

Board Staff Supplemental Interrogatories
2009 Electricity Distribution Rates
Lakeland Power Distribution Ltd. (“Lakeland”)
EB-2008-0234
As per Procedural Order #3 dated January 21, 2009.

OM&A

1. Ref: Board Staff Interrogatory #6 d)

Board staff requests additional information on the response to Board staff interrogatory #6d) regarding costs for the International Financial Reporting Standards conversion. Please provide a table that:

- a) Itemizes the estimated costs for IFRS conversion that Lakeland would like added to their application,
- b) Lists separately capital expenditures and OM&A expenses, and
- c) Shows the year that these expenditures will take place.

2. Ref: Board Staff Interrogatory #7

The table that Lakeland provided in response to Board staff Interrogatory #7 discloses a \$2,119 transfer from 2008 into 2009 – 2011. Please explain the nature of the costs being transferred and the reason.

Load Forecast

3. Ref: Board Staff Interrogatory #23a

With respect to the response provided to this Interrogatory, please explain how, and to what extent, the anticipated effect of Lakeland's CDM activities is represented by the formula on (Exh3/Tab2/Sch2) page 3 that is used to forecast future consumption.

4. Ref: Lakeland Preamble to Board Staff Load Forecast Interrogatories

Lakeland re-filed the load forecasted in Exh3/Tab2/Sch2/Appendix A. Though no reduction is forecast for the number of customers in the GS >50 to 999kW class or in the GS > 1000 to 4999 kW class, a significant drop in kWh load is forecast. Please explain, by industry type or major customer or other appropriate descriptor, how this is expected to occur.

5. Ref: Board Staff Interrogatory # 22 and VECC Interrogatory #4

With regard to the response to VECC IR#4: "The Applicant summarizes the results of a regression analysis based on alternate explanatory variables and notes "The load forecast as updated in OEB #22 has been revised..." and "The following table outlines the revised Summary of Forecast Data..."

Please:

- a) provide the Adjusted R-Squared value for the new regression analysis,
- b) confirm that "OEB Interrogatory #22" is the intended reference, and
- c) identify the referenced "following table".

6. Ref: Energy Probe Interrogatory # 20

In Table 14 of its response, the Applicant provides an alternate load forecast and, subsequently, provides a table showing the Total Distribution Revenue that is apparently based on the Table 14 alternate load forecast. The new Total Distribution Revenue table is identical to that in the September 15 filing despite the different load forecast. Please verify that the new Total Distribution Revenue table is indeed based on the alternate load forecast.

Income Tax

7. Ref: Board Staff Interrogatory # 21

- a) Please confirm the total PILs amount for Rate Purposes that Lakeland Power is requesting.
- b) Please provide the income tax rates that have been used in the PILs calculation, Federal and Ontario Rate. If Lakeland has used a Total Corporate Income Tax Rate other than 28.87%, please provide reasons for doing so.

Smart Meters

8. Ref: Board Staff Interrogatory # 20

Please confirm the Smart Meter Rate Adder that Lakeland is seeking for the 2009 Test Year. Also, please provide the estimated date when Lakeland will be filing the indicated separate smart meter application.

Deferral and Variance Accounts

9. Ref: Board Staff Interrogatory # 38a

Some discrepancies were noticed in the Lakeland response to Board staff Interrogatory #38a:

- i) The December 31, 2004 principal and interest balances for account 1586 and 1525 in the Lakeland 2006 EDR filing are not the same as the beginning balances on January 1, 2005 in this interrogatory response.
- ii) The interest amounts on January 1, 2005 do not match the December 31, 2004 interest amounts.
- iii) In the 2006 EDR application, the total of the transfer of Board approved amounts to 1590 (\$3,952,103) does not agree with the 2006 transfers total in account 1590 filed in the interrogatory response.

Please reconcile and explain:

- a) the differences between the ending balance on December 31, 2004 and beginning balances on January 1, 2005 for both the amounts found in the 2006 EDR model and the amounts found in the continuity schedule provided in response to the interrogatory (Board Staff #38a), and
- b) the difference between the amount approved by Board in 2006 EDR vs. the amount shown in the current application in the "Transfer of Board approved amounts to 1590 per 2006 EDR" column for both principal and interest in the Regulatory Assets Schedule.

Retail Transmission Service Rates

10. Ref: Board Staff Interrogatory # 36

Lakeland submitted its response to Board Staff Interrogatory # 36 with summary data from 2006 and 2007 together with a calculation of what its wholesale cost would have been if the interim rates (now final) had been in effect through that period. If the interim rates had been charged in 2006, the Network cost would have been approximately 20% less than the actual 2006 cost (\$860,211 compared to \$1,000,503), and approximately 10% less than the actual 2007 cost (\$958,637 compared to \$1,062,907). Comparable comparisons for Connection costs are 15% and 10% for the years respectively. New retail rates are derived that would produce revenue equal to the hypothetical wholesale cost of Network and Connection service. Ref: "Responses to Board Staff Interrogatories", final column of the tables on page 54 of 88.

- a) Is this a correct interpretation of the numbers derived on page 54?
- b) To demonstrate the hypothetical retail rates, please show the wholesale transmission costs for several months in 2008 (later than May) together with the revenues that would have been gained using the retail rates derived in the response to Board staff interrogatory #36.

Customer Classification

11. Ref: AMPCO Interrogatory # 3

AMPCO requested a breakdown of General Service customers larger than 50 kW by size. There were no customers in the size category 3001 – 5000 kW, and the table contains no row for customers larger than 5000 kW. At Exhibit 9/Tab1/Schedule 6, Lakeland indicates that it intends to provide information supporting the establishment of a large user class in the future.

- a) Are there are also no customers larger than 5000 kW? Or if not zero, how many are there?
- b) Is there any reason to be concerned about the validity of the revenue to cost ratios calculated in the Informational Filing EB-2006-0247 due to the absence of a Large user class in that model?