

Board Staff Interrogatories

2012 IRM3 Electricity Distribution Rates Parry Sound Power Corporation EB-2011-0193

2012 Shared Tax Savings Workform

1. Ref: A portion of Sheet “3. Re-Based Bill Det & Rates” of the workform is reproduced below.

Last COS Re-based Year was in 2011						
Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C
RES	Residential	Customer	kWh	2,812	33,427,924	
GSLT50	General Service Less Than 50 kW	Customer	kWh	493	16,733,379	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	68	37,802,659	97,727
USL	Unmetered Scattered Load	Customer	kWh	18	58,750	
Sen	Sentinel Lighting	Connection	kW	12	12,745	36
SL	Street Lighting	Connection	kW	1,004	867,846	2,421

Board staff is unable to reconcile the re-based billed kW for the General Service 50 to 4,999 kW rate class with Parry Sound’s 2011 cost of service decision. Please provide evidence supporting this figure. If necessary, Board staff will make the corrections.

Response:

Parry Sound Power has inserted a table below to provide evidence supporting the re-based billed kW for the General Service 50 to 4,999 kW rate class. The table below was extracted from the 2011 Cost of Service filing, Exhibit 3/Tab 2/Schedule 1/ page 6, filed on Oct. 15, 2010. In Parry Sound Power’s Decision & Order for the 2011 Cost of Service on Page 8 under Board Findings it stipulates that, “The Board also will mandate the use of the original load forecast and not the update as submitted by Parry Sound.”

As one can observe from the table provided below, the original load forecast for General Service 50 to 4,999 kW rate class is 97,727 as Parry Sound provided in the Shared Tax Savings Work Form in tab “3. Re-Based Bill Det & Rates.”

**Board Staff Interrogatories
2012 IRM3 Electricity Distribution Rates
Parry Sound Power Corporation
EB-2011-0193**

-2-

	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Weather Normal	2011 Weather Normal
Actual kWh Purchases	87,538,158	93,149,277	89,994,813	93,340,626	93,216,960	92,763,578		
Predicted kWh Purchases Based on Power purchased								
Model - Cust	89,501,024	91,235,305	89,650,116	93,495,147	93,661,943	92,459,877	92,260,482	94,084,219
% Difference	2.2%	-2.1%	-0.4%	0.2%	0.5%	-0.3%		
By Class								
Residential								
Customers	2,581	2,603	2,610	2,643	2,697	2,744	2,778	2,812
kWh	35,384,766	34,829,575	33,237,936	33,976,663	34,709,666	34,307,486	33,832,405	33,427,924
Avg use per Cust	13,711	13,380	12,734	12,856	12,870	12,502	12,179	11,886
GS <50kW								
Customers	500	503	505	529	508	495	494	493
kWh	16,475,395	16,712,968	16,473,586	16,945,672	17,104,386	16,323,230	16,748,564	16,733,379
Avg use per Cust	32,934	33,238	32,610	32,033	33,648	32,960	33,886	33,924
GS >50kW								
Customers	59	60	61	64	66	66	67	68
kWh	30,992,423	36,540,579	35,380,706	37,168,353	36,469,790	37,202,366	36,171,050	37,802,659
kW	81,896	89,198	88,798	90,489	89,597	94,156	96,048	97,727
Avg use per Cust	522,344	606,483	584,805	578,496	556,083	560,840	539,127	557,075
Sentinel Lights								
Connections	10	13	13	15	13	12	12	12
kWh	16,004	16,017	15,986	16,006	15,972	12,745	12,745	12,745
kW	41	41	41	41	47	39	38	36
Avg use per Cust	1,587	1,216	1,230	1,067	1,278	1,062	1,026	1,062
Street Lights								
Connections	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,061
kWh	870,724	867,846	867,846	867,846	870,724	867,846	867,846	867,846
kW	2,424	2,424	2,424	2,424	2,424	2,424	2,422	2,421
Avg use per Cust	821	818	818	818	821	818	818	818
Unmetered Scattered Load								
Connections	18	20	20	22	17	18	18	18
kWh	120,581	124,708	129,531	118,251	59,578	59,286	59,000	58,750
Avg use per Cust	6,699	6,368	6,614	5,458	3,421	3,294	3,278	3,264
Total of Above								
Customer/Connections	4,229	4,260	4,270	4,334	4,362	4,397	4,431	4,464
kWh	83,859,893	89,091,693	86,105,589	89,092,790	89,230,116	88,772,959	87,691,610	88,903,303
kW from applicable class	84,361	91,662	91,263	92,953	92,068	96,620	98,508	100,184

2. Ref: Sheet “5. Z-Factor Tax Change” of the workform is reproduced below.

Summary - Sharing of Tax Change Forecast Amounts		
For the 2011 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)	\$	-
1. Tax Related Amounts Forecast from Capital Tax Rate Changes		
	2011	2012
Taxable Capital	\$ 7,997,461	\$ 7,997,461
Deduction from taxable capital up to \$15,000,000	\$ 15,000,000	\$ 15,000,000
Net Taxable Capital	-\$ 7,002,539	-\$ 7,002,539
Rate	0.000%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	\$ -	\$ -
2. Tax Related Amounts Forecast from Income Tax Rate Changes		
	2011	2012
Regulatory Taxable Income	\$ 325,263	\$ 325,263
Corporate Tax Rate	15.25%	15.50%
Tax Impact	\$ 49,603	\$ 50,416
Grossed-up Tax Amount	\$ 58,528	\$ 59,664
Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ -	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 58,528	\$ 59,664
Total Tax Related Amounts	\$ 58,528	\$ 59,664
Incremental Tax Savings		\$ 1,135
Sharing of Tax Savings (50%)		\$ 568

Board staff is unable to reconcile the amounts entered into the taxable capital, regulatory taxable income, and grossed-up tax amounts with Parry Sound’s 2011 Revenue Requirement Workform. Please provide evidence supporting these amounts. If necessary, Board staff will make the corrections.

Response:

Summary - Sharing of Tax Change Forecast Amounts

For the 2011 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)

\$ -

1. Tax Related Amounts Forecast from Capital Tax Rate Changes

	2011	2012
Taxable Capital	\$ 5,885,842	\$ 5,885,842
Deduction from taxable capital up to \$15,000,000	\$ 15,000,000	\$ 15,000,000
Net Taxable Capital	-\$ 9,114,158	-\$ 9,114,158
Rate	0.000%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	\$ -	\$ -

2. Tax Related Amounts Forecast from Income Tax Rate Changes

	2011	2012
Regulatory Taxable Income	\$ 275,660	\$ 275,660
Corporate Tax Rate	15.25%	15.50%
Tax Impact	\$ 42,038	\$ 42,727
Grossed-up Tax Amount	\$ 49,603	\$ 50,565

Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ -	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 49,603	\$ 50,565
Total Tax Related Amounts	\$ 49,603	\$ 50,565
Incremental Tax Savings		\$ 962
Sharing of Tax Savings (50%)		\$ 481

Parry Sound Power changed the Taxable Capital to \$5,885,842, which is the Total Rate Base from page 3 of the Revenue Requirement Work Form submitted on August 4, 2011. Parry Sound Power used the "Regulatory Taxable Income" from sheet 7 (tab 5) of the 2011 Revenue Requirement Work Form (RRWF) and should have used "Regulatory Taxable Income" from sheet 5 (tab 3) of the 2011 RRWF. The changes that Parry Sound made are posted above. The change in "Regulatory Taxable Income" results in a different "Tax Impact" and "Grossed-up Tax Amount".

As one can see the Sharing of Tax Savings only went from \$568 to \$481, which is insignificant. Therefore, Parry Sound requests the same as what was requested in the original submission under the Manager's Summary. "For 2012 the Sharing of Tax Savings is calculated as a relatively immaterial amount of \$481 debit as a result of the Tax Rate increase from 2011 to 2012. Parry Sound requests Board approval to record this \$481 in account 1595 for disposition in a future rate application. "

2012 RTSR Adjustment Workform

3. Ref: Sheet “4. RRR Data” of the workform is reproduced below.

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
Residential	kWh	32,389,316	-	1.0586		34,287,330	-
General Service Less Than 50 kW	kWh	15,833,269	-	1.0586		16,761,099	-
General Service 50 to 4,999 kW	kW		40,832		0.00%	-	40,832
General Service 50 to 4,999 kW – Interval Metered	kW		49,466		0.00%	-	49,466
Unmetered Scattered Load	kWh	56,466	-	1.0586		59,775	-
Sentinel Lighting	kW		36		0.00%	-	36
Street Lighting	kW		2,424		0.00%	-	2,424

- a) Board staff is unable to reconcile the non-loss adjusted metered kWh for the General Services Less Than 50 kW, Sentinel Lighting, and Street Lighting rate classes with Parry Sound’s 2.1.5 RRR report. Please provide evidence supporting these amounts. If necessary, Board staff will make the corrections.
- b) Board staff is also unable to reconcile the applicable loss factor with Parry Sound’s 2011 tariff of rates and charges. Please provide evidence supporting this figure. If necessary, Board staff will make the correction.

Response:

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
Residential	kWh	32,389,316	-	1.0586		34,287,330	-
General Service Less Than 50 kW	kWh	15,833,269	-	1.0586		16,761,099	-
General Service 50 to 4,999 kW	kW	16,148,020	40,832		54.20%	16,148,020	40,832
General Service 50 to 4,999 kW – Interval Metered	kW	19,562,172	49,466		54.20%	19,562,172	49,466
Unmetered Scattered Load	kWh	56,466	-	1.0586		59,775	-
Sentinel Lighting	kW	12,900	36		49.11%	12,900	36
Street Lighting	kW	787,248	2,424		44.51%	787,248	2,424

- a) Parry Sound Power has entered in the Non-Loss Adjusted metered kWh for the General Services greater than 50 kW, Sentinel Lighting, and Street

Lighting rate classes with Parry Sound’s 2.1.5 RRR report. Please see the table above for the changes. It should be noted that the non-loss adjusted kWh added for the classes in question results in incorrect loss adjusted figures for those classes. Since the kWh’s for those classes are not used for the purposes of this worksheet PSP recommends only the billing determinants required should be required to avoid confusion.

- b) As for question B, the applicable loss factor from Parry Sound’s 2011 tariff of rates and charges is 1.0809. However, since the data in the table above is from 2010 (the most recent RRR billing determinants) it seems reasonable the loss factor also be from 2010. If the 2011 loss factor is to be used than there should be some sort of adjustment to the non-loss adjusted forecasts for 2011 kWh’s.

2012 Revenue-to-Cost Ratio Adjustment Workform

4. Ref: A portion of Sheet “3. Re-Based Bill Det & Rates” of the workform is reproduced below.

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C
RES	Residential	Customer	kWh	2,812	33,427,924	
GSLT50	General Service Less Than 50 kW	Customer	kWh	493	16,733,379	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	68	37,802,659	97,727
USL	Unmetered Scattered Load	Customer	kWh	18	58,750	
Sen	Sentinel Lighting	Connection	kW	12	12,745	36
SL	Street Lighting	Connection	kW	1,004	867,846	2,421

Board staff is unable to reconcile the 97,727 re-based billed kW for the General Service 50 to 4,999 kW rate class with Parry Sound’s 2011 cost of service decision (also in question 9). Please provide evidence supporting this figure. If necessary, Board staff will make the correction.

Response:

See response for Interrogatory #1.

5. Ref: Sheet “7. Revenue Offsets Allocation” of the workform is reproduced below.

Rate Class	Informational Filing Revenue Offsets A	Percentage Split C= A / B	Allocated Revenue Offsets E = D * C
Residential	64,951	61.98%	64,951
General Service Less Than 50 kW	20,561	19.62%	20,561
General Service 50 to 4,999 kW	14,542	13.88%	14,542
Unmetered Scattered Load	1,045	1.00%	1,045
Sentinel Lighting	43	0.04%	43
Street Lighting	3,644	3.48%	3,644
	104,786	100.00%	104,786

Board staff is unable to reconcile the amounts input into column A with Parry Sound’s 2006 Cost Allocation model, which was filed as part of Parry Sound’s 2011 cost of service application. Please provide evidence supporting these amounts. If necessary, Board staff will make the corrections.

Response:

Rate Class	Informational Filing Revenue Offsets A	Percentage Split C= A / B	Allocated Revenue Offsets E = D * C
Residential	62,381	61.77%	64,729
General Service Less Than 50 kW	19,675	19.48%	20,416
General Service 50 to 4,999 kW	14,170	14.03%	14,703
Unmetered Scattered Load	3,752	3.72%	3,893
Sentinel Lighting	42	0.04%	44
Street Lighting	965	0.96%	1,001
	100,985	100.00%	104,786
	B		D

Parry Sound Power has changed column A in the Revenue to Cost Adjustment Work Form; tab 7 “Revenue Offsets Allocation.” Please see the above table for the changes. The new numbers come from the 2006 Cost Allocation Model, tab “O1 Revenue to Cost RR” submitted Oct. 15, 2010 for the 2011 Cost of Service Filing.

The total for column D is \$104,786, which is \$3,800 higher than column A because after the Argument-in-Chief for the 2011 COS there was a \$3,800 adjustment to Specific Service Charges. Below is a copy of the Revenue Requirement Work Form from the 2011 Cost of Service that was submitted August 4, 2011 under the “Utility Income” tab. As you can see the total revenue offsets or other revenue is \$104,786.

**Board Staff Interrogatories
2012 IRM3 Electricity Distribution Rates
Parry Sound Power Corporation
EB-2011-0193**

-8-

		Utility income				
Line No.	Particulars	Initial Application	Adjustments	Argument-in-Chief	Adjustments	Per Board Decision
Operating Revenues:						
1	Distribution Revenue (at Proposed Rates)	\$2,613,957	(\$204,549)	\$2,409,408	(\$79,408)	\$2,330,000
2	Other Revenue (1)	\$100,986	(\$201,972)	\$100,986	\$3,800	\$104,786
3	Total Operating Revenues	<u>\$2,714,943</u>	<u>(\$406,521)</u>	<u>\$2,510,394</u>	<u>(\$75,608)</u>	<u>\$2,434,786</u>
Operating Expenses:						
4	OM+A Expenses	\$1,795,417	(\$206,716)	\$1,588,701	(\$63,112)	\$1,525,589
5	Depreciation/Amortization	\$389,525	\$1,767	\$391,292	(\$2,000)	\$389,292
6	Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	<u>\$2,184,942</u>	<u>(\$204,949)</u>	<u>\$1,979,993</u>	<u>(\$65,112)</u>	<u>\$1,914,881</u>
10	Deemed Interest Expense	<u>\$247,203</u>	<u>(\$1,702)</u>	<u>\$245,500</u>	<u>(\$743)</u>	<u>\$244,757</u>
11	Total Expenses (lines 9 to 10)	<u>\$2,432,145</u>	<u>(\$206,652)</u>	<u>\$2,225,493</u>	<u>(\$65,855)</u>	<u>\$2,159,638</u>
12	Utility income before income taxes	<u>\$282,798</u>	<u>(\$199,869)</u>	<u>\$284,901</u>	<u>(\$9,753)</u>	<u>\$275,148</u>
13	Income taxes (grossed-up)	<u>\$47,696</u>	<u>\$3,945</u>	<u>\$51,641</u>	<u>(\$2,039)</u>	<u>\$49,602</u>
14	Utility net income	<u><u>\$235,102</u></u>	<u><u>(\$203,814)</u></u>	<u><u>\$233,260</u></u>	<u><u>(\$7,714)</u></u>	<u><u>\$225,546</u></u>

Notes

(1) Other Revenues / Revenue Offsets						
	Specific Service Charges	\$27,880	\$ -	\$27,880	\$3,800	\$31,680
	Late Payment Charges	\$15,433	(\$0)	\$15,433	\$ -	\$15,433
	Other Distribution Revenue	\$52,168	\$0	\$52,168	\$ -	\$52,168
	Other Income and Deductions	\$5,505	\$0	\$5,505	\$ -	\$5,505
	Total Revenue Offsets	<u>\$100,986</u>	<u>(\$0)</u>	<u>\$100,986</u>	<u>\$3,800</u>	<u>\$104,786</u>

6. Ref: Sheet "8. Transformer Allowance" of the workform is reproduced below.

Rate Class	Transformer Allowance In Rate	Transformer Allowance A	Transformer Allowance kW's C	Transformer Allowance Rate E	Volumetric Distribution Rate F	Billed kW's G	Adjusted Volumetric Distribution Rate $1=(F*(G-C)+(F-B)*C)/G$
Residential	No						
General Service Less Than 50 kW	No						
General Service 50 to 4,999 kW	Yes	(14,046)	23,410	(0.6000)	4.0776	97,727	4.2213
Unmetered Scattered Load	No						
Sentinel Lighting	No						
Street Lighting	No						
		- 14,046	23,410			97,727	

The purpose of this worksheet is to remove the transformer ownership allowance discount from the rates, where appropriate. However, the results shown above yield higher (instead of lower) volumetric distribution rates for the General Service 50 to 4,999 kW rate class. This appears to be due to the transformer ownership allowance being input as a negative value. Please confirm and Board staff will revise, if necessary.

**Board Staff Interrogatories
 2012 IRM3 Electricity Distribution Rates
 Parry Sound Power Corporation
 EB-2011-0193**

Response:

Transformer Allowance A	Transformer Allowance kW's C	Transformer Allowance Rate E	Volumetric Distribution Rate F	Billed kW's G	Adjusted Volumetric Distribution Rate $I = (F * (G - C) + (F - E) * C) / G$
14,046	23,410	0.6000	4.0776	97,727	3.9339
<u>14,046</u> B	<u>23,410</u> D			<u>97,727</u> H	

Parry Sound Power changed the transformer ownership allowance from negative to positive, as well as the transformer allowance rate. This change caused the adjusted volumetric distribution rate to go from 4.2213 to 3.9339 for the General Service 50 to 4,999 kW rate class.

2012 IRM3 Rate Generator

7. Ref: A portion of Sheet “6. Current Rate_Riders” of the model is reproduced below.

Rate Description	Unit	Amount	Effective Until Date
Residential			
Low Voltage Service Rate	\$/kWh	0.00110	December 31, 2012
Rate Rider for Foregone Incremental Revenue	\$/kWh	0.00050	December 31, 2012
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery (2011)	\$/kWh	0.00070	December 31, 2012
Rate Mitigation Rate Rider (2011)	\$/kWh	(0.00260)	December 31, 2011
General Service Less Than 50 kW			
Low Voltage Service Rate	\$/kWh	0.00080	December 31, 2012
Rate Rider for Foregone Incremental Revenue	\$/kWh	0.00030	December 31, 2012
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery (2011)	\$/kWh	0.00040	December 31, 2012
Rate Mitigation Rate Rider (2011)	\$/kWh	(0.00040)	December 31, 2011

Parry Sound has input sunset dates for the low voltage service rate (for all rate classes) and the rate mitigation rate rider (for the Residential and General Service

-10-

Less Than 50 kW rate classes). According to the final Rate Order in Parry Sound's 2011 cost of service proceeding, "the rate mitigation rate riders shall be in effect until such time that the deferred revenue is authorized for inclusion in Parry Sound Power's distribution rates or as directed by the Board".

- a) Please provide evidence that supports the sunset date on the low voltage service rates for all rate classes.
- b) Please provide evidence that supports the sunset date for the rate mitigation rate rider for the Residential and General Service Less Than 50 kW rate classes.

Response:

Parry Sound Power has removed all effective dates for the low voltage service rate (for all rate classes). In Parry Sound Power's Rate Order for the 2011 cost of service proceeding on page 3 Parry Sound proposed that the rate mitigation rate rider have a sunset date of December 31, 2011. On page 5 the Board Findings stipulate that "the rate mitigation rate riders shall be in effect until such time that the deferred revenue is authorized for inclusion in Parry Sound Power's distribution rates or as directed by the board." Therefore, Parry Sound Power realized they made a mistake and has removed the effective until date for the rate mitigation rate rider for the residential and GS<50 rate classes. Please see below.

**Board Staff Interrogatories
2012 IRM3 Electricity Distribution Rates
Parry Sound Power Corporation
EB-2011-0193**

-12-

Response:

The differences between Parry Sound Power's December 31, 2009 Group 1 account balances between the COS and IRM are documented in a table below. There is a discrepancy in account 1588 (excluding global adjustment) and account 1588 (with global adjustment) due to an allocation error between the two accounts in our internal schedules that was corrected for in the 2012 IRM. There is also a discrepancy in the interest in account 1580. The mistake was due to providing an incorrect interest amount in the COS. The 2012 IRM number of (\$3,740) is the correct amount. The (\$3,740) was the amount recorded in our internal working schedules, in our general ledger account, and what was filed in our RRR 2.1.1 filings for the 2009 year.

Inputted Dec. 31, 2009 Group 1 Account Balances					
		2011 COS (EB-2010-0140)		2012 IRM (EB-2011-0193)	
Account Description	Account Number	Transactions (additions) during 2009, excluding interest and adjustments ⁶		Transactions Debit / (Credit) during 2009 excluding interest and adjustments ⁵	Differences
Low Voltage Account	1550	\$	(1,312)	-\$ 1,312	\$ (0)
RSVA - Wholesale Market Service Charge	1580	\$	(35,472)	-\$ 35,472	\$ (0)
RSVA - Retail Transmission Network Charge	1584	\$	(16,523)	-\$ 16,523	\$ 0
RSVA - Retail Transmission Connection Charge	1586	\$	(36,063)	-\$ 36,063	\$ -
RSVA - Power (excluding Global Adjustment)	1588	\$	1,154,479	\$ 866,078	\$ 288,401
RSVA - Power - Sub-Account - Global Adjustment	1588	\$	(655,820)	-\$ 218,765	\$ (437,055)
Recovery of Regulatory Asset Balances	1590	\$	20	\$ 20	\$ -
Disposition and Recovery of Regulatory Balances ¹⁰	1595				
Interest Dec. 31, 2009 Group 1 Accounts					
		2011 COS (EB-2010-0140)		2012 IRM (EB-2011-0193)	
Account Description	Account Number	Interest Jan-1 to Dec31-09		Interest Jan-1 to Dec-31-09	Differences
Low Voltage Account	1550	\$	2,024	\$ 2,024	\$ -
RSVA - Wholesale Market Service Charge	1580	\$	5,015	-\$ 3,740	\$ 8,755
RSVA - Retail Transmission Network Charge	1584	\$	(1,801)	-\$ 1,801	\$ (0)
RSVA - Retail Transmission Connection Charge	1586	\$	(1,885)	-\$ 1,885	\$ -
RSVA - Power (excluding Global Adjustment)	1588	\$	22,372	-\$ 5,912	\$ 28,284
RSVA - Power - Sub-Account - Global Adjustment	1588	\$	(21,506)	\$ 6,777	\$ (28,284)
Recovery of Regulatory Asset Balances	1590	\$	585	\$ 585	\$ -
Disposition and Recovery of Regulatory Balances ¹⁰	1595				

9. Ref: A portion of Sheet “10. Billing Det. for Def_Var” of the model is reproduced below.

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue ¹
Residential	\$/kWh	33,427,924		4,753,534	-	1,448,593
General Service Less Than 50 kW	\$/kWh	16,733,379		2,442,007	-	462,189
General Service 50 to 4,999 kW	\$/kW	37,802,659	97,727	32,577,429	84,219	643,861
Unmetered Scattered Load	\$/kWh	58,750		16,008	-	13,438
Sentinel Lighting	\$/kW	12,745	36	-	-	1,399
Street Lighting	\$/kW	867,846	2,421	938,016	2,617	47,243
Total		88,903,303	100,184	40,726,994	86,836	2,616,723

Board staff is unable to verify the metered kW for the General Service 50 to 4,999 kW rate class with Parry Sound’s 2011 cost of service decision. Also, Board staff is unable to verify the distribution revenue inputted in for each rate class with the Board’s approved distribution revenue from Parry Sound’s 2011 cost of service application. Please provide evidence supporting these amounts. If necessary, Board staff will make the corrections.

Response:

As for the question regarding the metered kW for the GS > 50 kW, please see the response for Interrogatory #1.

For the second question Parry Sound has changed the Distribution Revenue in tab 10 of the Rate Generator Model to reflect the Board’s approved distribution revenue from Parry Sound’s 2011 cost of service application. Please see the table below.

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue ¹
Residential	\$/kWh	33,427,924		4,753,534	-	1,304,445
General Service Less Than 50 kW	\$/kWh	16,733,379		2,442,007	-	413,922
General Service 50 to 4,999 kW	\$/kW	37,802,659	97,727	32,577,429	84,219	550,410
Unmetered Scattered Load	\$/kWh	58,750		16,008	-	12,458
Sentinel Lighting	\$/kW	12,745	36	-	-	1,180
Street Lighting	\$/kW	867,846	2,421	938,016	2,617	47,584
Total		88,903,303	100,184	40,726,994	86,836	2,329,999

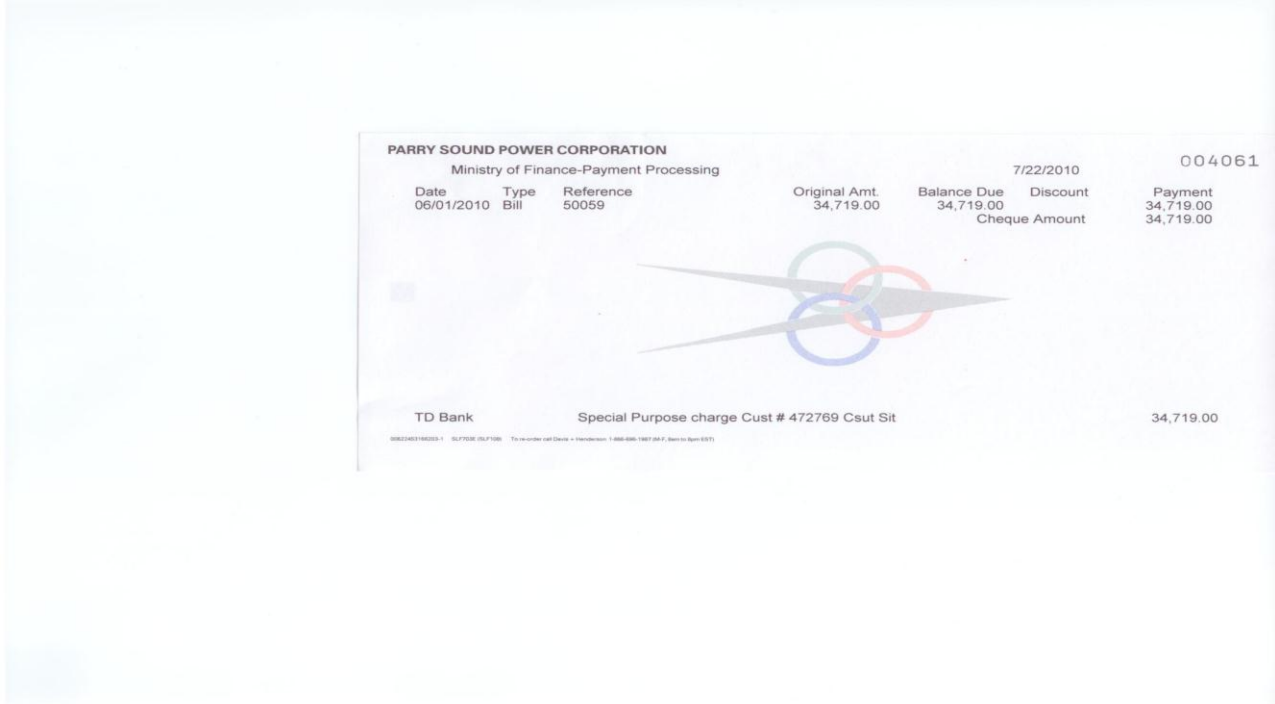
Account 1521 – Special Purpose Charge (“SPC”)

10. Ref: Manager’s Summary, Page 4

Parry Sound Power indicated a receivable balance in account 1521 of \$18,668.60 at December 31, 2010. Parry Sound Power has not completed its recoveries of the SPC and is therefore not requesting disposition in this rate application. Parry Sound

Response:

- a) Parry Sound's SPC assessment amount is \$34,719.00 paid to the Ministry of Finance – Payment Processing. Please see the cheque stub and invoice below.



5821-01

Revised Invoice
Ministry of Energy and Infrastructure
Conservation and Renewable Energy Program Costs

To: Parry Sound Power Corporation
125 William Street
Parry Sound, ON P2A 1V9
Attn: Calvin Epps, CEO

Item Description:

Assessment for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs.
Quote-part pour les coûts des programme de conservation et d'énergie renouvelable du ministère de l'Énergie et de l'Infrastructure.

Customer No./No du client 472769
Customer Site No./ N° d'emplacement du client 1061035
Invoice Date/Date de la facture April 16, 2010
Invoice No./ N° de la facture 50059
Due Date/ Date d'échéance July 30, 2010
Payment Amount/ Montant remis CAD \$ 34,719

Questions related to the remittance should be directed to the Non-Tax Revenue Management Branch Contact Centre at 1-877-535-0554 or Fax (416) 326-5177. Les questions concernant la remise doivent être posées à l'InfoCentre de la Direction de la gestion des revenus non fiscaux au 1 877 535-0554 ou par télécopieur au 416 326-5177.

This assessment was calculated by the Ontario Energy Board, 2300 Yonge St. 27th Floor, P.O. Box 2319, Toronto, ON M4P 1E4. Questions related to the invoice should be directed to the Market Operations Hotline 416-440-7604. La présente quote-part a été fixée par la Commission de l'énergie de l'Ontario, 2300, rue Yonge, 27^e étage, case postale 2319, Toronto (Ontario) M4P 1E4. Les questions relatives à la facture doivent être posées au service de téléassistance du service Activités du marché : 416 440-7604.

*Payments are to be made to the Minister of Finance not the Ontario Energy Board.
Les paiements doivent être faits au ministre des Finances et non à la Commission de l'énergie de l'Ontario.*

Detach here/ Détacher ici



Ministry of Finance/Ministère des Finances
Payment Processing Centre/Centre de traitement des paiements
33 King St. West/33 rue King Ouest
PO Box 647/CP 647
Oshawa, ON L1H 8X3

Please detach and return this portion with your payment in the enclosed envelope. Make your cheque or money order payable to the Minister of Finance. Veuillez détacher et retourner cette partie avec votre remise dans l'enveloppe ci-jointe. Libellez votre chèque ou votre mandat à l'ordre du ministre des Finances.

Parry Sound Power Corporation
125 William Street
Parry Sound, ON P2A 1V9
Attn: Calvin Epps, CEO

45 AR 50059

Customer No./ N° du client 472769
Customer Site No./ N° d'emplacement du client 1061035
Invoice No./ N° de la facture 50059
Payment Amount / Montant remis CAD \$.

**PARRY SOUND
POWER CORPORATION**

DATE REC.
DUE DATE: 5821-01
DISTRIBUTION NO. 1508-06
DATE PND: 34719.00
CHECK NO.
APPROVED BY: [Signature]

- b) Parry Sound requests Board approval to record the \$575.00 in account 1595 for disposition in a future rate application.
- c)

SPC Assessment (Principal balance)	Amount recovered from customers in 2010	Carrying Charges for 2010	December 31, 2010 Year End Principal Balance	December 31, 2010 Year End Carrying Charges Balance	Amount recovered from customers in 2011	Carrying Charges for 2011	Forecasted December 31, 2011 Year End Principal Balance	Forecasted December 31, 2011 Carrying Charges Balance	Total for Disposition (Principal and Interest)
\$34,719.00	\$16,208.14	\$157.74	\$18,510.86	\$157.74	\$18,168.29	\$73.41	\$342.57	\$232.43	\$575.00

Lost Revenue Adjustment Mechanism (“LRAM”) and/or Shared Savings Mechanism (“SSM”)

11. Please confirm that Parry Sound Power is not requesting LRAM and/or SSM recoveries for 2010 CDM related activities.

Response:

Parry Sound Power is in the process of getting Burman Energy to determine its recoveries for LRAM and SSM for 2010 year. As of the date of filing this response PSP has NOT received the final OPA numbers. PSP will file under separate cover a proposed LRAM & SSM rate rider when the OPA releases the data.