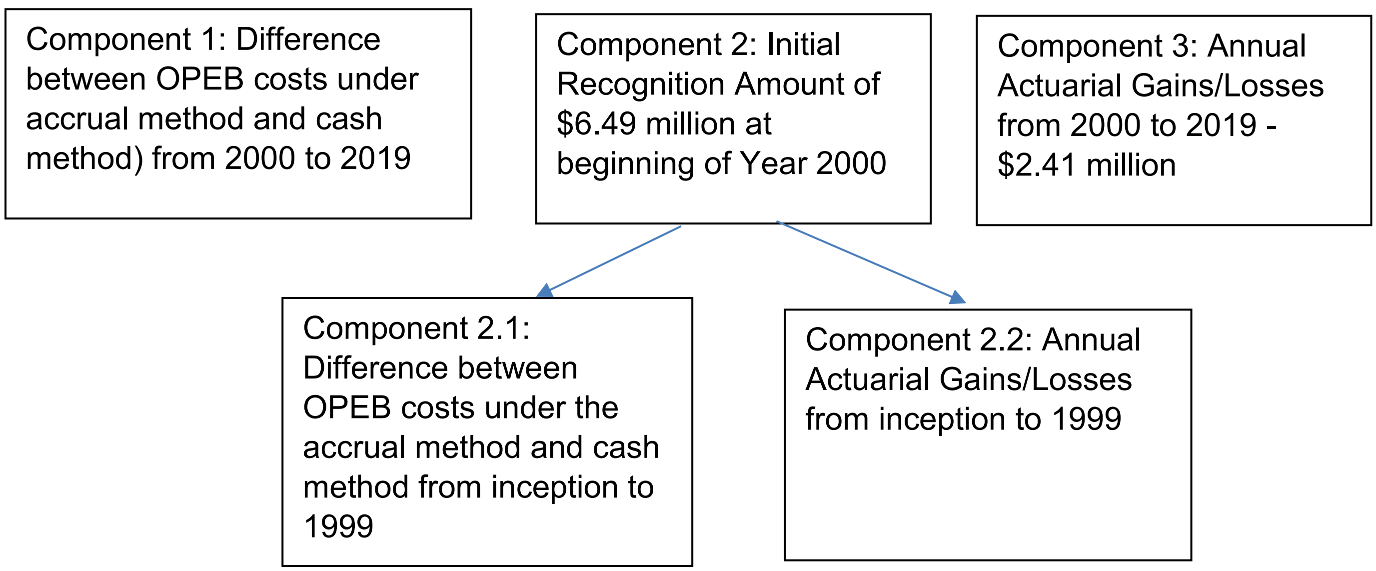
OEB staff notes that all three options contain components 2 and 3 in the same amounts. Regarding the initial recognition amount of $6.49 million, Greater Sudbury Hydro stated in the supplementary evidence that "in theory, one could reconstruct this figure year-by-year from the very first date on which OPEB benefits were offered and then roll it forward for the years from 2000 back to inception of OPEBs".[17] Based on this

[15] OPEB Report at p 14
[16] OPEB Report at p 12
[17] OPEB Supplemental evidence, p 16

explanation, OEB staff is of the view that component 2 can be further broken down into the difference between the OPEB cost under the accrual method and cash method since the inception of OPEB to the year 2000, and the annual actuarial gains/losses for the same period.

Figure 1 below illustrates the components of the OPEB transitional amounts proposed by Greater Sudbury Hydro:

Figure 1: Components of OPEB Transitional Amount as Proposed by Greater Sudbury Hydro



OEB staff notes from the above Figure that using Greater Sudbury Hydro's rationale, the OPEB transitional amount comes down to two components: 1) the difference between the OPEB costs under accrual method (current service cost plus interest cost) from inception to the end of 2019; 2) annual actuarial gains or losses from inception to the end of 2019.

OEB staff also notes that Great Sudbury Hydro has embedded the following two assumptions in deriving the proposed OPEB transitional amount in its three Options:

- Assumption 1: Actuarial gains/losses are an inherent part of OPEB cost and should be recovered by the utility through rates. This assumption is demonstrated by including actuarial gains/losses until 2019 under all three options for the calculation of OPEB transitional amount.

- Assumption 2: The utility needs to be kept "whole"[18] from the inception of OPEB. This assumption is demonstrated by including initial recognition amount of $6.49 million in its calculation of the OPEB transitional amount under all three Options.

OEB staff is of the view that neither of these two assumptions is appropriate. First, the OPEB transitional amount should not include the annual actuarial gains/losses for any period. The OEB's Report issued in 2017 notes that actuarial gains/losses under IFRS do not form part of income.[19] Hence, utilities reporting under IFRS should not dispose of any amounts related to actuarial gains or losses. Furthermore, OEB staff notes that even before adopting IFRS, when utilities were reporting under the previous Canadian GAAP, not all actuarial gains or losses were recognized as income for most utilities. Typically, the utilities under Canadian GAAP amortize the actuarial gains/losses using the corridor method and recognize only a portion of the gains/losses in their yearly income. As a result, the inclusion of $2.41 million annual net actuarial gains/losses from 2000 to 2019 is not appropriate. In addition, the actuarial gains/losses component within the initial recognition amount of $6.49 million is not appropriate.

Second, the assumption of including the difference from the inception of Greater Sudbury Hydro's OPEB costs is also not appropriate. Greater Sudbury Hydro, similar to any other distribution companies in Ontario, transitioned to the OEB's regulatory mechanism in 2000. OEB staff notes that there are no other electricity distribution companies having requested the OPEB cost recovery to keep them whole from inception. OEB staff further submits that the transitional account is not a mechanism to keep utilities whole. The OEB specifically did not prescribe a set-aside mechanism for OPEB as part of its 2017 Report. The OEB stated that it expects that utilities will manage and accept the risks inherent in funding OPEB plans and have the responsibility to manage their cash flows over time.[20]

Removing the annual actuarial gains/losses from Figure 1, the issue of the OPEB transitional amount becomes: what is the appropriate starting point for the OPEB cost differences between cash and accrual method (current service cost and interest cost) to determine the OPEB transitional amount? In other words, should Greater Sudbury Hydro's customers pay for the OPEB differences from inception, as proposed by Greater Sudbury Hydro, or should customers pay for the OPEB differences from 2009 when the utility first rebased its rates?

OEB staff is of the view that the starting point of the OPEB cost differences should be from 2009 when the utility first rebased its costs. As noted by Greater Sudbury Hydro, there were very limited increases in base rates prior to full rebasing for the 2009 Test Year, as well as a period of frozen rates at the direction of the Ontario Government. The

[18] "Keeps GSHi whole" - Supplemental Evidence, p 5; IRR Staff-3, part b; Argument in Chief, p 4
[19] OPEB Report at p 12
[20] OPEB Report at p 14

approved accounting order requires a comparison of the OPEB costs embedded in rates and the OPEB costs under accrual basis ‘since the beginning,’ which OEB staff interprets as the first year in which OPEBs were subject to full regulatory scrutiny. Prior to 2009, Greater Sudbury Hydro was under an incentive rate making or formula-based rate setting, which did not involve explicit review or approvals of OPEB components. OEB staff notes that the OEB had approved a revenue requirement for Greater Sudbury Hydro in its 2006 rate proceeding.[21] OEB staff would not object to the starting point of 2006 for the purpose of calculating the OPEB differences between cash and accrual amounts in the OPEB Transitional Amount DVA, if Greater Sudbury Hydro can provide references to the evidence from the 2006 proceeding as to what OPEB amount was approved as part of the revenue requirement. Otherwise, OEB staff would support the starting point for calculating the OPEB cost differences from 2009.

Allocation to Affiliates/Third Parties

In its interrogatory response and its Argument in Chief [22], Greater Sudbury Hydro stated that a portion of its internal labour relates to affiliate services and third-party work not recovered through rates, and as a result reduced the transitional balance by a 4.66% allocation factor. OEB staff does not have concerns with the allocation factor.

Conclusion

OEB staff submits that the OPEB transitional amount for Greater Sudbury Hydro should be calculated as follows:

1) Beginning from the year 2009 (alternatively, from 2006 if Greater Sudbury Hydro can provide references to the evidence regarding the OPEB amount included in its revenue requirement in the 2006 proceeding)
2) The difference in the period does not include the actuarial gains or losses; i.e., the difference only compares the OPEB’s accrued current service cost and interest cost on an annual basis for the period with what was embedded in rates under the cash method
3) Reduced by amounts related to its affiliates and third-party work which is not recovered through rates.

Using the above method, the OPEB transitional amount would be approximately $6.99 million and would be grossed up by PILs. OEB staff does not take issue with the PILs gross-up of the OPEB cost difference. OEB staff notes that if the starting point of year 2009 is established as the “beginning” year for the OPEB cost differences, the rationale provided by Greater Sudbury Hydro to support Option A is significantly weakened because there is no need to use any proxy for the OPEB cost embedded in rates.

[21] EB-2005-0370
[22] IRR SEC-31, Argument in Chief, p 7

OEB staff submits that the Enbridge example[23] cited by Greater Sudbury Hydro to support its proposed method is not an appropriate precedent because the Enbridge matter was addressed in a settlement agreement which took place before the OEB's 2017 Report was published. By contrast, Greater Sudbury Hydro is seeking approval to establish its OPEB accounts well after the OEB issued the 2017 Report, which was also referenced in the accounting order approved in Greater Sudbury Hydro's 2020 cost of service application.

OPEB Actuarial Gains/Losses Variance Account

OEB staff does not support the proposed disposition of a credit balance of $6,881,814 actuarial gains as at December 31, 2023 inclusive of PILs, that has accumulated since the 2020 transition to accrual accounting in OPEB actuarial gains/losses variance account because Greater Sudbury Hydro has not demonstrated that the actuarial gain accumulated in this account since 2020 would not substantially offset over time. Furthermore, OEB staff notes that the "netting" method used by Greater Sudbury Hydro (i.e. net the gain accumulated in this account to offset the OPEB transitional amount) is not appropriate. In OEB staff's view, there is no interconnection between this account and the OPEB transitional amount deferral account. OEB staff submits that the actuarial gain should continue to be tracked in the OPEB Actuarial Gains/Losses Variance Account and the review should be done in Greater Sudbury Hydro's next cost of service application for any potential disposition.

Since the year 2000, Greater Sudbury Hydro has experienced a range in actuarial gains and losses from a $5.91 million loss in 2007 to a $6.84 million gain in 2016.[24] In response to interrogatories, Greater Sudbury Hydro was not able to provide a forward-looking projection[25] that would suggest the gains in the account are enduring rather than temporary.

The OEB's 2017 Report states that:

> As of the date of this Report, one utility with this deferral account has had the account approved for disposition. Utilities may propose disposition of the account in future cost-based rate proceedings if the gains and losses that are tracked in this account do not substantially offset over time.[26]

OEB staff notes previous decisions where a utility's OPEB actuarial gains/losses account has been held as a tracking account because actuarial gains and losses are expected to offset over time: Niagara Peninsula Energy[27] and Hydro Ottawa[28]. Notably,

[23] EB-2011-0354, Settlement Agreement, October 3, 2012
[24] OPEB Supplemental Evidence, GSHI_OPEB_Appendices, column "annual net (gain) or loss" in Appendix A, B and C
[25] IRR Staff-7, part b
[26] OPEB Report at p 13
[27] EB-2020-0040, IRR 9-Staff-89
[28] EB-2019-0261, OEB Staff Submission, Issue 8.2

in Hydro Ottawa's 2021 Custom IR application, OEB staff supported a disposition of its Actuarial Gains/Losses account of $4.4 million as it reversed the impact of a previously approved disposition in its 2016 cost of service application of the same $4.4 million. Hydro Ottawa explained that the rationale for giving back to customers the same amount that was approved for collection in the previous application was that the customers should not pay for the amount when the actuarial gains and losses continue to fluctuate over time.[29] OEB staff also supported Hydro Ottawa's proposed use of the account as a tracking account going forward.

Bill Impacts, Rate Riders and Disposition Period

As noted previously, Greater Sudbury Hydro proposes that the disposition of any OPEBs rate riders begin on May 1, 2026 for a period of ten years. OEB staff does not take issue with a commencement date of May 1, 2026, should the OEB approve any OPEBs-related amounts for recovery. OEB staff agrees with Greater Sudbury Hydro that this proposed start date would avoid a mid-year rate change related solely to the proposed OPEBs rate riders.

OEB staff notes that the Accounting Order for the OPEB Actuarial Gains/Losses Account and OPEB Cash to Accrual Transitional Amount do not include sub-accounts for carrying charges. As such, OEB staff's view is that the disposition amount approved in this proceeding would be the final amount and the calculation of the final riders can also be done in the current proceeding.

OEB staff submits that as part of its reply submission, Greater Sudbury Hydro should provide updated bill impacts of the outstanding OPEBs matters for several reasons.

First, as part of its interrogatory responses on its supplemental evidence, Greater Sudbury Hydro confirmed that the OPEBs rate riders as provided in its application need to be recalculated to reflect the OEB-approved 2025 distribution revenue before a final rate order is issued.[30]

Second, Greater Sudbury Hydro updated the OPEBs related amounts it proposes to recover as part of its responses to interrogatories on its supplemental evidence.[31] As such, updated rate riders should be calculated based on these amounts.

Third, in OEB staff's view, since Greater Sudbury Hydro's May 1, 2025 rates are already in effect as per the OEB's May 8, 2025 Interim Rate Order, any updated bill impact scenario should show the associated impacts of any new OPEB's-related riders being implemented going forward (i.e., as compared to Greater Sudbury's Hydro's now approved May 1, 2025 rates).

[29] EB-2019-0261, Technical Conference Transcript, July 15, page 38
[30] IRR Staff 8
[31] IRR SEC-31(g)

As part of its reply submission, OEB staff suggest that Greater Sudbury Hydro file updated bill impacts for its proposal (i.e., ten-year disposition period, net disposition of approximately $18.2M) based on updated rate rider calculations.

Further, as part of its reply submission, Greater Sudbury Hydro should file bill impacts for Greater Sudbury Hydro's rate classes based on OEB staff's supported disposition of approximately $9.5M ($6.998 million plus the grossed-up PILs which is to be confirmed by Greater Sudbury Hydro). OEB staff is of the view that Greater Sudbury Hydro should propose a disposition period for this scenario with supporting rationale and detailed bill impacts calculations, and in consideration of the OEB's mitigation policy, and intergenerational inequity concerns. OEB staff request this information in the event that the OEB agrees with OEB staff's position as outlined in this submission.

If Greater Sudbury Hydro provides the scenarios outlined above, OEB staff submit that Greater Sudbury Hydro should utilize the OEB's Tariff Schedule and Bill Impact Model in filing these respective scenarios.

Ultimately, OEB staff is of the view that the decision on an appropriate disposition period depends on the quantum of OPEBs recovery approved by the OEB, if any. OEB staff is of the view that an appropriate disposition period can be determined by the OEB through a draft rate order process, if deemed necessary.

~All of which is respectfully submitted~