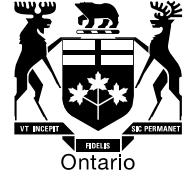


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**BY E-MAIL**

December 15, 2011

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

Dear Ms. Walli:

**Re: Brant County Power Inc.  
2012 IRM3 Distribution Rate Application  
Board Staff Interrogatories  
Board File No. EB-2011-0154**

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

In addition please advise Brant County Power Inc. that responses to interrogatories are due by January 16, 2012.

Yours truly,

*Original Signed By*

Daniel Kim  
Analyst – Applications & Regulatory Audit

Encl.

# Board Staff Interrogatories

## 2012 IRM3 Electricity Distribution Rates Brant County Power Inc. (BCP) EB-2011-0154

### 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<br>A | Re-based Billed kWh<br>B | Re-based Billed kW<br>C | Rate ReBal Base Service Charge<br>D | Rate ReBal Base Distribution Volumetric Rate kWh<br>E | Rate ReBal Base Distribution Volumetric Rate kW<br>F |         |
| RES                                | Residential                     | Customer     | kWh        | 8,335   | 82,794,132               |                         | 11.00                               | 0.0207  |  |         |
| GSLT50                             | General Service Less Than 50 kW | Customer     | kWh        | 1,338   | 40,399,125               |                         | 17.00                               | 0.0177  |  |         |
| GSGT50                             | General Service 50 to 4,999 kW  | Customer     | kW         | 112   |                          | 4,783                   | 95.00                               |   |  | 3.8498  |
| USL                                | Unmetered Scattered Load        | Connection   | kWh        | 51  | 509,821                  |                         | 2.00                                | 0.0227  |  |         |
| Sen                                | Sentinel Lighting               | Connection   | kW         | 218   |                          | 574                     | 2.00                                |   |  | 29.8835 |
| SL                                 | Street Lighting                 | Connection   | kW         | 2,630   |                          | 4,783                   | 1.50                                |   |  | 43.9802 |

a) Board staff has been unable to verify the input amounts for columns A, B and C with BCP’s approved 2011 load forecast from its last cost of service application (EB-2010-0125). Please provide evidence supporting these amounts. If the reported amount was input in error, Board staff will make the necessary correction to the model.

b) Please confirm that the distribution volumetric rate for the General Service 50 to 4,999 kW rate class is \$3.8498 per kW. If the reported amount was input in error, Board staff will make the necessary correction.

2. Ref: A portion of sheet “5. Z-Factor Tax Changes” 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 #) | \$               | -                |
| <b>1. Tax Related Amounts Forecast from Capital Tax Rate Changes</b>                           |                  |                  |
|  | 2011             | 2012             |
| Taxable Capital  | \$ 24,749,230    | \$ 24,749,230    |
| Deduction from taxable capital up to \$15,000,000  | \$ 15,000,000    | \$ 15,000,000    |
| Net Taxable Capital  | \$ 9,749,230     | \$ 9,749,230     |
| Rate   | 0.000%           | 0.000%           |
| Ontario Capital Tax (Deductible, not grossed-up)   | \$ -             | \$ -             |
| <b>2. Tax Related Amounts Forecast from Income Tax Rate Changes</b>                            |                  |                  |
|  | 2011             | 2012             |
| Regulatory Taxable Income  | \$ 178,793       | \$ 178,793       |
| Corporate Tax Rate   | 21.00%           | 15.50%           |
| Tax Impact   | \$ 37,547        | \$ 27,713        |
| <b>Grossed-up Tax Amount</b>   | <b>\$ 47,527</b> | <b>\$ 32,796</b> |
| Tax Related Amounts Forecast from Capital Tax Rate Changes                                     | \$ -             | \$ -             |
| Tax Related Amounts Forecast from Income Tax Rate Changes                                      | \$ 47,527        | \$ 32,796        |
| <b>Total Tax Related Amounts</b>   | <b>\$ 47,527</b> | <b>\$ 32,796</b> |
| Incremental Tax Savings  |                  | -\$ 14,731       |
| Sharing of Tax Savings (50%)   |                  | -\$ 7,365        |

Board staff is unable to verify the taxable capital amount with the approved Revenue Requirement Work Form from BCP's last cost of service proceeding (EB-2010-0125). Please provide evidence supporting this amount. If the reported amount was input in error, Board staff will make the necessary correction to the model.

**2012 IRM3 Rate Generator**

**3. Ref: A portion of Sheet "4. Current MFC" of the rate generator is reproduced below.**

| Rate Description                       | Unit | Amount | Effective Until Date |
|--|------|--------|----------------------|
| <b>Residential</b>                     |      |        |                      |
| Service Charge                         | \$   | 11.00  |                      |
| Smart Meter Funding Adder              | \$   | 1.00   |                      |
|  |      |        |                      |
|  |      |        |                      |
|  |      |        |                      |
|  |      |        |                      |
|  |      |        |                      |
| <b>General Service Less Than 50 kW</b> |      |        |                      |
| Service Charge                         | \$   | 17.00  |                      |
| Smart Meter Funding Adder              | \$   | 2.00   |                      |

Please confirm that the smart meter funding adder is \$1.00 for the General Service Less Than 50 kW rate class. If the reported amount was input in error, Board staff will make the necessary correction to the model.

**4. Ref: A portion of Sheet "6. Current Rate\_Riders" of the rate generator is reproduced below.**

| Rate Description   | Unit   | Amount    | Effective Until Date |
|--|--------|-----------|----------------------|
| <b>General Service 50 to 4,999 kW</b>  |        |           |                      |
| Low Voltage Service Rate   | \$/kW  | 1.12220   |                      |
| Rate Rider for Global Adjustment Sub-Account Disposition - Applicable only for Non-RPP Customers           | \$/kWh | 0.00750   | April 30, 2012       |
| Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery | \$/kW  | 0.00670   | April 30, 2012       |
| Rate Rider for Deferral/Variance Account Disposition (2011)  | \$/kW  | (3.69200) | April 30, 2012       |

Please confirm that the Rate Rider for Deferral/Variance Account Disposition (2011) for the General Service 50 to 4,999 kW rate class is -\$3.6922 per kW, and not the -\$3.6920 per kW input into this worksheet. If the reported amount was input in error, Board staff will make the necessary correction to the model.

**5. Ref: A portion of Sheet "9. 2012 Cont. Sched. Def\_Var"Current" of the rate generator is reproduced below.**

|   |                | 2.1.7 RRR                    |  |         |
|---|----------------|------------------------------|--|---------|
| Account Descriptions  | Account Number | As of Dec 31-10 <sup>4</sup> | Variance<br>RRR vs. 2010 Balance<br>(Principal + Interest) |         |
| <b>Group 1 Accounts</b>   |                |                              |  |         |
| LV Variance Account   | 1550           | -\$ 167,680                  | \$   | 28,261  |
| RSVA - Wholesale Market Service Charge                              | 1580           | -\$ 796,856                  | \$   | 12,534  |
| RSVA - Retail Transmission Network Charge                           | 1584           | -\$ 933,881                  | \$   | 37,999  |
| RSVA - Retail Transmission Connection Charge                        | 1586           | -\$ 1,017,535                | \$   | 22,278  |
| RSVA - Power (excluding Global Adjustment)                          | 1588           | \$ 828,820                   | \$   | 760,022 |
| RSVA - Power - Sub-Account - Global Adjustment                      | 1588           | \$ 640,309                   | -\$  | 648,764 |
| Recovery of Regulatory Asset Balances                               | 1590           | \$ 314,173                   | \$   | 0       |
| Disposition and Recovery of Regulatory Balances (2008) <sup>7</sup> | 1595           |                              | \$   | -       |
| Disposition and Recovery of Regulatory Balances (2009) <sup>7</sup> | 1595           |                              | \$   | -       |

Board staff is unable to verify the amounts entered into the 2.1.7 RRR column with the Board's 2.1.7 RRR Report. Please provide evidence supporting the amounts entered. If the reported amounts were input in error, Board staff will make the necessary correction to the model.

**6. Ref: A portion of Sheet "10. Billing Det. for Def\_Var" of the rate generator is reproduced below.**

| Rate Class                      | Unit   | Metered kWh | Metered kW | Billed kWh for Non-RPP Customers | Estimated kW for Non-RPP Customers | Distribution Revenue <sup>1</sup> | 1590 Recovery Share | 1595 Recovery Share Proportion (2008) <sup>2</sup> | 1595 Recovery Share Proportion (2009) <sup>2</sup> |
|---------------------------------|--------|-------------|------------|----------------------------------|------------------------------------|-----------------------------------|---------------------|--|--|
| Residential                     | \$/kWh | 82,794,132  |            |                                  |                                    | 2,815,758                         | 29%                 | 0%   | 0%   |
| General Service Less Than 50 kW | \$/kWh | 40,399,125  |            |                                  |                                    | 986,753                           | 14%                 | 0%   | 0%   |
| General Service 50 to 4,999 kW  | \$/kW  |             | 388,493    |                                  |                                    | 1,623,291                         | 56%                 | 0%   | 0%   |
| Unmetered Scattered Load        | \$/kWh | 509,821     |            |                                  |                                    | 12,813                            | 0%                  | 0%   | 0%   |
| Sentinel Lighting               | \$/kW  |             | 574        |                                  |                                    | 257,698                           | 1%                  | 0%   | 0%   |
| Street Lighting                 | \$/kW  |             | 4,783      |                                  |                                    | 22,385                            | 0%                  | 0%   | 0%   |
| <b>Total</b>                    |        | 123,703,077 | 393,850    | -                                | -                                  | 5,718,698                         | 100%                | 0%   | 0%   |

Board staff is unable to verify the amounts entered into the metered kWh and metered kW columns with BCP's 2.1.5 RRR Report or BCP's approved load forecast from its last cost of service application (EB-2010-0125). Board staff is also unable to verify the amounts entered into the Distribution Revenue column with BCP's approved distribution revenue from its last of service application. Please provide evidence supporting these amounts. If the reported amounts were input in error, Board staff will make the necessary correction to the model.

**7. Ref: A portion of Sheet "12. Cal. of Def\_Var RR" of the rate generator is reproduced below.**

| Please indicate the Rate Rider Recovery Period (in years) |        |                    |                |  |                                      |                                |  |                              |  |
|---|--------|--------------------|----------------|--|--------------------------------------|--------------------------------|--|------------------------------|--|
| Rate Class  | Unit   | Billed kWh         | Billed kW      | Accounts Allocated by kWh/kW (RPP) or Distribution Revenue | Deferral/Variance Account Rate Rider | Account 1588 Global Adjustment | Billed kWh or Estimated kW for Non-RPP | Global Adjustment Rate Rider |  |
| Residential   | \$/kWh | 82,794,132         | -              | -\$ 63,763   | \$0.00000                            | \$ -                           | -                                      | \$0.00000                    |  |
| General Service Less Than 50 kW                           | \$/kWh | 40,399,125         | -              | -\$ 31,113   | \$0.00000                            | \$ -                           | -                                      | \$0.00000                    |  |
| General Service 50 to 4,999 kW                            | \$/kW  | -                  | 388,493        | \$ -   | \$0.00000                            | \$ -                           | -                                      | \$0.00000                    |  |
| Unmetered Scattered Load                                  | \$/kWh | 509,821            | -              | -\$ 393  | \$0.00000                            | \$ -                           | -                                      | \$0.00000                    |  |
| Sentinel Lighting   | \$/kW  | -                  | 574            | \$ -   | \$0.00000                            | \$ -                           | -                                      | \$0.00000                    |  |
| Street Lighting   | \$/kW  | -                  | 4,783          | \$ -   | \$0.00000                            | \$ -                           | -                                      | \$0.00000                    |  |
| <b>Total</b>  |        | <b>123,703,077</b> | <b>393,850</b> | <b>-\$ 95,268</b>  |                                      | <b>\$ -</b>                    |  |                              |  |

BCP has not entered in a rate rider recovery period (in years). Please provide the proposed disposition period for account 1521.

**8. Ref: A portion of Sheet “18. LF – Current and Proposed” of the rate generator is reproduced below.**

| Loss Factors  | Current |
|---|---------|
| Total Loss Factor – Secondary Metered Customer < 5,000 kW | 1.0495  |
| Total Loss Factor – Secondary Metered Customer > 5,000 kW | 1.0173  |
| Total Loss Factor – Primary Metered Customer < 5,000 kW   | 1.0390  |
| Total Loss Factor – Primary Metered Customer > 5,000 kW   | 1.0772  |

Please confirm that BCP’s current approved Total Loss Factor – Primary Metered Customer > 5,000 kW is 1.0072, and not the 1.0772 entered into the model. If the reported amount was input in error, Board staff will make the necessary correction to the model.

**Account 1521 – Special Purpose Charge (SPC)**

**9. Ref: Manager’s Summary, Page 20**

BCP indicated it is still collecting the SPC rate adder, which is to be completed after November 2011 consumption invoices. BCP included a continuity schedule and rate rider derivation of account 1521.

BCP proposed to dispose of the December 31, 2011 principal balance of \$34,794.98 and projected interest to April 30, 2012 of \$1,511.79.

- a) Please confirm BCP's SPC assessment amount and provide a copy of the original SPC invoice.
- b) Please confirm the start date of when BCP began charging the SPC to its customers and the end date of when BCP stopped charging the SPC.
- c) Please complete the following table related to the SPC.

| 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 | Forecasted December 31, 2011 Year End Principal Balance | Forecasted April 30, 2012 Carrying Charges Balance | Total for Disposition (Principal & Carrying Charges) |
|------------------------------------|---|---------------------------|--|---|---|---|--|--|
|                                    |   |                           |  |   |   |   |  |  |

- d) Is BCP aware that the rate generator calculates the rate rider associated with the SPC? If yes, please justify why BCP has not used the rate generator.

**Smart Meter Funding Adder (SMFA)**

**10.Ref: The Board's Decisions and Order EB-2010-0125, Page 5**

In the Board's Decision in Order in BCP's 2011 cost of service application (EB-2010-0125), the Board noted that the Settlement Proposal includes the continuation of the SMFA of \$1.00 per metered customer per month. The Board further noted that the SMFA is a tool designed to provide advance funding and to mitigate the anticipated rate impact of smart meter costs when recovery of those costs is approved by the Board. The deployment of smart meters on a province-wide basis is nearing completion and the Board expects distributors to file for a final prudence review at the earliest possible opportunity following the availability of audited costs. The Board expects BCP to file in 2012 an application with the Board seeing final approval for smart meter related costs.

- a) When does BCP anticipate finalizing deployment of smart meters?
- b) When does BCP anticipate having smart meter costs audited and when does it expect to apply with the Board for final approval of its smart meter related costs?

**11.Ref: Manager's Summary, Page 6**

BCP indicated that it has not finalized the deployment of smart meters in their service territory. As a result, costs are not finalized and have not been audited. BCP is requesting the continuation of the current approved SMFA until April 30, 2013.

- a) Please indicate the status of BCP's Smart Meter deployment by completing the modified version of Appendix 2-Q of the Appendices to *Chapter 2 of the Filing Requirements for Transmission and Distribution Applications*. A copy of this spreadsheet is attached.
- b) Please provide more details as to why BCP considers it necessary and appropriate to continue the SMFA at this time.
- c) If its proposal to continue the SMFA past April 30, 2012 is approved, please provide BCP's views as to whether the current SMFA of \$1.00 is adequate as partial recovery of the revenue requirement for installed smart meters in order to avoid a significant deferred revenue requirement recovery when BCP makes application for disposition.
- d) Please fill out the attached draft Board staff Smart Meter model to calculate an updated SMFA for the 2012 rate year.
- e) Please explain, in detail, what is the nature of the costs that BCP has left to incur (i.e. forecasted costs for 2011 and 2012), with respect to its smart meter implementation.
- f) Are these costs different than those BCP has incurred prior to 2011? If so, please explain the differences.
- g) Please complete the table below with respect to BCP's smart meter implementation status and the associated costs:

| Year | Audited Actual or Forecast | # of Smart Meters Installed |            |       | Percentage of applicable customers converted in year (%) | Percentage of applicable customers converted cumulative (%) | Capital Expenditures (\$) | Operating Expenses (\$) | Total for Year (\$) |
|------|----------------------------|-----------------------------|------------|-------|--|---|---------------------------|-------------------------|---------------------|
|      |                            | Residential                 | GS < 50 kW | Total |  |   |                           |                         |                     |
| 2006 |                            |                             |            |       |  |   |                           |                         |                     |
| 2007 |                            |                             |            |       |  |   |                           |                         |                     |
| 2008 |                            |                             |            |       |  |   |                           |                         |                     |
| 2009 |                            |                             |            |       |  |   |                           |                         |                     |
| 2010 |                            |                             |            |       |  |   |                           |                         |                     |
| 2011 |                            |                             |            |       |  |   |                           |                         |                     |
| 2012 |                            |                             |            |       |  |   |                           |                         |                     |

**Lost Revenue Adjustment Mechanism (LRAM)**

**12. Ref: Appendix F, LRAM Filing**

BCP has requested recovery of \$21,561, related to lost revenues from OPA CDM Programs delivered in 2010.

- a) Please confirm that the LRAM calculations incorporated the 2010 OPA final program results.

-7-

- b)** If BCP has not received the 2010 OPA final program evaluation results, please discuss when BCP expects to receive them and how it will update its LRAM claim.
- c)** Please confirm that BCP is only requesting lost revenues from OPA programs implemented in 2010.
- d)** Please confirm that BCP is not requesting approval for the lost revenues that have persisted from prior year programs into 2010. If BCP is requesting persisting amounts in 2010, please provide a table that shows the persisting lost revenues from each year that are being claimed in this application.
- e)** Please confirm that BCP has not recovered any of the amounts associated with this LRAM claim in the past. If BCP has previously recovered amounts included in this application, please provide an updated LRAM amount with these amounts removed.
- f)** Please identify the CDM savings that were included in BCP's 2011 Board approved load forecast for CDM programs deployed from 2006 to 2011 inclusive.
- g)** Please provide an updated table with an LRAM amount exclusive of any persisting CDM savings that take place after BCP's last Board-approved load forecast.