

West Perth Power – EB-2010-0121

Board Staff Supplemental Interrogatories

1. Ref: Response to Board Staff Interrogatory 4 a)

In its Decision with Reasons¹ approving the applications by ERTH Corporation to purchase the share interest in West Perth and Clinton Power, the Board stated:

The Applicant's response to Board Staff Interrogatory #2 as to whether any of the parties intend to seek recovery of the transaction costs through rates is not clear. Consistent with the Board's other MAADs decisions², the Board expects that all transaction costs are to be borne by the shareholder of the acquirer and are not recoverable through rates.

Neither the Applicant nor any other party acting under its direction or control shall make an application to recover any portion of acquisition premiums paid in connection with these transactions. Similarly, neither the Applicant nor any other party acting under its direction or control shall make an application to recover any portion of any of the transactions costs incurred in connection with these transactions.

THE BOARD ORDERS THAT:

3. ERTH Corporation shall file a report on the costs borne by the ratepayer for these acquisitions with the next Cost of Service rate applications for West Perth Power Inc. and Clinton Power Corporation, delineating any acquisition premiums paid, and transaction costs incurred in connection with these acquisitions.

Please indicate when ERTH Corporation will be filing the report as directed by the Board in the Decision with Reasons EB-2009-0156/EB-2009-0157

¹ Ontario Energy Board, Decision with Reasons, EB-2009-0156/EB-2009-0157, October 8, 2009, pp. 4-5.

² EB-2009-0282 (Application by FortisOntario Inc. for leave to acquire shares of Great Lakes Power Distribution Inc.) EB-2008-0339 (Application by Town of Cochrane for leave to acquire shares of Northern Ontario Wires Inc.)

EB-2008-0339 (Application by Town of Cochrane for leave to acquire shares of Northern Ontario Wires Inc.)

- ***The report will be filed on October 29th, 2010.***

2. Ref: Response to Board Staff Interrogatory 9

- a) Please provide copies of West Perth's Audited Financial Statements, as signed off by its external auditor, for the year ending December 31, 2009.

- ***Audited statements are provided in this response.***

- b) Please provide an explanation as to why the preparation of West Perth's 2009 Audited Financial Statements has been delayed or taken so long to prepare.

- ***Auditing Firm performed field work for audit during April and May 2010. Still waiting for auditor to complete their clean up back in their office. Auditor has been notified of the urgency to complete and sign-off on audited financial statements.***

3. Ref: Response to Board Staff Interrogatory 8 b) i)

- a) Please provide a detailed explanation for each of the following. With respect to each of the service interruptions documented in April, August and October 2009 under "Loss of Supply":

- ***April 26/09, Seaforth M2 interrupted from 16:19 to 20:38 EST to replace two broken poles, weather related.***
- ***August 9/09, Seaforth M2 interrupted from 10:07 to 11:36 EST re fallen tree, weather related.***
- ***October 21/09, Seaforth M2 interrupted from 12:08 to 12:11 EST. 115kV switching operation tripped both 115kV supply circuits.***

- b) Why was there a loss of supply from West Perth's host distributor, Hydro One Networks Inc.? Was it one or more service interruptions in the month?

- ***See above.***

- c) Was it due to severe weather, local storm, downed pole, etc.?

- ***See above.***

- d) Did the service interruption affect all or part of West Perth's service area in each case?

- ***Each service interruption affected all of West Perth's service area.***

4. Ref: Response to Board Staff Interrogatory 12

Please provide updates of the Rate Base Summary Table from E2/T1/S2 and E2/T2/S1 to reflect the corrections noted in the response to Board Staff interrogatory 12.

- ***The Rate Base Summary Table has been updated to reflect all the necessary corrections and has been provided electronically as WPPI Supplemental Interrogatory Responses Excel Tables.xls.***

5. Ref: Response to Board Staff Interrogatory 13

West Perth stated that it is still negotiating the delivery of the Radial Boom Derrick (RBD) truck with the supplier.

- a) What is the probability that the RBD truck will be in service by December 31, 2010?
 - ***It is not likely that the RBD truck will be in service by December 31st, 2010.***
- b) With respect to the response to Board Staff interrogatory 13 c), please provide the detailed calculations of how West Perth translated the \$280,000 for the bucket truck into a rate base impact of \$261,000.
 - ***The net between the \$280,000 purchase price and its associated amortization of \$19,000 translates into a rate base impact of \$261,000***
- c) If the RBD truck is necessary and the expenditure prudent, and given that any capital expenditure is a significant expenditure for West Perth, how does West Perth propose that the capital-related and operating costs for the bucket truck will be recovered over the life of the asset if West Perth removes the asset from rate base?
 - ***West Perth removed the truck in order to provide a more representative, sustainable annual capital budget. West Perth, while concerned about the need to invest to provide safe and reliable service, had to balance that with the impact on rates.***

6. Ref: Response to Board Staff Interrogatory 15

West Perth states that two older vehicles, a Radial Boom Derrick and a bucket truck, were purchased at a “nominal amount” to allow West Perth staff to continue operations until replacement vehicles could be acquired. West Perth also states that the \$45,000 purchase price for these vehicles was capitalized and amortized as any vehicles in the class would be.

- a) For each of these vehicles, please provide the individual purchase price, age, and market value at the time of purchase of each of these vehicles, as requested in the response to Board Staff interrogatory 15 b).
- **The Trucks were a 1986 GMC Bucket Truck which was purchased for \$15,000 and a 1992 GMC Top Kick RBD which was purchased for \$30,000.**
- b) Please provide details on how and for how long West Perth has amortized the purchase price of these vehicles.
- **The purchase price for these vehicles has been amortized over five years.**
- c) Please confirm whether each of these vehicles is currently in service.
- **The RBD is still in service.**

7. Ref: Response to Board Staff Interrogatory 18

For 2009 and 2010, please provide the calculations that were used to derive the cost of power.

Rates 2009

	Consumption 2009	Network Service	Conncection Service	Wholesale Market	Rural Rate Protection	Commodity	LV
RESIDENTIAL							
Regular	15,500,136	\$0.0048	\$0.0044	\$0.0052	\$0.0013	\$0.0560	0.0012
GENERAL SERVICE						\$0.0560	
Less than 50 kW	8,193,778	\$0.0043	\$0.0039	\$0.0052	\$0.0013	\$0.0560	0.0008
Greater than 50 to 499 kW	32,104,699	\$1.7537	\$1.5761	\$0.0052	\$0.0013	\$0.0560	0.2940
Unmetered Scattered Load	16,368	\$1.3226	\$0.7920	\$0.0052	\$0.0013	\$0.0560	0.3236
Sentinel Lighting	16,740	\$1.3294	\$1.2439	\$0.0052	\$0.0013	\$0.0560	0.3389
Street Lighting	445,029	\$1.3226	\$1.2184	\$0.0052	\$0.0013	\$0.0560	0.3257
	56,276,750						

Revenues 2009

	Network Service	Conncection Service	Wholesale Market	Rural Rate Protection	Commodity	LV	Total
RESIDENTIAL							
Regular	\$73,765.21	\$68,764.24	\$80,600.71	\$20,150.18	\$868,007.62	\$18,600.16	\$1,129,888.12
GENERAL SERVICE							\$0.00
Less than 50 kW	\$34,845.90	\$32,261.14	\$42,607.65	\$10,651.91	\$458,851.57	\$6,555.02	\$585,773.19
Greater than 50 to 499 kW	\$155,365.91	\$139,625.94	\$166,944.43	\$41,736.11	\$1,797,863.14	\$26,045.75	\$2,327,581.29
Unmetered Scattered Load	\$60.84	\$36.43	\$85.11	\$21.28	\$916.61	\$0.00	\$1,120.27
Sentinel Lighting	\$62.48	\$58.46	\$87.05	\$21.76	\$937.44	\$15.93	\$1,183.12
Street Lighting	\$1,581.83	\$1,457.20	\$2,314.15	\$578.54	\$24,921.62	\$389.50	\$31,242.84
	\$265,682.18	\$242,203.41	\$292,639.10	\$73,159.78	\$3,151,498.00	\$51,606.37	\$4,076,788.83

Rates 2010

	Consumption 2010	Network Service	Conncection Service	Wholesale Market	Rural Rate Protection	Commodity	LV
RESIDENTIAL							
Regular	15,569,208	\$0.0047	\$0.0080	\$0.0052	\$0.0013	\$0.0560	0.0000
GENERAL SERVICE							
Less than 50 kW	8,245,459	\$0.0042	\$0.0071	\$0.0052	\$0.0013	\$0.0560	0.0000
Greater than 50 to 499 kW	32,482,748	\$1.7820	\$2.8421	\$0.0052	\$0.0013	\$0.0560	0.0000
Unmetered Scattered Load	16,368	\$1.3062	\$1.4282	\$0.0052	\$0.0013	\$0.0560	0.0000
Sentinel Lighting	16,740	\$1.3129	\$2.2431	\$0.0052	\$0.0013	\$0.0560	0.0000
Street Lighting	445,029	\$1.3062	\$2.1971	\$0.0052	\$0.0013	\$0.0560	0.0000
	56,775,551						

Revenues 2010

	Network Service	Conncection Service	Wholesale Market	Rural Rate Protection	Commodity	LV	Total
RESIDENTIAL							
Regular	\$73,175.28	\$124,553.66	\$80,959.88	\$20,239.97	\$871,875.65	\$0.00	\$1,170,804.44
GENERAL SERVICE							\$0.00
Less than 50 kW	\$34,630.93	\$58,542.76	\$42,876.38	\$10,719.10	\$461,745.68	\$0.00	\$608,514.84
Greater than 50 to 499 kW	\$161,026.25	\$256,819.71	\$469.89	\$117.47	\$1,819,033.86	\$0.00	\$2,237,467.18
Greater than 500 to 4,999 kW	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Large Use	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Unmetered Scattered Load	\$59.49	\$65.05	\$0.24	\$0.06	\$916.61	\$0.00	\$1,041.44
Sentinel Lighting	\$61.66	\$105.35	\$0.24	\$0.06	\$937.44	\$0.00	\$1,104.76
Street Lighting	\$1,562.11	\$2,627.56	\$6.22	\$1.55	\$24,921.62	\$0.00	\$29,119.06
	\$270,515.72	\$442,714.08	\$124,312.85	\$31,078.21	\$3,179,430.86	\$0.00	\$4,048,051.72

8. Ref: Response to Board Staff Interrogatory 30

- a) Please provide a detailed explanation for the forecasted increase in Other Electric Revenues for the 2009 Bridge and 2010 Test Years as requested in Board Staff interrogatory 30 c).
 - ***The increase in Other Electric Revenues for the 2009 Bridge year are simply actual revenues from WPPI's general ledger. The increase in 2009 over 2008 is assumed to be an allocation of revenues to the correct general ledger account in 2009 vs. 2008, coupled with an increase in collection activity for 2009.***
 - ***The increase in Other Electric Revenues for the 2010 Test year is simply forecasted to be around the same level as that for 2009. No other detail can be provided.***
- b) Please provide a detailed explanation for the forecasted increase in Miscellaneous Service Revenues for the 2009 Bridge and 2010 Test Years as requested in Board Staff interrogatory 30 d).
 - ***The increase in Miscellaneous Service Revenues for the 2009 Bridge year are simply actual revenues from WPPI's general ledger. The increase in 2009 over 2008 is assumed to be an allocation of revenues to the correct general ledger account in 2009 vs. 2008, coupled with an increase in collection activity and late payment charges for 2009.***
 - ***The increase in Miscellaneous Service Revenues for the 2010 Test year is simply forecasted to be around the same level as that for 2009. No other detail can be provided.***

9. Ref: Response to Board Staff Interrogatory 32

In response to Board Staff interrogatory 32 c) West Perth stated that it continues to work on the data and explanation for this request and will provide upon its completion.

- a) Please provide a completed response to Board Staff interrogatory 32 c).
- b) If a response is unavailable, please identify when the response will be submitted.
 - ***The response will be submitted prior to the Settlement Conference.***

In response to Board Staff interrogatory 32 f) West Perth stated that it will endeavour to obtain the detail required to explain the changes over time and provide detailed responses to this question with the second round of interrogatories.

- c) Please provide a completed response to Board Staff interrogatory 32 f).
 - ***Current management has no ability to provide explanations as to the changes in table 6 from 2006 to 2010 actuals.***
 - ***Historical 2006 data is not available in a usable format as financials were tracked in Simply Accounting, a format not currently supported.***
- d) If a response is unavailable, please identify when the response will be submitted.
 - ***Response will not be available please see above.***

10. Ref: Response to Board Staff Interrogatory 33

For each of the 2008, 2009 and 2010 years, please provide a listing and explanation for the costs that are accounted for in the “other” category.

- ***Response is not available at this time given data issues referenced above.***

11. Ref: Response to Board Staff Interrogatory 34

Please provide the dollar amount associated with inflation for the 2010 test year.

- ***The dollar amount associated with the inflation for the 2010 test year is \$14,398.07***

12. Ref: Response to Board Staff Interrogatory 37

- a) Please confirm that West Perth is capitalizing the total amount related to employee compensation. If so, please explain the significant increase in the general and administration category found in Board Staff interrogatory 32b.
 - ***West Perth is not capitalizing the total amount related to employee compensation.***

- b) Please explain why West Perth has chosen to capitalize 100% of employee compensation.
 - **West Perth is not capitalizing 100% of employee compensation.**
- c) In Appendix 2-K, please indicate the current, accrued and total benefits for the Union category for the years 2006, 2008, 2009, and 2010.
 - **Please see updated West Perth Employee data with the correct splits for capital and OM&A provided as WPPI Interrogatory Response Excel Tables Oct 29.xls.**

13. Ref: Response to Board Staff Interrogatory 39

In E4/T2/S2P6, West Perth stated that it was requesting \$172,000 (\$43,000 x 4) to cover the cost of the 2010 Cost of Service rate application and additional increased regulatory costs and workload related amendments to the Distribution System Code (DSC), Conditions of Service and other new compliance requirements.

In response to Board Staff interrogatory 39 a), West Perth has indicated that the cost to complete the 2010 Cost of Service application is estimated to be \$140,000 plus \$18,000 in intervener fees. As well, West Perth has included an amount of \$4,000 to cover the costs of updates to condition of service, DSC amendments and other new compliance requirements. This totals to an amount of \$162,000.

- a) Please reconcile the total amounts requested for regulatory costs as identified in the original application and in response to Board Staff interrogatory 39 a).
 - **The estimated cost to complete the cost of service application should have been stated as \$150,000 which then would tie to the \$172,000 figure.**
- b) Please provide a breakdown of the \$140,000 that West Perth has estimated for the preparation and processing of the 2010 Cost of Service application as follows:
 - i. Direct costs of West Perth staff; **\$0.00**
 - ii. Legal costs; **\$40,000**
 - iii. External consulting costs; and **\$100,000 these are ERTH corporation staff members**
 - iv. OEB costs. **\$10,000**
- c) Please provide an explanation of the services being provided by external legal counsel and consultants.
 - **Consultants are providing all of the work with respect to the preparation of all aspects of the application. The consultants are employees of ERTH and its subsidiaries.**

- ***External Legal counsel provides advice on the application as requested, review of specific items requested, review of the entire application and representation and any conferences and hearings.***

14. Ref: Response to Board Staff Interrogatory 40

- a) When does the term of the current contract with Ecaliber expire?
 - ***The term of the current contract expires in December of 2011.***
- b) Since the current contract has been in place since 2007, as documented in the response to Board Staff interrogatory 40 c), it is a multi-year contract.
 - i. Is there a price escalation factor built into the formula? If yes, please provide a detailed explanation of the escalator.
 - ***There is no escalation factor built in, however it is per customer base so could escalate as customers are added.***
 - ii. Are there performance criteria built into the multi-year pricing contract? Please provide a detailed explanation.
 - ***There is no performance criteria built into the contract.***
- c) Are productivity or efficiency criteria factored into the multi-year pricing? Please provide a detailed explanation.
 - ***While there are no productivity or efficiency criteria built into the contract the fact that no increase is allowed for over a 5 year contract could in itself be deemed to provide benefit to West Perth for Productivity and Efficiency.***

15. Ref: Response to Board Staff Interrogatory 40

- d) When does the term of the current contract with Ecaliber expire?
 - ***The term of current contract expires in December of 2011.***
- e) Since the current contract has been in place since 2007, as documented in the response to Board Staff interrogatory 40 c), it is a multi-year contract.
 - i. Is there a price escalation factor built into the formula? If yes, please provide a detailed explanation of the escalator.
 - ***There is no escalation factor built in, however it is per customer base so could escalate as customers are added.***
 - ii. Are there performance criteria built into the multi-year pricing contract? Please provide a detailed explanation.
 - ***There is no performance criteria built into the contract.***
- f) Are productivity or efficiency criteria factored into the multi-year pricing? Please provide a detailed explanation.

- **While there are no productivity or efficiency criteria built into the contract the fact that no increase is allowed for over a 5 year contract could in itself be deemed to provide benefit to West Perth for Productivity and Efficiency.**

16. Ref: Response to Board Staff Interrogatory 46

- a) Please complete Board Staff interrogatory 46 a).
- b) Please revise and submit a final Appendix 2-P of the Board's filing requirements. Please ensure that the loss factor calculation includes the fully embedded SFLF of 3.4%.

LOSS ADJUSTMENT FACTOR CALCULATION

	2005	2006 - omitted	2007	2008	2009	3 year average 2007, 2008 & 2009
A1 "Wholesale" kWh delivered to distributor (higher value)	66,252,302	66,407,893	69,467,781	65,821,431	61,492,029	196,781,241
A2 "Wholesale" kWh delivered to distributor (lower value)	64,073,793	64,224,268	67,183,541	63,657,090	59,470,047	190,310,678
B Wholesale kWh for Large Use customer(s) (IESO)	-	-	-	-	-	-
C Net "Wholesale" kWh (A)-(B)	64,073,793	64,224,268	67,183,541	63,657,090	59,470,047	190,310,678
D Retail kWh (Distributor)	61,872,090	50,051,571	65,079,958	63,646,515	58,761,308	187,487,781
E Retail kWh for Large Use Customer(s) (1% loss)	-	-	-	-	-	-
F Net "Retail" kWh (D)-(E)	61,872,090	50,051,571	65,079,958	63,646,515	58,761,308	187,487,781
G Loss Factor [(C)/(F)]	1.0356	1.2832	1.0323	1.0002	1.0121	1.0151
H Distribution Loss Adjustment Factor						103%
I Total Loss Factor						1.0496

Total Utility Loss Adjustment Factor

LAF

Supply Facility Loss Factor	1.0034
Distribution Loss Factors	
Secondary Metered Customer	
Total Loss Factor - Secondary Metered Customer < 5,000kW	1.0151
Total Loss Factor - Secondary Metered Customer > 5,000kW	1.0100
Primary Metered Customer	
Total Loss Factor - Primary Metered Customer < 5,000kW	1.0049
Total Loss Factor - Primary Metered Customer > 5,000kW	1.0000
Total Loss Factor	
Secondary Metered Customer	
Total Loss Factor - Secondary Metered Customer < 5,000kW	1.0496
Total Loss Factor - Secondary Metered Customer > 5,000kW	1.0134
Primary Metered Customer	
Total Loss Factor - Primary Metered Customer < 5,000kW	1.0083
Total Loss Factor - Primary Metered Customer > 5,000kW	1.0034

17. Ref: Response to Board Staff Interrogatory 48

- a) Please explain why West Perth's 2009 tax return is not yet complete.
 - **The 2009 tax returns cannot be filed until the 2009 FS are complete. See Interrogatory 2.**
- b) Please explain why Notices of Assessment from the Canada Revenue Agency for years from 2001 to 2009 are not available.
 - **2009 NoA's are not available as the 2009 returns have not been submitted. See Interrogatory 2 and 16 a) above.**

- ***The 2001 to 2009 NOA's are not currently on file. WPPI is in the process of attempting to get the files from CRA.***

18. Stranded Meter Costs

- a) Please describe the accounting treatment followed by the applicant on stranded meter costs for ratemaking and financial reporting purposes.
- ***Currently all stranded meter costs for both ratemaking and financial reporting purposes have remained in the general ledger as assets.***
- b) Please provide the amount of the pooled residual net book value of removed meters, less any sale proceeds as of December 31, 2009.
- ***Since West Perth Power had not substantially undertaken its smart meter deployment in 2009 there are no residual values of removed meters to report as of December 31, 2009.***
- c) Please provide the estimated amount of the pooled residual net book value of removed meters, less any sale proceeds at the time when smart meters will have been fully deployed. Please provide the actual amount if smart meters have been fully deployed.
- ***The estimated amount of the pooled residual net book value of removed meters once smart meters have been fully deployed is \$73,000.***
- d) Please describe how the applicant intends to recover in rates stranded meter costs including the proposed accounting treatment, the proposed disposition period, and the associated bill impacts.
- ***West Perth does not plan to address this issue in this application given that its smart meter deployment is still in the early stages and the continuation of the smart meter funding adder will continue to help offset these costs.***

19. Account 1592, PILs and Tax Variances for 2006 and Subsequent Years

Please identify whether the applicant has posted any amounts to account 1592 since April 2006. If yes, please respond to the following questions. If not, please explain why the applicant has not posted any amounts to account for the changes in tax legislation that have occurred since 2006 as required by the Board's methodology and prior decisions.

- **West Perth Power has not posted any amounts to account 1592.**
- **West Perth Power had no PILS amount approved in its 2006 EDR and therefore no adjustments were necessary to be booked to 1592.**

- a) Please revise the deferral and variance account continuity schedule to include account 1592 as a group 2 account and enter all the required information for transaction, adjustments, interest carrying charges, etc. for all the relevant years.
- b) Please describe each type of tax item that has been accounted for in account 1592.
- c) Please provide the calculations that show how each item was determined and provide any pertinent supporting evidence.
- d) Please confirm whether or not the Applicant followed the guidance provided in the July 2007 FAQ. If not, please explain why not.
- e) Please identify the account balance as of December 31, 2009 as per the 2009 audited financial statements. Please identify the account balance as of December 31, 2009 as per the April 2010 2.1.7 RRR filing to the Board. Please provide a reconciliation if the balances provided in the above are not identical to each other and to the total amount shown on the continuity schedule.
- f) Should the Board wish to dispose of this account at this time, please identify the following:
 - i. The allocator that in the applicant's view would be most appropriate to use in allocating the balance to the rate classes.
 - ii. The disposition period that the applicant would prefer if different from the period proposed for the remaining deferral and variance accounts and explain why.
 - iii. The billing determinant that in the applicant's view would be most appropriate to use.
- g) Please complete the following table based on the previous answers. Add rows as required to complete the analysis in an informative manner. If the applicant uses Excel to prepare the table, please submit the live Excel workbook.

Tax Item	\$ Principal As of [December 31, 2009]

Large Corporation Tax grossed-up proxy from 2006 EDR application PILs model for the period from May 1, 2006 to April 30, 2007	
Large Corporation Tax from 2005 EDR application PILs model for the period from January 1, 2006 to April 30, 2006 (4 /12ths of approved grossed-up proxy) if not recorded in PILs account 1562	
Ontario Capital Tax rate decrease and increase in capital deduction for 2007	
Ontario Capital Tax rate decrease and increase in capital deduction for 2008	
Ontario Capital Tax rate decrease and increase in capital deduction for 2009	
Ontario Capital Tax rate decrease and increase in capital deduction for 2010	
Capital Cost Allowance class changes from 2006 EDR application for 2006	
Capital Cost Allowance class changes from 2006 EDR application for 2007	
Capital Cost Allowance class changes from 2006 EDR application for 2008	
Capital Cost Allowance class changes from 2006 EDR application for 2009	
Capital Cost Allowance class changes from 2006 EDR application for 2010	
Capital Cost Allowance class changes from any prior application not recorded above.	
Insert description of next item(s)	
Insert description of next item(s) and new rows if needed.	
Total	

20. Ref: Response to Board Staff Interrogatory 54

- a) In response to Board Staff interrogatory 54 a), West Perth states that its sole debt is with its shareholder, the Municipality of West

Perth. Please confirm whether the Municipality of West Perth is the shareholder of and affiliated to West Perth.

- ***The Municipality of West Perth is a minority shareholder and an affiliate of West Perth Power.***
- b) The response to Board Staff interrogatory 54 c) does not answer the question posed. Please confirm whether West Perth is incurring or expects to incur any new debt in the 2010 test year.
- ***West Perth Power will not be incurring any additional debt this year.***
- c) If the answer to b) is “yes”, then;
- i. Please provide details of the new debt, including the principal, the debt rate, the date of issuance, and the term (length) of the new debt.
 - ii. Please identify what capital project(s) the new debt is being incurred for.
 - iii. If available, please provide copies of the documents for any new debt.

21. Ref: Sheet I3 – Cost Allocation Model Using ETPL Data

- a) West Perth has entered an amount of \$35,703 related to the proposed Transformer Ownership Allowance. For purposes of the cost allocation, please remove the amount.
- ***Amount is removed***
- b) The revenue requirement calculated from Sheet I3 (cell G18) does not match the proposed revenue requirement (cell F18). Please provide a reconciliation.
- ***Out of Balance is corrected***
- c) The rate base calculated from Sheet I3 (cell G20) does not match the rate base to be used in this model (cell F20). Please provide reconciliation.
- ***Out of Balance is corrected.***

22. Ref: Sheet I4 – Cost Allocation Model Using ETPL Data

Please explain why the absolute balance in cell C85 does not equal that of cell C89.

- ***Cell C85 is the Gross Asset amount and cell C89 is the accumulated amortization amount and should not equal one another.***

23. Ref: Sheet I6 – Cost Allocation Model Using ETPL Data

The total approved distribution revenue (cell B15) should be equal to West Perth's base revenue requirement for 2010.

Please update cell B15 and row 29.

- ***These Corrections have been made.***

24. Ref: Sheet I6 – Cost Allocation Model Using ETPL Data

Please explain why there is a kW value in cell L22 for unmetered scattered load.

- ***Given that West Perth Power's variable rate for the unmetered class is still based on kW the data was included.***
- ***In order to move to a variable rate based on kWh it has been removed from this model.***

25. Ref: Sheet I6 – Cost Allocation Model Using ETPL Data

Please update the loss factor in row 57 to reflect the proposed 2010 loss factor.

- ***Updated.***

26. Ref: Sheet I7.1 – Cost Allocation Model Using ETPL Data

Please update the worksheet to reflect the number of smart meters West Perth has currently installed.

- ***Updated.***

27. Ref: Sheet I8 – Cost Allocation Model Using ETPL Data

Please explain how the Erie Thames load profile was applied to West Perth's cost allocation model. Please provide a breakdown of the methodology and all calculations used.

- ***The breakdown and calculations are provided in excel format file named Erie Thames Data for WPPI Cost Allocation.xls.***
- ***First Erie Thames Load Profile was compared to WPPI's load and an adjustment factor was calculated as per the following table, and in rows 8823 to 8826 of the Hourly Load Shapes by Class tab of the excel model.***

	Residential	GS>50kW	Street Lighting	GS<50	USL	>50kW (1000-3000mediate Use (3000-500	Large User	Sentinel lighting	Embedded Distributor	
Erie Thames	119,453,498	69,144,592	3,024,750	39,401,386	606,271	69,529,869	17,528,668	84,605,665	218,818	20,741,502
West Perth	15,596,581	32,168,909	445,029	8,261,776	16,369	0	0	0	16,740	0
	0.13056613	0.46524114	0.147129197	0.20968237	0.02699948	0	0	0	0.076502	0

- **The adjustment factor was then applied to Erie Thames Hourly data in cells P3 to P8786 to row Q inclusive in the Hourly Load Shapes by Class tab of the excel model provided.**
- **The new data is now reflective of WPPI load and is then evaluated to determine all of the required CP and NCP results and then these results were input into the cost allocation model.**

28. Ref: Sheet O1 – Cost Allocation Model Using ETPL Data

- a) Please reconcile the amounts used for total distribution (distribution revenue plus revenue deficiency) and miscellaneous revenues with those on sheet 5 of the RRWF.
 - **Corrections made to RRWF and the Cost allocation model as required.**
- b) Please explain why the revenue requirement in cell C35 does not match the total revenue in cell C20.
 - **Corrected.**

29. Ref: Cost Allocation Model

Please file an updated Cost Allocation Model, ensuring that all figures are consistent with the interrogatory responses, for each of the following:

- a) Using Atikokan’s load profile.
 - **Provided as West Perth 2010 Cost Allocation with Atikokan Data.xls.**
- b) Using Erie Thames load profile.
 - **Provided as West Perth 2010 Cost Allocation with ETPL Data.xls.**

30. Ref: Response to Board Staff Interrogatory 68

In response to Board Staff interrogatory 68 c) West Perth stated that it will continue to research this issue and determine the nature of the change.

- a) Please provide a completed response to Board Staff interrogatory 68 c).
 - **The response will be provided prior to Settlement Conference**

- b) If a response is unavailable, please identify when the response will be submitted.

In response to Board Staff interrogatory 68 e) West Perth stated that a response is to be determined.

- c) Please provide a completed response to Board Staff interrogatory 68 e).
d) If a response is unavailable, please identify when the response will be submitted.

31. Ref: Response to Board Staff Interrogatory 71 and 73, VECC Interrogatory 27

Please provide updated and corrected continuity schedules as documented in the responses to Board Staff interrogatories 71 and 73.

- ***An update will be provided prior to the Settlement conference on Thursday, November 4th.***

32. Ref: Response to Board Staff Interrogatory 76 – Harmonized Sales Tax

- a) Please provide a detailed explanation of how West Perth is currently tracking the difference between HST and PST on its material purchases.
- ***West Perth Power is currently tracking the difference between the liability general ledger accounts. PST was previously being added to the cost of the material and being charged to the inventory, maintenance or capital general ledger account.***
 - ***Now that there is not PST the dollar amount being charged to the inventory, maintenance and capital general ledger accounts do not include PST or HST.***
- b) Where is West Perth recording the difference between HST and PST on its material purchases?
- ***This amount is not being recorded separately it is all included in the HST ITC general ledger account.***
- c) Please provide the total estimates of PST savings from July 1, 2010 to October 31, 2010.
- ***An estimate of the PST savings from July 1st, 2010 to October 31st, 2010 is \$2,685.***
- d) Does West Perth agree that prorating the amount identified in part c) for 12 months is an appropriate proxy to adjust the Test Year revenue requirement to account for OM&A and Capital expenditure

reductions that may be realized due to the implementation of the HST?

- ***West Perth does not agree that prorating this amount for 12 months would be an appropriate proxy to adjust the Test Year Revenue requirements since the months provided for in the response to part c) are based on warmer months with higher material expenditures and in turn a large PST savings value.***

33. Ref: Revenue Requirement WorkForm (RRWF)

Please file an updated RRWF reflecting all changes that West Perth has accepted through its responses to the first and second round of interrogatories,

- ***An update will be provided prior to the Settlement conference on Thursday, November 4th.***

34. Ref: Tariff of Rates and Charges

Please file an updated Tariff of Rates and Charges reflecting all changes that West Perth has accepted through its responses to the first and second round of interrogatories.

- ***An update will be provided prior to the Settlement conference on Thursday, November 4th.***