



PETERBOROUGH DISTRIBUTION INC.

1867 Ashburnham Drive, PO Box 4125, Station Main
Peterborough ON, K9J 6Z5

January 25, 2012

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, Ontario
M4P 1E4

Dear Ms. Walli

**Peterborough Distribution Inc.
2012 IRM3 Distribution Rate Application
Response to Board Staff Interrogatories
Board File No. EB-2011-0194**

Please find accompanying this letter two hard copies of Peterborough Distribution Inc's response to the Ontario Energy Board Staff Interrogatories. Electronic version of this response will be forwarded to the Board in PDF format.

Yours truly,

Original signed by Robert Kent

Robert Kent
Manager, Finance and Regulatory Compliance
Peterborough Distribution Inc.
Telephone (705) 748-9301 ext 1272
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Board Staff Interrogatories

2012 IRM3 Electricity Distribution Rates Peterborough Distribution Incorporated ("PDI") EB-2011-0194

1. Account 1521 – Special Purpose Charge

Ref: Application, Manager's Summary – page 3

On page 3 of the Manager's Summary, Peterborough states:

The Rate Application includes a SPC refund in the amount of \$104,986 including interest. Amounts collected from customers during 2011 are recorded as adjustments during quarter 4 2010 in column BI, Sheet 9 of the Rate Generator

- a) Please confirm Peterborough's SPC assessment amount and provide a copy of the original SPC invoice.

Response:

Peterborough's assessment amount is \$317,347. A copy of original SPC invoice is attached to this response.

- b) Please complete the following table related to the SPC

Response:

Please see the following table as requested, indicating a refund of \$104,986.

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 Year End Carrying Charges Balance	Carrying Charges for 2012 (Jan 1 to April 30)	Total for Disposition (Principal & Interest)
\$ 317,347	\$(187,168)	\$ 1,437	\$ 130,179	\$ 1,437	\$(235,793)	\$ (296)	\$(105,614)	\$ 1,141	\$ (513)	\$ (104,986)

2. 2012 Shared Tax Savings No. 2

Ref: 2012 IRM3 Shared Tax Savings Workform – Sheet 3

Ref: Application, EB-2008-0241 – page 306

A section of Sheet 3 “Re-based Bill Det & rates” of the 2012 IRM3 Shared Tax Savings Workform is reproduced below.

18 Last COS Re-based Year was in 2009					Re-based Billed		
19	20 Rate Group	Rate Class	Fixed Metric	Vol Metric	Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C
21	22 RES	Residential Regular	Customer	kWh	30,883	301,495,708	
	23	GSLT50 General Service Less Than 50 kW	Customer	kWh	3,638	121,412,816	
	24	GSGT50 General Service 50 to 4,999 kW	Customer	kWh	368	297,624,170	731,891
	25	LU Large Use - Regular	Customer	kWh	2	63,699,061	128,427
	26	USL Unmetered Scattered Load	Connection	kWh	404	1,909,385	
	27	Sen Sentinel Lighting	Connection	kWh	401	659,151	1,795
	28	SL Street Lighting	Connection	kWh	8,540	6,261,525	17,527

The forecasted customer count from page 306 of Peterborough’s last Cost of Service application is reproduced below.

2009 Test - Normalized						
	Customers (Year-End)	Consumption (kWh)	Demand (kW)	Distribution Revenues \$	Unit Revenues \$/kWh	Unit Revenues \$/kW
Residential	30,883	301,495,708		7,779,121	0.0258	
GS<50	3,638	121,412,816		2,306,768	0.0190	
GS>50	368	297,624,170	731,891	2,480,778		3,3895
Large User	2	63,699,061	128,427	163,274		1.2713
Unmetered Scattered Load	9	1,909,385		282,837	0.1481	
Street Light (connections)	8,540	6,261,525	17,527	582,749		33.2486
Sentinel Lighting (connections)	401	659,151	1,795	54,883		30.5755
TOTAL	43,841	793,061,816	879,640	13,650,410		

Board staff is unable to reconcile the year end customer count from Peterborough’s last Cost of Service application with data provided in Sheet 3 of the 2012 IRM3 Shared Tax Savings Workform.

1. Please provide evidence in support of the number of connections provided in Sheet 3 of the 2012 IRM3 Shared Tax Savings Workform. If any data was entered in error, please indicate the error and Board staff will make the required changes to the model.

Response:

Ref: Submission of a Draft Rate Order in Response to The Board's Decision Dated June 15, 2009, Tab 1, Pages 19 & 20 of 23.

Page 19.

The customer count data is based upon the Board direction that Peterborough use a per connection monthly charge for USL class and to revise its rates accordingly. Peterborough previously billed on a per customer basis.

Page 20.

Peterborough submitted a revised count of 404 USL connections for billing determinates. The USL connection count has been used consistently since the June 15, 2009 Board direction.

3. Lost Revenue Adjustment Mechanism (LRAM)

Ref: IndEco LRAM/SSM Third Party Review.

Peterborough has requested an LRAM recovery associated with 2005 to 2010 CDM programs for a total amount of \$686,841 and SSM associated with 2005, 2006, and 2007 Third Tranche CDM programs in the amount of \$56,463.

- a) Please confirm that Peterborough has used final 2010 program evaluation results from the OPA to calculate its LRAM amount.

Response:

Peterborough confirms that it used the final 2010 program evaluation results from the OPA to calculate its LRAM amount.

- b) If Peterborough did not use final 2010 program evaluation results from the OPA, please explain why and update the LRAM amount accordingly.

Response:

Please refer to 3. a, Peterborough did use final 2010 program evaluation results from the OPA.

- c) Please provide a table that shows the LRAM amounts Peterborough has collected historically.

Response:

Peterborough has not previously collected LRAM amounts.

- d) Please confirm that Peterborough has not received any of the lost revenues requested in this application in the past. If Peterborough has collected lost revenues related to programs applied for in this application, please discuss the appropriateness of this request.

Response:

Peterborough confirms that there have not been any lost revenues received in the past and that this is the first application for lost revenue recovery.

- e) Please identify the CDM savings that were proposed to be included in Peterborough's last Board approved load forecast for CDM programs deployed from 2005-2009 inclusive.

Response:

Peterborough's last Board approved load forecast did not include forecasted CDM program savings.

- f) Please provide a table that shows the LRAM amounts requested in this application by the year they are associated with and the year the lost revenues took place, divided by rate class within each year. Use the table below as an example and continue for all the years LRAM is requested:

Response:

Tables 1 to 3, on the following page, provide the LRAM amounts requested in this application by program year and the corresponding year that the lost revenues were incurred for the residential, GS < 50 kW and GS > 50 kW rate classes.

Table 1. Lost Revenues from Residential Programs

Residential Programs	Lost Revenues by Year								Total
	2005	2006	2007	2008	2009	2010	2011	Jan 1 to Apr 30, 2012	
2005 programs	\$ 1,788	\$ 3,062	\$ 2,964	\$ 2,928	\$ 2,858	\$ 2,611	\$ 2,582	\$ 1,833	\$ 20,626
2006 programs	-	\$ 40,398	\$ 41,778	\$ 41,264	\$ 40,292	\$ 10,263	\$ 10,151	\$ 4,541	\$ 188,687
2007 programs	-	-	\$ 34,343	\$ 32,500	\$ 30,963	\$ 28,280	\$ 27,970	\$ 10,861	\$ 164,917
2008 programs	-	-	-	\$ 20,075	\$ 19,555	\$ 17,861	\$ 17,665	\$ 4,010	\$ 79,166
2009 programs	-	-	-	-	\$ 8,201	\$ 7,314	\$ 7,234	\$ 1,789	\$ 24,538
2010 programs	-	-	-	-	-	\$ 5,680	\$ 5,617	\$ 1,392	\$ 12,689
LRAM Total	\$ 1,788	\$ 43,460	\$ 79,085	\$ 96,767	\$ 101,869	\$ 72,009	\$ 71,219	\$ 24,426	\$ 490,623

Table 2. Lost Revenues from GS < 50 Programs

Residential Programs	Lost Revenues by Year								Total
	2005	2006	2007	2008	2009	2010	2011	Jan 1 to Apr 30, 2012	
2005 programs	\$ 2,998	\$ 5,249	\$ 4,611	\$ 3,331	\$ 3,538	\$ 3,325	\$ 1,648	\$ -	\$ 24,700
2006 programs	-	-	-	-	-	-	-	-	\$ -
2007 programs	-	-	-	-	-	-	-	-	\$ -
2008 programs	-	-	-	\$ 1,796	\$ 1,940	\$ 1,552	\$ 1,535	\$ 381	\$ 7,204
2009 programs	-	-	-	-	\$ 14,288	\$ 13,430	\$ 13,283	\$ 3,291	\$ 44,292
2010 programs	-	-	-	-	-	\$ 15,457	\$ 15,288	\$ 3,787	\$ 34,532
LRAM Total	\$ 2,998	\$ 5,249	\$ 4,611	\$ 5,127	\$ 19,766	\$ 33,764	\$ 31,754	\$ 7,459	\$ 110,728

Table 3. Lost Revenues from GS > 50 Programs

Residential Programs	Lost Revenues by Year								Total
	2005	2006	2007	2008	2009	2010	2011	Jan 1 to Apr 30, 2012	
2005 programs	-	-	-	-	-	-	-	-	\$ -
2006 programs	-	-	-	-	-	-	-	-	\$ -
2007 programs	-	-	-	-	-	-	-	-	\$ -
2008 programs	-	-	-	\$ 3,387	\$ 3,699	\$ 3,286	\$ 3,255	\$ 807	\$ 14,434
2009 programs	-	-	-	-	\$ 15,901	\$ 14,125	\$ 13,995	\$ 3,467	\$ 47,488
2010 programs	-	-	-	-	-	\$ 10,539	\$ 10,442	\$ 2,587	\$ 23,568
LRAM Total	\$ -	\$ -	\$ -	\$ 3,387	\$ 19,600	\$ 27,950	\$ 27,692	\$ 6,861	\$ 85,490

- g) Please provide a table that shows the monthly LRAM balances, the Board-approved carrying charge rate and the total carrying charges by month for the duration of this LRAM request to support your request for carrying charges. Use the table below as an example:

Response:

Carrying charges are calculated using the deferral and variance account rates prescribed by the OEB.¹ These are annual interest rates updated quarterly. As such, LRAM is not calculated on lost revenues per month but on a quarterly basis.

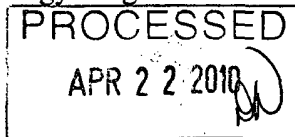
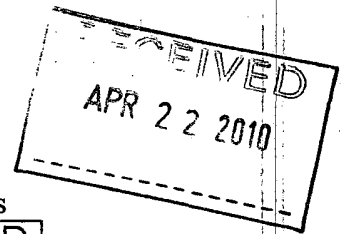
Table 4 on the following provides quarterly balances, the Board approved carrying charge rate (converted from a compounded annual rate to a compounded quarterly rate), and the total carrying charges by quarter for the duration of the LRAM request. Interest is not compounded and is only calculated on the principal amount

¹ For prescribed interest rates, see <http://www.oeb.gov.on.ca/OEB/Industry/Rules+and+Requirements/Rules+Codes+Guidelines+and+Forms/Prescribed+Interest+Rates>

Table 4. LRAM Claim and Carrying Charges

Year	Quarter	Quarterly lost revenue	Closing balance	OEB prescribed quarterly rate	Total
2005	Q 1	\$ 994	\$ 994	1.56%	\$ 16
2005	Q 2	\$ 994	\$ 1,988	1.56%	\$ 31
2005	Q 3	\$ 994	\$ 2,982	1.56%	\$ 47
2005	Q 4	\$ 994	\$ 3,976	1.56%	\$ 62
2006	Q 1	\$ 10,545	\$ 14,521	1.56%	\$ 227
2006	Q 2	\$ 10,545	\$ 25,066	1.04%	\$ 259
2006	Q 3	\$ 10,545	\$ 35,611	1.15%	\$ 409
2006	Q 4	\$ 10,545	\$ 46,156	1.15%	\$ 530
2007	Q 1	\$ 18,877	\$ 65,033	1.15%	\$ 746
2007	Q 2	\$ 18,877	\$ 83,910	1.15%	\$ 963
2007	Q 3	\$ 18,877	\$ 102,787	1.15%	\$ 1,179
2007	Q 4	\$ 18,877	\$ 121,664	1.29%	\$ 1,563
2008	Q 1	\$ 24,785	\$ 146,449	1.29%	\$ 1,882
2008	Q 2	\$ 24,785	\$ 171,234	1.02%	\$ 1,747
2008	Q 3	\$ 24,785	\$ 196,019	0.84%	\$ 1,642
2008	Q 4	\$ 24,785	\$ 220,804	0.84%	\$ 1,849
2009	Q 1	\$ 34,188	\$ 254,992	0.61%	\$ 1,562
2009	Q 2	\$ 34,188	\$ 289,180	0.25%	\$ 723
2009	Q 3	\$ 34,188	\$ 323,368	0.14%	\$ 455
2009	Q 4	\$ 34,188	\$ 357,556	0.14%	\$ 492
2010	Q 1	\$ 32,606	\$ 390,162	0.14%	\$ 536
2010	Q 2	\$ 32,606	\$ 422,768	0.14%	\$ 581
2010	Q 3	\$ 32,606	\$ 455,374	0.22%	\$ 1,013
2010	Q 4	\$ 32,606	\$ 487,980	0.30%	\$ 1,464
2011	Q 1	\$ 32,212	\$ 520,192	0.37%	\$ 1,912
2011	Q 2	\$ 32,212	\$ 552,404	0.37%	\$ 2,030
2011	Q 3	\$ 32,212	\$ 584,616	0.37%	\$ 2,148
2011	Q 4	\$ 32,212	\$ 616,828	0.37%	\$ 2,267
2012	Q 1	38,593	\$ 655,421	0.49%	\$ 3,212
			\$ 655,421		\$ 31,420
LRAM plus Carrying Charges					\$ 686,841

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



To: Peterborough Distribution Incorporated
 1867 Ashburnham Drive, P.O. Box 4125, St
 Peterborough, ON K9J 6Z5
 Attn: Larry Doran, President & CEO

Customer No./No du client 472770
Customer Site No./ N° d'emplacement du client 1061042
Invoice Date/Date de la facture April 16, 2010
Invoice No./ N° de la facture 50060
Due Date/ Date d'échéance July 30, 2010
Payment Amount/Montant remis CAD \$ 317,347

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.

041-1451

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.

Customer No. / N° du client 472770
Customer Site No./ N° d'emplacement du client 1061042
Invoice No./ N° de la facture 50060
Payment Amount / Montant remis CAD \$ 317347.00

Peterborough Distribution Incorporated
 1867 Ashburnham Drive, P.O. Box 4125, St
 Peterborough, ON K9J 6Z5
 Attn: Larry Doran, President & CEO

7000000000
 1000000000
 1000000000

Applying your payment to a specific invoice: (Indicate the invoice number and amount to be applied)

Invoice Number	Amount
	\$ <input type="text"/>
	\$ <input type="text"/>
	\$ <input type="text"/>
	\$ <input type="text"/>

Invoice Number	Amount
	\$ <input type="text"/>
	\$ <input type="text"/>
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