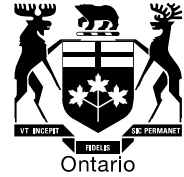


**Ontario Energy Board**  
P.O. Box 2319  
27th. Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416-481-1967  
Facsimile: 416-440-7656  
Toll free: 1-888-632-6273

**Commission de l'énergie de l'Ontario**  
C.P. 2319  
27e étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
Téléphone: 416-481-1967  
Télécopieur: 416-440-7656  
Numéro sans frais: 1-888-632-6273



**BY EMAIL**

January 20, 2010

Ontario Energy Board  
P.O. Box 2319  
27th Floor  
2300 Yonge Street  
Toronto ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Middlesex Power Distribution Corporation - Newbury  
2011 IRM2 Distribution Rate Application  
Board Staff Submission  
Board File No. EB-2010-0275**

In accordance with the Notice of Application and Written Hearing, please find attached the Board Staff Submission in the above proceeding. Please forward the following to Middlesex Power Distribution Corporation - Newbury and to all other registered parties to this proceeding.

In addition please remind Middlesex Power Distribution Corporation - Newbury that its Reply Submission is due by February 10, 2011.

Yours truly,

*Original Signed By*

Christiane Wong  
Analyst, Applications & Regulatory Audit

Encl.



# **ONTARIO ENERGY BOARD**

## **STAFF SUBMISSION**

2011 ELECTRICITY DISTRIBUTION RATES

Middlesex Power Distribution Corporation –  
Newbury

EB-2010-0275

**January 20, 2011**

**Board Staff Submission  
Middlesex Power Distribution Corporation - Newbury  
2011 IRM2 Rate Application  
EB-2010-0275**

**Introduction**

Middlesex Power Distribution Corporation - Newbury ("Newbury") filed an application (the "Application") with the Ontario Energy Board (the "Board"), on October 1, 2010, under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the distribution rates that Newbury charges for electricity distribution, to be effective May 1, 2011. The Application is based on the 2011 2<sup>nd</sup> Generation Incentive Regulation Mechanism.

The purpose of this document is to provide the Board with the submissions of Board staff based on its review of the evidence submitted by Newbury.

In the interrogatory phase, Board staff identified certain discrepancies in the data entered in the application model by Newbury. In response to Board staff interrogatories, which requested either a confirmation that these discrepancies were errors or an explanation supporting the validity of the original data filed with the application, Newbury confirmed that they were errors and provided the corrected data. Board staff will make the necessary corrections to Newbury's model at the time of the Board's decision on the application.

Staff has no concerns with the data supporting the updated Retail Transmission Service Rates proposed by Newbury. Pursuant to Guideline G-2008-0001, updated on July 8, 2010, staff notes that the Board will update the applicable data at the time of this Decision based on any available updated Uniform Transmission Rates.

Newbury is proposing to dispose of its Group 1 deferral and variance account balances having exceeded the \$0.001/kWh disposition threshold. The total balance requested for disposition is a debit of \$41,225 due from customers. Newbury explained that this claim relates to the 2005 to 2008 Group 1 Deferral account activities that were not submitted to the Board for disposition by the previous ownership. Staff notes that in Newbury's 2010 IRM application, the disposition of the balances as of December 31, 2008 was

deferred to 2011 to allow time for the new owners to verify the deferral and variance account activities for the subject period. Staff notes that in its current application, Newbury noted that starting in 2009, deferral and variance account balances have been accounted for and filed on a consolidated basis for all Middlesex service areas. Any account activities in the Newbury service area would be captured by the parent company, Middlesex Power Distribution Corporation.

Newbury is proposing a 2 year mitigation plan for the disposition of these balances. Staff notes that the total bill impact for a one year disposition is 5.1% while the total bill impact for two years (as proposed) is 2.5%. Staff has no concerns with the balances or recovery methodology proposed.

## **SMART METER FUNDING ADDER**

### **Background**

Newbury has applied for an increase to its current Board approved smart meter funding adder of \$1.00 to \$2.94 using the Smart Meter Rate Calculation Model.

### **Submission**

Board staff has reviewed the evidence provided by the applicant and does not have concerns with the proposed funding adder. Board staff notes that the total bill impact attributable solely to this proposed change to a funding adder of \$2.94 per meter per month (keeping all other proposals in the application model as filed) is 1.7% for the residential class. Staff notes that the total bill impact for all elements of the application for a typical residential customer including a funding adder of \$2.94 is 2.5%.

All of which is respectfully submitted.