

OSHAWA PUC NETWORKS INC.
EB-2008-0205
Reply To
VECC Interrogatory Requests (20090105)

Question #1

Reference: Oshawa PUC, 3GIRM Rate Generator

a) With respect to Tab L2.1, please indicate how the 19.2% adjustment for Retail Transmission Connection (Line & Transformation) charges was determined.

On October 22, 2008 the Board issued *Guideline G-2008-0001: Electricity Distribution Retail Transmission Service Rates*. Page 4 of the Guideline contains instructions for distributors filing Incentive Regulation applications. Specifically, the Guideline states that the rates will be adjusted by the inclusion of a module in the application module. OPUCN has used the approved rate model.

b) Please provide a schedule setting out the most 12 months of billings from the IESO for Transmission Line and Transformation Connection charges.

This information is in the following table.

Oshawa PUC Networks Inc.

IESO Physical Invoice Summary 2007/ 2008

Question #1 b) IESO Transmission Line and Tranformation Comnection Changes

	Charge type	December 2007	January 2008	February	March	April
650	Network Service Charge	469,371.21	469,773.15	473,007.15	411,080.67	379,128.75
651	Line Connection Service Charge	127,022.87	127,595.76	120,811.35	110,894.04	97,388.94
652	Transformation Connection Service Ch	346,621.73	348,185.04	329,671.65	302,609.16	265,756.26

May	June	July	August	September	October	November	Total
320,193.72	436,557.66	439,657.68	402,127.11	435,596.70	379,253.49	409,059.42	5,024,806.71
87,784.92	113,586.80	125,598.61	113,564.97	112,564.33	103,683.65	119,086.19	1,359,582.43
239,548.68	309,957.20	342,735.19	309,897.63	307,167.07	282,933.35	324,964.01	3,710,046.97

Question#2

Reference: Oshawa PUC, 3GIRM Supplementary Model

a) With respect to Tab B3.1, please confirm that the OEB Cost Allocation Model included the cost of the Transformer Ownership Allowance in the Base Revenue Requirement and allocated it to all customer classes.

The transformer ownership allowance amount of \$239,375 was included in the Base Revenue Requirement and allocated to all customer classes.

b) Please confirm how the “cost” of the transformer ownership allowance was allocated in Oshawa’s 2008 Rate Order.

The allocation of the Base Revenue Requirement and therefore the Transformer Allowance is based on the rate calculation methodology approved for 2008 Cost of Service applications. The method calculated the percentage of the total amount assigned to each class as a result of the application of the approved rates of 2007. This percentage was applied to the projected customer connection and load data.

c) Given the price cap adjustment is applied to the all rates, why shouldn’t it also be applied to the transformer ownership allowance for 2009?

If the Board proposes a methodology for applying the price cap adjustment to the Transformer Allowance Oshawa will use that methodology.