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**BY E-MAIL**

May 26, 2011

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Hydro Hawkesbury Inc.  
2011 IRM3 Distribution Rate Application  
Board Staff Interrogatories  
Board File No. EB-2010-0090**

In accordance with the Notice of Application and Written Hearing, please find attached Board Staff Interrogatories in the above proceeding. Please forward the following to Hydro Hawkesbury Inc. and to all other registered parties to this proceeding.

Yours truly,

*Original signed by*

Lawrie Gluck  
Analyst, Applications & Regulatory Audit

Encl.

## **Board Staff Interrogatories**

### **2011 IRM3 Electricity Distribution Rates Hydro Hawkesbury Inc. (“Hydro Hawkesbury”) EB-2010-0090**

#### **Disposition of Group 1 Deferral / Variance Account Balances**

#### **Board Staff Interrogatory No. 1**

Ref: Summary of Application – Page 1

Preamble: Hydro Hawkesbury requested the following approvals from the Board:

- a) Restatement of the accounting order from the HHI's Cost of Service Decision EB-2009-0186 to transfer balances from Group 1 and Group 2 Deferral and Variance accounts excluding USoA 1588 Global Adjustment Sub-account as defined in the OEB's Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR) issued July 31, 2009 (EB-2008-0046). The original date of transfer being June 1, 2010 will remain the same.
- b) Restatement of the accounting order from the HHI's Cost of Service Decision EB-2009-0186 to transfer balances from Group 1 USoA 1588 Global Adjustment Sub-account Deferral and Variance accounts as defined in the OEB's Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR) issued July 31, 2009 (EB-2008-0046). The original date of transfer being June 1, 2010 will remain the same.

Questions / Requests:

- a) Please explain what is meant by restatement of the accounting order.
- b) Please confirm that Hawkesbury is not requesting a Motion to Vary the EB-2009-0186 Decision.

## Board Staff Interrogatory No. 2

Ref: Summary of Application – Page 1

Preamble: Hydro Hawkesbury provided the following two tables as revised (corrected) 2009 Group 1 and Group 2 Account Balances.

### Rate Rider Recovery Complete and 1595 Balance Eligible for Residual Disposition

Account Description	Account Number	Principal Amounts	Interest Amount	Total Balance
<b>Group 1 Accounts</b>				
LV Variance Account	1550	(136,667.89)	(9,823.61)	(146,491.50)
RSVA - Wholesale Market Service Charge	1580	319,236.53	229.68	319,466.21
RSVA - Retail Transmission Network Charge	1584	216,773.17	17,548.83	234,322.00
RSVA - Retail Transmission Connection Charge	1586	1,244,442.97	218,909.70	1,463,352.67
RSVA - Power (Excluding Global Adjustment)	1588	666,285.61	(16,633.00)	649,652.61
Recovery of Regulatory Asset Balances	1590	(37,130.56)	(25,872.28)	(63,002.84)
<b>Sub-Total - Group 1 Accounts</b>		<b>2,272,939.83</b>	<b>184,359.32</b>	<b>2,457,299.15</b>
<b>Group 2 Accounts</b>				
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	(40,111.38)	(6,589.10)	(46,700.48)
Retail Cost Variance Account - Retail	1518	(2,034.68)	(157.77)	(2,192.45)
Retail Cost Variance Account - STR	1548	(9,756.15)	(873.89)	(10,630.04)
Misc. Deferred Debits	1525	(241,154.92)	(31,707.57)	(272,862.49)
RSVA - One-time Wholesale Market Service	1582	(10,043.68)	(3,392.83)	(13,436.51)
<b>Sub-Total - Group 2 Accounts</b>		<b>(303,100.81)</b>	<b>(42,721.16)</b>	<b>(345,821.97)</b>
Disposition and recovery of Regulatory Balances Account	1595	(1,969,839.02)	(141,638.16)	(2,111,477.18)

### Rate Rider Recovery Complete and 1595 Balance Eligible for Residual Disposition

Account Description	Account Number	Principal Amounts	Interest Amount	Total Balance
RSVA - Power (Global Adjustment Sub-account) - when a separate rate rider	1588	(232,444.73)	(20,219.88)	(252,664.61)
Disposition and recovery of Regulatory Balances Account	1595	232,444.73	20,219.88	252,664.61

Questions / Requests:

- Please explain why the account balances presented in the tables above have been reversed from credit to debit (or debit to credit) when compared with the Board's Decision in EB-2009-0186. If this was an error, please provide updated tables which show the revised balances.

## Board Staff Interrogatory No. 3

Ref: Summary of Application – Page 1

Questions / Requests:

- Please provide a table which presents Hydro Hawkesbury's audited 2010 Group 1 Account balances (with interest as of August 31, 2011). The balance provided

should be the 2009 and 2010 combined balance for Group 1 Accounts (including the corrections required to Account 1588).

**Board Staff Interrogatory No. 4**

Ref: Summary of Application – Page 9

Questions / Requests:

- a) Please complete the following Bill Impact Table for all customer classes (except GS 50 – 4,999 kW). Please provide the bill impacts for disposition of:
  - (i) 2009 Group 1 Accounts Balance (including corrections to Account 1588) using 8 month, 20 month, and 32 month disposition periods.
  - (ii) Combined 2009 and 2010 Group 1 Accounts Balance (including corrections to Account 1588) using 8 month, 20 month, and 32 month disposition periods.

Rate Class	Disposition Period		
	8 Months	20 Months	32 Months
Typical Customer			

- b) Please complete the following Bill Impact Table for the General Service 50 to 4,999 kW Service Classification. Please provide the bill impacts for disposition of:
  - (i) 2009 Group 1 Accounts Balance (including corrections to Account 1588) using 8 month, 20 month, and 32 month disposition periods.
  - (ii) Combined 2009 and 2010 Group 1 Accounts Balance (including corrections to Account 1588) using a 8 months, 20 months, and 32 months disposition periods.

GS 50 – 4,999 kW	Disposition Period		
	8 Months	20 Months	32 Months
Lowest Consumption Customer			
Highest Consumption Customer			

### **Board Staff Interrogatory No. 5**

Ref: Deferral and Variance Account Workform – Sheet D1.6

Questions / Requests:

- a) Please explain why the prescribed interest rates, for the period starting January 2011, have changed from the initial filing of the Workform to the revised filing of the Workform.

### **Board Staff Interrogatory No. 6**

Ref: Deferral and Variance Account Workform

Questions / Requests:

- a) Please confirm that if Hydro Hawkesbury were to maintain the opening principal balances in Account 1588 (as originally filed in the EB-2010-0090 proceeding) and then adjust the Account 1588 balances by the amounts that were approved for disposition in the EB-2009-0186 proceeding, the errors in Account 1588 would self correct on a prospective basis (please see the Deferral and Variance Account Workform). If not, please explain.
- b) Is Hydro Hawkesbury proposing that the Deferral Account Disposition Rate Rider approved in EB-2009-0186 continue until the approved sunset date of April 30, 2012?