

Board Staff Interrogatories

2011 IRM3 Electricity Distribution Rates Veridian Connections Inc. ("Veridian") EB-2010-0117

Veridian – Main Specific Questions

Disposition of Group 1 Deferral / Variance Account Balances

Board Staff Interrogatory No. 1

Ref: 2011 IRM3 Rate Generator – Global Adjustment Sub-Account - Sheet J3.21

Ref: 2011 IRM3 Deferral and Variance Account Workform

Questions / Requests:

- a) Please explain how losses are treated when the Global Adjustment rate rider is included in the electricity component of the bill.
- b) Confirm that Veridian - Main has non-RPP customers in the USL, Sentinel Lighting and Street Lighting rate classes. If not, does Veridian agree that the Global Adjustment Sub-Account Disposition rate rider need not be applied to the cited rate classes?

Specific Service Charges

Board Staff Interrogatory No. 2

Ref: 2011 IRM3 Rate Generator – Sheet P2.1

Preamble: Board Staff note that Veridian – Main's current Tariff Sheet includes specific service charges for:

- 1) Install / Remove Load Control Device – During Regular Hours - \$65
- 2) Install / Remove Load Control Device – After Regular Hours - \$185
- 3) Customer Substation Isolation - \$905

These charges have not been included on Sheet P2.1 of the 2011 IRM3 Rate Generator.

Questions / Requests:

- a) Is Veridian proposing the discontinuance of the cited service charges or were these charges omitted by error? Please confirm and Board staff will make the relevant corrections to Sheet P2.1 of the 2011 IRM3 Rate Generator.

Shared Tax Savings

Board Staff Interrogatory No. 3

Ref: 2011 IRM3 Shared Tax Savings Workform

Sheet "B1.1 – Rate Class and Re-Based Billing Determinants & Rates" of the 2011 IRM3 Shared Tax Savings Workform is reproduced below.

Last COS Re-based Year				2010					
Last COS OEB Application Number				EB-2009-0140					
Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	96,168	895,633,594		11.06	0.0156	
GSLT50	General Service Less Than 50 KW	Customer	kWh	7,781	287,089,314		13.69	0.1690	
GSGT50	General Service 50 to 2,999 kW	Customer	kW	993	926,658,737	2,294,788	134.72		3.0172
GSGT50	General Service 3,000 to 4,999 kW	Customer	kW	2	30,205,301	91,017	5,333.07		1.4111
LU	Large Use	Customer	kW	5	195,617,726	358,799	8,011.37		1.6807
USL	Unmetered Scattered Load	Connection	kWh	893	5,832,532		7.47	0.0185	
Sen	Sentinel Lighting	Connection	kW	651	812,525	2,257	2.84		10.9531
SL	Street Lighting	Connection	kW	26,672	19,168,966	53,375	0.65		3.6272

Questions / Requests:

- a) Board staff has been unable to verify that rebased Billing Determinants have been entered on Sheet B1.1 of the 2011 IRM3 Shared Tax Savings Workform. Please provide evidence supporting the re-based billing determinants entered on the cited sheet.

Board Staff Interrogatory No. 4

Ref: 2011 IRM3 Shared Tax Savings Workform

Sheet "F1.1 – Z-Factor Tax Changes" of the 2011 IRM3 Shared Tax Savings Workform is reproduced below.

Summary - Sharing of Tax Change Forecast Amounts

1. Tax Related Amounts Forecast from Capital Tax Rate Changes

	2010	2011	2012
Taxable Capital	\$ 175,473,899	\$ 175,473,899	\$ 175,473,899
Deduction from taxable capital up to \$15,000,000	\$ 14,106,000	\$ 14,106,000	\$ 14,106,000
Net Taxable Capital	\$ 161,367,899	\$ 161,367,899	\$ 161,367,899
Rate	0.150%	0.000%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	\$ 120,031	\$ -	\$ -

2. Tax Related Amounts Forecast from Income Tax Rate Changes

	2010	2011	2012
Regulatory Taxable Income	\$ 6,809,361	\$ 6,809,361	\$ 6,809,361
Corporate Tax Rate	30.99%	28.25%	26.25%
Tax Impact	\$ 2,110,357	\$ 1,923,508	\$ 1,787,389
Grossed-up Tax Amount	\$ 3,058,134	\$ 2,680,773	\$ 2,423,546
Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ 120,031	\$ -	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 3,058,134	\$ 2,680,773	\$ 2,423,546
Total Tax Related Amounts	\$ 3,178,165	\$ 2,680,773	\$ 2,423,546
Incremental Tax Savings		\$ 497,392	\$ 754,620
Sharing of Tax Savings (50%)		\$ 248,696	\$ 377,310

Questions / Requests:

- a) Board staff has been unable to verify that the data entered on this sheet is accurate. Please provide supporting evidence.

RTSR Adjustments

Board Staff Interrogatory No. 5

Ref: 2011 IRM3 RTSR Adjustment Workform

Ref: 2011 IRM3 Shared Tax Savings Workform

Sheet "B1.2 - 2009 Distributor Billing Determinants" of the 2011 IRM3 RTSR Adjustment Workform is reproduced below.

Loss Adjusted Metered kWh	No
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)
Residential	kWh	895,633,594	0	1.0549	
General Service Less Than 50 kW	kWh	287,089,314	0	1.0549	
General Service 50 to 2,999 kW	kW	926,658,737	2,294,788	1.0549	55.35%
General Service 3,000 to 4,999 kW - Intermediate Use	kW	30,205,301	91,017	1.0549	45.49%
Large Use	kW	195,617,726	358,799	1.0145	74.73%
Unmetered Scattered Load	kWh	5,832,532	0	1.0549	
Sentinel Lighting	kW	812,525	2,257	1.0549	49.34%
Street Lighting	kW	19,168,966	53,375	1.0549	49.22%
Total		2,361,018,695	2,800,236		

Sheet "B1.1 – Rate Class and Re-Based Billing Determinants & Rates" of the 2011 IRM3 Shared Tax Savings Workform is reproduced below.

Last COS Re-based Year				2010					
Last COS OEB Application Number				EB-2009-0140					
Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	96,168	895,633,594		11.06	0.0156	
GSLT50	General Service Less Than 50 kW	Customer	kWh	7,781	287,089,314		13.69	0.1690	
GSGT50	General Service 50 to 2,999 kW	Customer	kW	993	926,658,737	2,294,788	134.72		3.0172
GSGT50	General Service 3,000 to 4,999 kW	Customer	kW	2	30,205,301	91,017	5,333.07		1.4111
LU	Large Use	Customer	kW	5	195,617,726	358,799	8,011.37		1.6807
USL	Unmetered Scattered Load	Connection	kWh	893	5,832,532		7.47	0.0185	
Sen	Sentinel Lighting	Connection	kW	651	812,525	2,257	2.84		10.9531
SL	Street Lighting	Connection	kW	26,672	19,168,966	53,375	0.65		3.6272
NA	Rate Class 9	NA	NA						

Preamble: Sheet B1.2 of the 2011 IRM3 RTSR Adjustment Workform requires the distributor to enter 2009 RRR Billing Determinants.

Questions / Requests:

- Please explain why the data entered on Sheet B1.2 of the 2011 IRM3 RTSR Adjustment Workform is the same as the data entered on Sheet B1.1 of the 2011 IRM3 Shared Tax Savings Workform (where re-based billing determinants are to be entered).
- Please confirm that 2009 RRR Billing Determinants have been entered on Sheet B1.2 of the 2011 IRM3 RTSR Adjustment Workform. If not, please provide the relevant data and Board staff will make the corrections to the Workform.
- Please explain why no loss factor has been applied to the data entered in Column A of Sheet B1.2 of the 2011 IRM3 RTSR Workform.

Revenue / Cost Ratio Adjustments

Board Staff Interrogatory No. 6

Ref: 2011 IRM3 Revenue Cost Adjustment Workform

Ref: 2011 IRM3 Shared Tax Savings Workform

Sheet "B1.1 - Rate Class Selection, Re-Based Billing Determinants & Current Tariff Rates" of the 2011 IRM3 Revenue Cost Ratio Adjustment Workform is reproduced below.

Last COS Re-based Year				2010					
Last COS OEB Application Number				EB-2009-0140					
Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Current Tariff Service Charge D	Current Tariff Distribution Volumetric Rate kWh E	Current Tariff Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	96,370	927,385,803		11.06	0.0156	
GSLT50	General Service Less Than 50 kW	Customer	kWh	7,758	294,988,007		13.69	0.0169	
GSGT50	General Service 50 to 2,999 kW	Customer	kW	1,039	928,080,437	2,408,247	134.72		3.0172
GSGT50	General Service 3,000 to 4,999 kW - Intermediate Use	Customer	kW	2	32,196,539	86,111	5,333.07		1.4111
LU	Large Use > 5000 kW	Customer	kW	5	166,636,438	311,885	8,011.37		1.6807
USL	Unmetered Scattered Load	Connection	kWh	875	5,413,534		7.47	0.0185	
Sen	Sentinel Lighting	Connection	kW	730	846,470	2,353	2.84		8.8454
SL	Street Lighting	Connection	kW	27,045	19,533,195	54,801	0.65		3.6272

Sheet "B1.1 – Rate Class and Re-Based Billing Determinants & Rates" of the 2011 IRM3 Shared Tax Savings Workform is reproduced below.

Last COS Re-based Year				2010					
Last COS OEB Application Number				EB-2009-0140					
Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	96,168	895,633,594		11.06	0.0156	
GSLT50	General Service Less Than 50 kW	Customer	kWh	7,781	287,089,314		13.69	0.0169	
GSGT50	General Service 50 to 2,999 kW	Customer	kW	993	926,658,737	2,294,788	134.72		3.0172
GSGT50	General Service 3,000 to 4,999 kW	Customer	kW	2	30,205,301	91,017	5,333.07		1.4111
LU	Large Use	Customer	kW	5	195,617,726	358,799	8,011.37		1.6807
USL	Unmetered Scattered Load	Connection	kWh	893	5,832,532		7.47	0.0185	
Sen	Sentinel Lighting	Connection	kW	651	812,525	2,257	2.84		10.9531
SL	Street Lighting	Connection	kW	26,672	19,168,966	53,375	0.65		3.6272
NA	Rate Class 9	NA	NA						

Questions / Requests:

- Please explain the discrepancy between the data entered on Sheet B1.1 of the 2011 IRM3 Revenue Cost Ratio Adjustment Workform and the data entered on Sheet B1.1 of the 2011 IRM3 Shared Tax Savings Workform. If there are errors, please advise and Board staff will make the relevant corrections.

Board Staff Interrogatory No. 7

Ref: 2011 IRM3 Revenue Cost Ratio Adjustment Workform

Ref: 2010 COS RRWF

Preamble: Veridian's 2010 COS RRWF includes \$4,463,100 of Revenue Offsets.

Questions / Requests:

- Please explain why no revenue offsets have been entered on Sheet C1.2 of the 2011 IRM3 Revenue Cost Ratio Adjustment Workform. If there are errors, please re-file Sheet C1.2 as a stand-alone document and Board staff will make the relevant corrections to the Workform.

Veridian – Gravenhurst Specific Questions

Disposition of Group 1 Deferral / Variance Account Balances

Board Staff Interrogatory No. 8

Ref: 2011 IRM3 Rate Generator – Global Adjustment Sub-Account - Sheet J3.21

Ref: 2011 IRM3 Deferral and Variance Account Workform

Questions / Requests:

- Confirm that Veridian – Gravenhurst has non-RPP customers in the USL, Sentinel Lighting and Street Lighting rate classes. If not, does Veridian agree that the Global Adjustment Sub-Account Disposition rate rider need not be applied to the cited rate classes?

Shared Tax Savings

Board Staff Interrogatory No. 9

Ref: 2011 IRM3 Shared Tax Savings Workform

Ref: 2011 IRM3 Rate Generator

Sheet “B1.1 – Rate Class and Re-Based Billing Determinants & Rates” of the 2011 IRM3 Shared Tax Savings Workform is reproduced below.

Last COS Re-based Year				2010							
Last COS OEB Application Number				EB-2009-0140							
Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F		
RES	Residential Urban Year-Round	Customer	kWh	3,023	27,112,704		9.95	0.0192			
RES	Residential Suburban Year Round	Customer	kWh	751	9,736,962		14.56	0.0226			
RES	Residential Suburban Seasonal	Customer	kWh	1,605	9,732,617		26.44	0.0326			
GSLT50	General Service Less Than 50 kW	Customer	kWh	720	15,138,913		11.49	0.0184			
GSGT50	General Service 50 to 4,999 kW	Customer	kW	47	30,715,184	76,520	110.62				3.8501
Sen	Sentinel Lighting	Connection	kW	53	42,440	120	1.57				1.6621
SL	Street Lighting	Connection	kW	947	596,852	1,665	0.43				0.4055

Sheet “E1.1 – Rate Rebalanced Base Distribution Rates” of the 2011 IRM3 Rate Generator is reproduced below.

Monthly Service Charge

Class	Metric	Base Rate	Revenue Cost Ratio	Rate ReBal Base
Residential Urban Year-Round	Customer per 30 days	9.950000	0.000000	9.950000
Residential Suburban Year Round	Customer per 30 days	14.560000	1.830000	16.390000
Residential Suburban Seasonal	Customer per 30 days	26.440000	0.000000	26.440000
General Service Less Than 50 kW	Customer per 30 days	11.490000	-0.650000	10.840000
General Service 50 to 4,999 kW	Customer -12 per year	110.620000	-6.180000	104.440000
Sentinel Lighting	Connection -12 per year	1.570000	0.700000	2.270000
Street Lighting	Connection -12 per year	0.430000	0.000000	0.430000

Volumetric Distribution Charge

Class	Metric	Base Rate	Revenue Cost Ratio	Rate ReBal Base
Residential Urban Year-Round	kWh	0.019200	0.000000	0.019200
Residential Suburban Year Round	kWh	0.020100	0.002500	0.022600
Residential Suburban Seasonal	kWh	0.032600	0.000000	0.032600
General Service Less Than 50 kW	kWh	0.019500	-0.001100	0.018400
General Service 50 to 4,999 kW	kW	4.077900	-0.227800	3.850100
Sentinel Lighting	kW	2.984300	1.322200	4.306500
Street Lighting	kW	0.405500	0.000000	0.405500

Preamble: Board staff notes that "Rate ReBal Base Rates" from Sheet E1.1 of the 2011 IRM3 Rate Generator are supposed to be entered on Sheet B1.1 of the 2011 IRM3 Shared Tax Savings Workform.

Questions / Requests:

- Board staff has been unable to verify that rebased Billing Determinants have been entered on Sheet B1.1 of the 2011 IRM3 Shared Tax Savings Workform. Please provide evidence supporting the re-based billing determinants entered on the cited sheet.
- Please explain the discrepancies between the two sheets cited above. If there are errors, please advise and Board staff will make the relevant corrections.

Board Staff Interrogatory No. 10

Ref: 2011 IRM3 Shared Tax Savings Workform

Sheet "F1.1 – Z-Factor Tax Changes" of the 2011 IRM3 Shared Tax Savings Workform is reproduced below.

Summary - Sharing of Tax Change Forecast Amounts

1. Tax Related Amounts Forecast from Capital Tax Rate Changes

	2010	2011	2012
Taxable Capital	\$11,121,060	\$11,121,060	\$11,121,060
Deduction from taxable capital up to \$15,000,000	\$ 894,000	\$ 894,000	\$ 894,000
Net Taxable Capital	\$ 10,227,060	\$ 10,227,060	\$ 10,227,060
Rate	0.150%	0.000%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	\$ 7,607	\$ -	\$ -

2. Tax Related Amounts Forecast from Income Tax Rate Changes

	2010	2011	2012
Regulatory Taxable Income	\$ 431,559	\$ 431,559	\$ 431,559
Corporate Tax Rate	16.00%	15.50%	15.50%
Tax Impact	\$ 69,049	\$ 66,892	\$ 66,892
Grossed-up Tax Amount	\$ 82,202	\$ 79,162	\$ 79,162
Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ 7,607	\$ -	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 82,202	\$ 79,162	\$ 79,162
Total Tax Related Amounts	\$ 89,809	\$ 79,162	\$ 79,162
Incremental Tax Savings		\$ -10,647	\$ -10,647
Sharing of Tax Savings (50%)		\$ 5,324	\$ 5,324

Questions / Requests:

- a) Board staff has been unable to verify that the data entered on this sheet is accurate. Please provide supporting evidence.

RTSR Adjustments

Board Staff Interrogatory No. 11

Ref: 2011 IRM3 RTSR Adjustment Workform

Ref: 2011 IRM3 Shared Tax Savings Workform

Sheet "B1.2 - 2009 Distributor Billing Determinants" of the 2011 IRM3 RTSR Adjustment Workform is reproduced below.

Loss Adjusted Metered kWh	No
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)
Residential Urban Year-Round	kWh	27,112,704	0	1.0884	
Residential Suburban Year Round	kWh	9,736,962	0	1.0884	
Residential Suburban Seasonal	kWh	9,732,617	0	1.0884	
General Service Less Than 50 kW	kWh	15,138,913	0	1.0884	
General Service 50 to 4,999 kW	kW	30,715,184	76,520	1.0884	55.02%
Sentinel Lighting	kW	42,440	120	1.0884	48.47%
Street Lighting	kW	596,852	1,665	1.0884	49.13%
Total		93,075,672	78,305		

Sheet "B1.1 – Rate Class and Re-Based Billing Determinants & Rates" of the 2011 IRM3 Shared Tax Savings Workform is reproduced below.

Last COS Re-based Year				2010					
Last COS OEB Application Number				EB-2009-0140					
Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F
RES	Residential Urban Year-Round	Customer	kWh	3,023	27,112,704		9.95	0.0192	
RES	Residential Suburban Year Round	Customer	kWh	751	9,736,962		14.56	0.0226	
RES	Residential Suburban Seasonal	Customer	kWh	1,605	9,732,617		26.44	0.0326	
GSLT50	General Service Less Than 50 KW	Customer	kWh	720	15,138,913		11.49	0.0184	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	47	30,715,184	76,520	110.62		3.8501
Sen	Sentinel Lighting	Connection	kW	53	42,440	120	1.57		1.6621
SL	Street Lighting	Connection	kW	947	596,852	1,665	0.43		0.4055

Preamble: Sheet B1.2 of the 2011 IRM3 RTSR Adjustment Workform requires the distributor to enter 2009 RRR Billing Determinants.

Questions / Requests:

- Please explain why the data entered on Sheet B1.2 of the 2011 IRM3 RTSR Adjustment Workform is the same as the data entered on Sheet B1.1 of the 2011 IRM3 Shared Tax Savings Workform (where re-based billing determinants are to be entered).
- Please confirm that 2009 RRR Billing Determinants have been entered on Sheet B1.2 of the 2011 IRM3 RTSR Adjustment Workform. If not, please provide the relevant data and Board staff will make the corrections to the Workform.
- Please explain why no loss factor has been applied to the data entered in Column A of Sheet B1.2 of the 2011 IRM3 RTSR Workform.

Board Staff Interrogatory No. 12

Ref: 2011 IRM3 Revenue Cost Adjustment Workform
Ref: 2011 IRM3 Shared Tax Savings Workform

Sheet "B1.1 - Rate Class Selection, Re-Based Billing Determinants & Current Tariff Rates" of the 2011 IRM3 Revenue Cost Ratio Adjustment Workform is reproduced below.

Last COS Re-based Year				2010					
Last COS OEB Application Number				EB-2009-0140					
				Re-based Billed					
				Customers or	Re-based	Re-based	Current Tariff	Current Tariff	Current Tariff
				Connections	Billed kWh	Billed kW	Service	Distribution	Distribution
Rate Group	Rate Class	Fixed Metric	Vol Metric	A	B	C	Charge	Volumetric Rate	Volumetric Rate
							D	kWh	kW
								E	F
RES	Residential Urban Year-Round	Customer	kWh	2,985	27,397,075		9.95	0.0192	
RES	Residential Suburban Year Round	Customer	kWh	757	9,458,013		14.56	0.0201	
RES	Residential Suburban Seasonal	Customer	kWh	1,592	9,730,721		26.44	0.0326	
GSLT50	General Service Less Than 50 kW	Customer	kWh	727	14,769,007		11.49	0.0195	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	50	28,668,436	68,687	110.62		4.0779
Sen	Sentinel Lighting	Connection	kW	53	43,727	127	1.57		2.9843
SL	Street Lighting	Connection	kW	947	598,709	1,664	0.43		0.4055

Sheet "B1.1 – Rate Class and Re-Based Billing Determinants & Rates" of the 2011 IRM3 Shared Tax Savings Workform is reproduced below.

Last COS Re-based Year				2010					
Last COS OEB Application Number				EB-2009-0140					
Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F
RES	Residential Urban Year-Round	Customer	kWh	3,023	27,112,704		9.95	0.0192	
RES	Residential Suburban Year Round	Customer	kWh	751	9,736,962		14.56	0.0226	
RES	Residential Suburban Seasonal	Customer	kWh	1,605	9,732,617		26.44	0.0326	
GSLT50	General Service Less Than 50 KW	Customer	kWh	720	15,138,913		11.49	0.0184	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	47	30,715,184	76,520	110.62		3.8501
Sen	Sentinel Lighting	Connection	kW	53	42,440	120	1.57		1.6621
SL	Street Lighting	Connection	kW	947	596,852	1,665	0.43		0.4055

Questions / Requests:

- Please explain the discrepancy between the data entered on Sheet B1.1 of the 2011 IRM3 Revenue Cost Ratio Adjustment Workform and the data entered on Sheet B1.1 of the 2011 IRM3 Shared Tax Savings Workform. If there are errors, please advise and Board staff will make the relevant corrections.

Board Staff Interrogatory No. 13

Ref: 2011 IRM3 Revenue Cost Ratio Adjustment Workform

Ref: 2010 COS RRWF

Preamble: Veridian's 2010 COS RRWF includes \$4,463,100 of Revenue Offsets.

Questions / Requests:

- Please explain why no revenue offsets have been entered on Sheet C1.2 of the 2011 IRM3 Revenue Cost Ratio Adjustment Workform. If there are errors, please re-file Sheet C1.2 as a stand-alone document and Board staff will make the relevant corrections to the Workform.

Z-Factor Cost Recovery – PCB Testing Costs

Board Staff Interrogatory No. 14

Ref: Ex. 2 / Tab 1 / Schedule 2

Preamble: On page 2 of the above referenced exhibit, Veridian noted that it identified 2,385 transformers that required testing and estimated that 1% of those tested would be identified to be replaced.

Questions / Requests:

- a) Following the testing, how many transformers were identified to be replaced?
- b) If applicable, please explain Veridian's regulatory treatment of the removal and replacement costs associated with faulty transformers.

Board Staff Interrogatory No. 15

Ref: Ex. 2 / Tab 1 / Schedule 2

Preamble: On page 6 of the above referenced exhibit, Veridian proposes to allocate the costs within each tariff zone on the basis of the 2009 PBR reported metered kWh.

Questions / Requests:

- a) Please provide the rationale from a cost causality standpoint of proposing to use metered kWh to allocate the costs to Veridian's customer rate classes.
- b) Did Veridian consider allocating this amount on the same basis as transformer costs? If so, please explain the rationale for rejecting this approach. If not, please comment on Veridian's view on whether this approach should be considered.
- c) Please provide a table that compares the costs allocated to each rate classes for each tariff zone when using: (a) kWh as the allocator; and (b) using the allocation factor for transformer costs underpinning Veridian's 2010 cost of service application.
- d) Please confirm that the "2009 PBR reported metered kWh" has the same meaning as 2009 metered kWh information reported in the RRR as of April 30, 2010.

Board Staff Interrogatory No. 16

Ref: Ex. 2 / Tab 1 / Schedule 2

Preamble: Veridian noted that the Metered kWh data entered for Tables 3 and 4 on Page 9 of Ex. 2 / Tab 1 / Schedule 2 was based on corrected data filed with the Board on October 4, 2010.

Questions / Requests:

- a) Please provide the cited October 4, 2010 filing.