

Board Staff Interrogatories
2009 Incentive Regulation Mechanism Rate Application
Atikokan Hydro Inc.
EB-2008-0158

Smart Meters

Reference: Manager's Summary, Page 2-3

1. Atikokan Hydro Inc. ("Atikokan") is requesting an increased smart meter funding adder of \$1.00. The utility advises it expects to enter into negotiations with a vendor in December 2008 for 1686 meters with an expected capital cost of \$225 per meter. The utility also advises it does not expect to purchase smart meters whose functionality exceeds the minimum adopted in O.Reg. 425/06 and does not expect to incur costs associated with functions for which the SME has exclusive authority.
 - a) What is the present status of the above negotiations?
 - b) Section 1.4 of Board Guideline G-2008-0002, *Smart Meter Funding and Cost Recovery*, specifies further filing requirements for distributors seeking the standard \$1.00 smart meter funding adder. In accordance with section 1.4, please provide documentation supporting that Atikokan is duly authorized to deploy smart meters pursuant to O.Reg. 427/06, as amended on June 25, 2008 by O.Reg. 235/08. A copy of an "Attestation of the Fairness Commissioner" would be consistent with this filing requirement.

Revenue to Cost Ratios

Reference: 2009 3rd Gen. IRM Supplementary Filing Module, Sheet C2.1

2. The Board's August 21st 2008 Decision (EB-2008-0014 at page 18) directed Atikokan to adjust its revenue to cost ratios in its 2008 rate to yield 50% for the GS>50 kW, 45% for the Street Lighting, 40% for the Sentinel Lighting and 45% for the Unmetered Scattered Load ("USL") rate classes.
 - a) Please explain why Sheet C2.1 of the filed 2009 3rd Generation IRM Supplementary Filing Module indicates the actual revenue to cost ratios for 2008 were: 42.4% for the GS>50 kW, 44.9% for the Street Lighting, 3.1% for the Sentinel Lighting, and 803.2% USL.
 - b) Please provide corrected figures, if required, in a resubmitted filing.

Reference: Manager's Summary, Pages 3 to 8

3. Please provide in Excel format the spreadsheet used by Atikokan, in lieu of the cost allocation sections in the IRM filing model, to derive the proposed revenue to cost ratio adjustments for the 2009 rates.

Reference: Sheet D1.2, 3GIRM Rate Generator Model

4. On Page 7 of the Manager's Summary, Atikokan indicates that for the Street Lighting rate class, there should be a \$1.7484 change in 2009 to the base rate volumetric charge. However, at sheet D1.2 of the utility's filed 3rd Generation IRM Rate Generator Model, a change of \$0.0105 is entered for this item. Please explain the discrepancy and confirm what should be the correct number.

Rural or Remote Electricity Rate Protection

5. By letter dated December 17, 2008, the Board informed the electricity distributors of the approval it has given to the IESO regarding the level of charge the IESO may apply to its Market Participants for the Rural or Remote Electricity Rate Protection (RRRP) program. In that letter, the Board stated: "Distributors that currently have a rate application before the Board shall file this letter as an update to their evidence along with a request that the RRRP charge in their tariff sheet be revised to 0.13 cents per kilowatt-hour effective May 1, 2009."

If Atikokan has not done so, please file the required addition to the evidence as outlined in the December 17th letter.