

Board Staff Interrogatories

2011 IRM3 Electricity Distribution Rates Middlesex Power Distribution Corporation – Middlesex ("Middlesex Power – Middlesex") EB-2010-0098

1. Ref: IndEco Third Party Report, Page 6-8

Below Table 2 – *Cumulative net program energy savings and demand savings by rate class within the LRAM claim period* – it states that energy savings for the 2009 OPA programs are preliminary and that they will be updated when final program results become available. The preliminary 2009 program results account for \$11,069 of Middlesex's total LRAM claim. In the Board's Guidelines for Electricity Distributor Conservation and Demand Management issued on March 28, 2008, it states at section 5.3 that when applying for LRAM, a distributor should ensure that sufficient time has passed to ensure that the information needed to support the application is available.

- a) When does Middlesex expect to receive the final 2009 program results from the OPA?
- b) Please provide the rationale for including preliminary program results in Middlesex's LRAM claim.
- c) Please describe the process for updating the information with the final 2009 program results Middlesex receives from the OPA.

2. Ref: 2011 IRM Rate Generator Model, Sheet 3.3 Current Rate Rider for Global Adjustment Sub-Account Disposition – Delivery Component

Sheet C3.3 is reproduced below.

Rate Rider	GA Sub-Acct - Delivery
Sunset Date	April 30, 2011 <small>DD/MM/YYYY</small>
Metric Applied To	All Customers
Method of Application	Distinct Volumetric

Rate Class	Applied to Class	Fixed Amount	Fixed Metric	Vol Amount	Vol Metric
Residential	Yes	0.000000	Customer - 12 per year	0.001800	kWh
General Service Less Than 50 kW	Yes	0.000000	Customer - 12 per year	0.001800	kWh
General Service 50 to 4,999 kW	Yes	0.000000	Customer - 12 per year	0.656600	kW
Large Use	Yes	0.000000	Customer - 12 per year	0.789200	kW
Unmetered Scattered Load	No	0.000000	Connection - 12 per year	0.000000	kWh
Sentinel Lighting	No	0.000000	Connection - 12 per year	0.000000	kW
Street Lighting	No	0.000000	Connection - 12 per year	0.000000	kW

- a) Middlesex Power – Middlesex’s current Tariff of Rates and Charges does not match with the Tariff of Rates and Charges prepared in the 2011 IRM2 Rate Generator Workform. Board Staff notes that the Volumetric Amount for “Sentinel Lighting” and “Street Lighting” classes are different from those that appear on the approved tariff sheet.

If the rates are correct, please explain why. If not, please identify the correct rates for “Vol Amount” for Sentinel Lighting and Street Lighting classes and submit the revised Sheet C3.3 of the Rate Generator Workform and Board staff will make the necessary changes to the model.

3. Ref: 2011 IRM Rate Generator Model, Sheet 4.1 Current Rates and Charges

Sheet C4.1 Current Rates & Charges General is reproduced below.

CURRENT MONTHLY RATES AND CHARGES

Residential

Monthly Rates and Charges - Delivery Component

Service Charge	\$	13.73
Service Charge Smart Meters	\$	1.26
Service Charge Smart Meter Disposition 2 – effective until until next cost of service application	\$	1.23
Service Charge Smart Meter Disposition 3 – effective until until next cost of service application	\$	0.77
Service Charge Tier 2 Recovery – effective until April 30, 2011	\$	(0.35)
Distribution Volumetric Rate	\$/kWh	0.0139
Rate Rider for Global Adjustment Sub-Account Disposition (2010) - Effective until April 30, 2011 Applicable only for Non-RPP Customers	\$/kWh	0.00180
Low Voltage Volumetric Rate	\$/kWh	0.0003
Distribution Volumetric Deferral Variance Account Disposition (2010) – effective until April 30, 2011	\$/kWh	(0.0034)
Distribution Volumetric Tier 2 Recovery – effective until April 30, 2011	\$/kWh	(0.0004)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0058
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

The descriptions for all rate classes are not identical to Middlesex's current Tariff sheet:

- a) If the descriptions provided are correct, please provide evidence supporting the new descriptions. If the descriptions are incorrect, please re-file sheet C4.1 with the correct descriptions and Board staff will make the necessary changes to the model.

4. Ref: 2011 Transmission Service Rates (“RTSR”) Adjustment Workform
 Sheet B1.1 – Rate Class and 2010 RTSR Rates is reproduced below.

Rate Class And 2010 RTSR Rates

Enter Rate Group and Rate Class in the same order as listed on your current Tariff sheet and Rate Generator.

Enter the RTSR-Network and RTSR-Connection rates as approved on your current Tariff sheet.

Rate Group	Rate Class	Vol Metric	RTSR - Network	RTSR - Connection
RES	Residential	kWh	0.0058	0.0047
GSLT50	General Service Less Than 50 kW	kWh	0.0053	0.0042
GSGT50	General Service 50 to 499 kW	kW	2.1259	1.6890
LU	Large Use	kW	2.5001	2.1174
USL	Unmetered Scattered Load	kWh	0.0053	0.0042
Sen	Sentinel Lighting	kW	1.6113	1.3331
SL	Street Lighting	kW	1.6030	1.3057

- a) Middlesex Power – Middlesex’s current Tariff of Rates and Charges does not match with the Tariff of Rates and Charges prepared in the 2011 IRM2 RTSR Adjustment Workform. Board Staff notes that the rate class “General Service 50 to 499 kW” does not appear on the approved 2010 tariff sheet, rather the class is identified as General Service 50 to 4,999 kW. Also, on the current tariff sheet there is a class identified as General Service 50 to 4,999 kW – Interval Metered which does not appear on Sheet B1.1. Please explain the discrepancies or in the alternative, please re-file the Workform with the correct classes.

5. Ref: 2011 Transmission Service Rates (“RTSR”) Adjustment Workform
 Sheet F1.1 – IRM RTSR Adjustment Calculation - Network is reproduced below.

IRM RTSR Adjustment Calculation - Network

The purpose of this sheet is to update re-aligned RTSR-Network rates to recover forecast wholesale Network costs.

Rate Class	Vol Metric	Current RTSR - Network	Proposed RTSR - Network	RTSR - Network Adjustment
		(A) Column H Sheet B1.1	(B) Column S Sheet E1.1	C = B - A
Residential	kWh	0.0058	0.0061	0.0003
General Service Less Than 50 kW	kWh	0.0053	0.0055	0.0002
General Service 50 to 499 kW	kW	2.1259	2.2251	0.0992
Large Use	kW	2.5001	2.6167	0.1166
Unmetered Scattered Load	kWh	0.0053	0.0055	0.0002
Sentinel Lighting	kW	1.6113	1.6865	0.0752
Street Lighting	kW	1.6030	1.6778	0.0748

- a) Middlesex Power – Middlesex’s current Tariff of Rates and Charges does not match with the Tariff of Rates and Charges prepared in the 2011 IRM2 RTSR Adjustment Workform. Board Staff notes that the rate class “General Service 50 to 499 kW” does not appear on the approved 2010 tariff sheet, rather the class is identified as General Service 50 to 4,999 kW. Also, on the current tariff sheet there is a class identified as General Service 50 to 4,999 kW – Interval Metered which does not appear on Sheet F1.1. Please explain the discrepancies or in the alternative, please re-file the Workform with the correct classes.

6. Ref: 2011 Transmission Service Rates (“RTSR”) Adjustment Workform
 Sheet F1.2 – IRM RTSR Adjustment Calculation - Connection is reproduced below.

IRM RTSR Adjustment Calculation - Connection

The purpose of this sheet is to update re-aligned RTSR-Network rates to recover forecast wholesale Network costs.

Rate Class	Vol Metric	Current RTSR - Connection	Proposed RTSR - Connection	RTSR - Network Adjustment
		(A) Column J Sheet B1.1	(B) Column S Sheet E1.2	C = B - A
Residential	kWh	0.0047	0.0049	0.0002
General Service Less Than 50 kW	kWh	0.0042	0.0044	0.0002
General Service 50 to 499 kW	kW	1.6890	1.7631	0.0741
Large Use	kW	2.1174	2.2102	0.0928
Unmetered Scattered Load	kWh	0.0042	0.0044	0.0002
Sentinel Lighting	kW	1.3331	1.3916	0.0585
Street Lighting	kW	1.3057	1.3630	0.0573

- a) Middlesex Power – Middlesex’s current Tariff of Rates and Charges does not match with the Tariff of Rates and Charges prepared in the 2011 IRM2 RTSR Adjustment Workform. Board Staff notes that the rate class “General Service 50 to 499 kW” does not appear on the approved 2010 tariff sheet, rather the class is identified as General Service 50 to 4,999 kW. Also, on the current tariff sheet there is a class identified as General Service 50 to 4,999 kW – Interval Metered which does not appear on Sheet F1.2. Please explain the discrepancies or in the alternative, please re-file the Workform with the correct classes.

7. Ref: 2011 Transmission Service Rates (“RTSR”) Adjustment Workform

Sheet B1.2 – 2009 Distributor Billing Determinants is reproduced below.

2009 Distributor Billing Determinants

Enter the most recently reported RRR billing determinants

Loss Adjusted Metered kWh Yes
 Loss Adjusted Metered kW No

Rate Class	Vol Metric	Metered kWh A	Metered kW B	Applicable Loss Factor C	Load Factor D = A / (B * 730)	Loss Adjusted Billed kWh E = A * C
Residential	kWh	56,192,789	0	1.0608		59,609,311
General Service Less Than 50 kW	kWh	18,279,724	0	1.0608		19,391,131
General Service 50 to 499 kW	kWh	84,572,093	231,274	1.0608	50.12%	89,714,076
Large Use	kW	17,181,839	38,952	1.0045	60.46%	17,259,157
Unmetered Scattered Load	kWh	304,425		1.0608		322,934
Sentinel Lighting	kW	42,498	119	1.0608	48.95%	45,082
Street Lighting	kW	1,464,757	4,656	1.0608	43.12%	1,553,814
Total		178,038,125	275,001			187,895,505

- a) Please explain why the billing determinants in Columns A and B (Metered kWh and Metered kW) are not identical with the values reported in the 2009 RRR filing 2.1.5 customer demand and revenue filing.

- b) If Middlesex Power – Middlesex is of the view that the data included in the application is more appropriate to use, please explain why. If not, please refile Sheet B1.2 with the correct data and Board staff will make the necessary changes to the model.

8. Ref: 2011 Deferral and Variance Account Adjustment Workform

Sheet B1.3 Rate Class and Billing Determinants

Rate Class and Billing Determinants

Rate Group	Rate Class	Fixed Metric	Vol Metric	2009 Audited RRR		Billed kWh for Non-RPP customers
				Metered kWh	Metered kW	
RES	Residential	Customer	kWh	62,084,949		14,521,638
GSLT50	General Service Less Than 50 kW	Customer	kWh	22,167,783		3,644,434
GSGT50	General Service 50 to 4,999 kW	Customer	kW	86,157,573	235,111	86,157,573
LU	Large Use	Customer	kW	17,181,839	38,952	17,181,839
USL	Unmetered Scattered Load	Connection	kWh	304,425		
Sen	Sentinel Lighting	Connection	kW	43,379	119	
SL	Street Lighting	Connection	kW	1,642,663	5,162	169,067

- a) Please explain why the billing determinants for the Metered kWh and Metered kW (Columns J & K) are not identical with the value reported in the 2009 RRR filing 2.1.5 customer demand and revenue filing.
- b) If the data provided is correct, please provide evidence supporting the data. If the data is incorrect, please re-file sheet B1.3 with the correct data and Board staff will make the necessary changes to the model.

9. Ref: 2011 IRM Smart Meter Rate Calculation Workform

Below is Sheet 5 of the Smart Meter Rate Calculation Workform:

Sheet 5. PILs

PILs Calculation

	2006		2007		2008		2009		2010		2011		Later
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted
INCOME TAX													
Net Income	\$ -	\$ -	\$ 1,588.02	\$ 4,498.45	\$ 7,730.29	\$ -	\$ -						
Amortization	\$ -	\$ -	\$ 1,972.03	\$ 7,397.03	\$ 15,323.20	\$ -	\$ -						
CCA - Smart Meters	\$ -	\$ -	\$ 2,366.44	\$ 8,496.38	\$ 16,742.15	\$ 22,414.37	\$ -						
CCA - Computers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
CCA - Other Equipment	\$ -	\$ -	\$ -	\$ 317.90	\$ 1,230.87	\$ 1,943.01	\$ -						
Change in taxable income	\$ -	\$ -	\$ 1,193.61	\$ 3,081.19	\$ 5,080.48	\$ 24,357.37	\$ -						
Tax Rate (3. LDC Assumptions and Data)	36.12%	36.12%	33.50%	33.00%	31.00%	28.25%	26.25%						
Income Taxes Payable	\$ -	\$ -	\$ 399.86	\$ 1,016.79	\$ 1,574.95	\$ 6,880.96	\$ -						

- a) Please explain why there is no input under “2011 Forecasted” Net Income (Cell H8) and Amortization (Cell H9). If this is an omission, please re-file Sheet 5 with the correct data and Board staff will make the necessary changes to the model.