



February 21, 2013

Kirsten Walli, Board Secretary  
Ontario Energy Board  
P.O. Box 2319, 27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON  
M4P 1E4

Attention: Ms. Walli

**Re: Espanola Regional Hydro Distribution Corporation's 2013 3<sup>rd</sup> Generation  
IRM Rate Application  
Board File No. EB-2012-0122  
Re: Reply Submission**

Please find enclosed Espanola Regional Hydro Distribution Corporation's reply submission to the 2013 3<sup>rd</sup> Generation Rate Application that was filed with the Board on December 7, 2012. The reply submission has been electronically filed through the Board's web portal.

Sincerely,

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Jennifer Uchmanowicz  
on behalf of Espanola Regional Hydro Distribution Corporation  
Rates and Regulatory Affairs Officer  
PUC Distribution Inc.  
Sault Ste. Marie Ont.  
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# **Espanola Regional Hydro Distribution Corporation (“ERHDC”)**

Reply Submission  
2013 IRM 3 Distribution Rate Application  
EB-2012-0122  
February 21, 2013

## Introduction

Espanola Regional Hydro Distribution Corporation filed an application with the Ontario Energy Board (the “Board”) on December 7, 2012, under section 78 of the Ontario Energy Board Act, 1998, seeking approval for changes to ERHDC’s distribution rates effective May 1, 2013. The application was based on the 3<sup>rd</sup> Generation Incentive Regulation Mechanism. ERHDC respectfully submits this document as a reply submission to the Board.

## **RTSR Workform**

### Issue

In the interrogatory phase, Board staff noted that ERHDC did not enter the “Applicable Loss Factor” for its Residential, General Service Less than 50 kW and Unmetered Scattered Load rate classes in its RTSR workform. In its responses, ERHDC agreed and requested Board staff to make the necessary corrections to the workform. Notwithstanding this minor error, to be corrected at the time of the Board Decision on the Application, Board staff has no concerns with the data supporting the updated Retail Transmission Service Rates.

### ERHDC Comment

ERHDC has no further comment on this issue and is in agreement with the Board’s submission.

## **Tax Savings Workform**

### Issue

Board Staff submits that ERHDC completed the Tax-Savings workform with the correct rates which reflects the Revenue Requirement workform from the Board’s costs of service decision in EB-2011-0319. In its Manager Summary, ERHDC noted that it is not proposing any tax- savings rate riders. Board staff has no concerns with the workform as filed and notes that the tax-savings rate riders are negligible for all rate classes. Board staff submits that ERHDC should record the whole tax-savings amount of \$9,316 in Account 1595 for future disposition.

### ERHDC Comment

ERHDC has no further comment on this issue and is in agreement with the Board’s submission.

## **Deferral and Variance Accounts**

### Issue

ERHDC completed the Deferral and Variance account continuity schedule included in the 2013 Rate Generator Model at Tab 5 for its Group 1 Deferral and Variance Accounts. ERHDC's total Group 1 Deferral and Variance account balances as at December 31, 2011 amount to a credit of \$47,867 which includes interest calculated to April 30, 2013. Based on the threshold test calculation of \$0.0001 per kWh, the Group 1 Deferral and Variance Account balances do not exceed the threshold, and as such, ERHDC did not request disposition of these accounts. Board staff reviewed ERHDC's Group 1 Deferral and Variance balances and notes that the principal balances as of December 31, 2011 reconcile with the balances reported as part of the Reporting and Record-keeping requirements. As the preset disposition threshold has not been met, Board Staff submits that disposition is not warranted at this time.

### ERHDC Comment

ERHDC has no further comment on this issue and is in agreement with the Board's submission.

- All of which is respectfully submitted -