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December 1, 2010

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto ON M4P 1E4

Dear Ms. Walli:

**RE: COLLUS Power Corp – IRM3 2011 electricity distribution rate application**  
**Board File No: EB-2010-0076**  
**Interrogatory Responses**

COLLUS Power Corp (“COLLUS”) is providing with this letter our responses to Board Staff interrogatories issued on Nov. 18/10. A copy of our responses to interrogatories from the Vulnerable Electricity Customer Coalition received on Nov. 23/10 is also enclosed.

We have also sent a copy of both to VECC.

We appreciate your efforts in this regard and await your response.

Thank you,

*T. Fryer*

Mr. T. (Tim) E. Fryer CMA  
Chief Financial Officer  
COLLUS Power Corp

**COLLUS Power Corp  
Responses to  
Board Staff Interrogatories**

**2011 IRM3 Electricity Distribution Rates  
COLLUS Power Corp. ("COLLUS")  
EB-2010-0076  
Dated: December 1, 2010**

**Disposition of Group 1 Deferral / Variance Account Balances**

**Board Staff Interrogatory No. 1**

Ref: 2011 IRM3 Rate Generator – Deferral and Variance Account Disposition

Sheet "J2.3 – Deferral Variance Account Disposition (2010)" of the 2011 IRM3 Rate Generator is reproduced below.

Rate Rider	Def Var Disp 2010
Sunset Date	April 30, 2014 DDMMYYYY
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 per 30 days	-0.002600	kWh
General Service Less Than 50 kW	Yes	0.000000	Customer per 30 days	-0.002400	kWh
General Service 50 to 4,999 kW	Yes	0.000000	Customer per 30 days	-0.990700	kW
Unmetered Scattered Load	Yes	0.000000	Connection -12 per year	-0.001700	kWh
Street Lighting	Yes	0.000000	Connection -12 per year	-0.788800	kW

Preamble: Board staff notes that COLLUS' tariff sheet in the EB-2009-0220 proceeding states that the rate rider for Deferral / Variance account disposition (2010) is effective only until April 30, 2011.

Questions / Requests:

- a) Please confirm that the requested sunset date of April 30, 2014 was approved by the Board in EB-2009-0220.

**RESPONSE 1:**

**In the Board's Decision & Order on EB – 2009 – 0220, on Page 13, the last sentence of the 1<sup>st</sup> paragraph approves a 4 year disposition plan. This sets the target completion date of April 30, 2014.**

-2-

## Lost Revenue Adjustment Mechanism

### Board Staff Interrogatory No. 2

Ref: 2011 IRM3 Rate Generator – Lost Revenue Adjustment Mechanism

Ref: Manager's Summary – Page 12 (Table 2)

Sheet "J2.5 – Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery Rate Rider" of the 2011 IRM3 Rate Generator is reproduced below.

Rate Rider	Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery
Sunset Date	30/04/2014
Metric Applied To	DDMMYYYY 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 per 30 days	0.000300	kWh
General Service Less Than 50 kW	Yes	0.000000	Customer per 30 days	0.000100	kWh
General Service 50 to 4,999 kW	Yes	0.000000	Customer per 30 days	0.063000	kW
Unmetered Scattered Load	No	0.000000	Connection -12 per year	0.000000	kWh
Street Lighting	No	0.000000	Connection -12 per year	0.000000	kW

Table 2 found on Page 12 of the Manager's Summary is reproduced below.

CLASS	One Year Rate Rider Total \$/unit (kWh or kW)	Two Year Rate Rider Total \$/unit (kWh or kW)	Three Year Rate Rider Total \$/unit (kWh or kW)
Residential	0.000946	0.000473	0.000315
GS < 50 kW	0.000477	0.000239	0.000159
GS >50 - 4,999 kW	0.189050	0.094525	0.063017
Street Lighting	0.0000	0.0000	0.0000

  

	1 Yr	2 Yr	3 Yr
Amount Recovered per Year			
57.00% Residential	\$114,631	\$57,315	\$38,210
10.79% GS < 50 kW	\$21,691	\$10,845	\$7,230
32.22% GS >50 - 4,999 kW	\$64,791	\$32,396	\$21,597
0.00% Street Lighting	-	-	-
100.00% Annual Total	\$201,113	\$100,556	\$67,038

### Questions / Requests:

Please explain why the rate rider for the GS < 50 kW rate class was rounded down to 0.0001 / kWh (as opposed to rounding up to 0.0002 / kWh). If this was an error, please confirm and Board staff will make the relevant correction.

**RESPONSE 2:** When the model was completed only 4 decimal places of information was entered. All of the 6 decimal places of information should be inserted. If the Board will ultimately only approve a 4 decimal place rate then this rate rider would be rounded and it would move up to \$0.0002 kWh.

### Board Staff Interrogatory No. 3

Ref: 2011 IRM3 Shared Tax Savings Workform

Ref: 2011 IRM3 Rate Generator – Sheet E1.1

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				2009					
Last COS OEB Application Number				EB-2008-0226					
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	13,011	121,128,423		8.94	0.0169	
GSL750	General Service Less Than 50 kW	Customer	kWh	1,588	45,443,663		17.86	0.0112	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	128	147,855,660	342,721	113.26		2.6226
USL	Unmetered Scattered Load	Connection	kWh	68	455,702		0.02	0.0011	
SL	Street Lighting	Connection	kW	3,051	2,061,143	6,087	3.12		13.9125

#### Questions / Requests:

- Board staff has been unable to verify the billing determinants entered for the GSGT50 rate class. Please provide evidence supporting the cited billing determinants.
- Please confirm that the rates entered for the Unmetered Scattered Load (“USL”) rate class are correct. Please explain why the rates entered here for USL are different from what is shown on Sheet E1.1 of the 2011 IRM3 Rate Generator.

### RESPONSE 3:

- In the Board’s Decision and Order on EB – 2009 – 0220 on Page 19, the 1<sup>st</sup> sentence of the 3<sup>rd</sup> paragraph, it approved the use of 3,500 kW and 1,750,000 kWh per month as an adjustment mechanism for COLLUS Power’s Test Year profile. This approval changed the Test year profile to that shown in Exhibit 1 attached. This is the result of Board approving the reclassification of a former Large User customer into the GS>50 kW class.

**Note:** This month an industrial customer announced it is in receivership. COLLUS Power may incur a substantial write-off depending on how the matter progresses. Thus a similar situation is developing as happened with the Large Use customers. The impact may require a Z-factor submission in a future application but to serves to exemplify the substantial and unfair risk that Local Distributors must contend with while making important decisions about future obligations like Smart Grid implementation.

- The .0176 amount was entered under service charge but it should be in the volumetric column. Currently there is not an approved service charge per customer or connection for the USL rate class.

## 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

	2009	2010	2011	2012
Taxable Capital	\$ 1,289,243	\$ 1,289,243	\$ 1,289,243	\$ 1,289,243
Deduction from taxable capital up to \$15,000,000	\$ -	\$ -	\$ -	\$ -
Net Taxable Capital	\$ 1,289,243	\$ 1,289,243	\$ 1,289,243	\$ 1,289,243
Rate	0.225%	0.150%	0.000%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	\$ 2,901	\$ 959	\$ -	\$ -

#### 2. Tax Related Amounts Forecast from Income Tax Rate Changes

	2009	2010	2011	2012
Regulatory Taxable Income	\$ 613,723	\$ 613,723	\$ 613,723	\$ 613,723
Corporate Tax Rate	26.80%	24.87%	22.34%	20.75%
Tax Impact	\$ 164,862	\$ 152,622	\$ 137,114	\$ 127,346
Grossed-up Tax Amount	\$ 225,414	\$ 203,138	\$ 176,561	\$ 160,689
Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ 2,901	\$ 959	\$ -	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 225,414	\$ 203,138	\$ 176,561	\$ 160,689
Total Tax Related Amounts	\$ 228,315	\$ 204,097	\$ 176,561	\$ 160,689
Incremental Tax Savings		-\$ 24,217	-\$ 51,754	-\$ 67,626
Sharing of Tax Savings (50%)		-\$ 12,109	-\$ 25,877	-\$ 33,813

### Questions / Requests:

- Board staff has been unable to verify the data entered on Sheet F1.1 of the 2011 IRM3 Shared Tax Savings Workform. Please provide evidence supporting this data.

## RESPONSE 4:

- The attached Exhibit 2 is a copy of the correct information that should appear in F1.1 for calculation purposes. The \$613,723 should be \$504,759 as shown in the exhibit. This data is from worksheet F1.1 Z-Factor Tax Changes of the Supplemental Model for the 2010 3<sup>rd</sup> Generation IRM process. The resulting impact will not be material so either Board staff could make this adjustment or COLLUS Power will make the adjustment when their Final Submission is prepared. After all interrogatories have been addressed and any other required adjustments are known.

## Retail Transmission Service Rates

### Board Staff Interrogatory No. 5

Ref: 2011 IRM3 RTSR Adjustment Workform

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

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 730)	Loss Adjusted Billed kWh E = A * C
Residential	kWh	114,248,439	0	1.0750		122,817,072
General Service Less Than 50 kW	kWh	44,285,112	0	1.0750		47,606,495
General Service 50 to 4,999 kW	kW	145,683,395	344,693	1.0750	57.93%	156,609,650
Unmetered Scattered Load	kWh	503,922	0	1.0750		541,716
Street Lighting	kW	2,062,829	5,915	1.0750	47.80%	2,217,541
Total		306,783,697	350,608			329,792,474

### Questions / Requests:

- Please confirm that the data entered in Column A (metered kWh) is metered data (i.e. no loss factor applied). If a loss factor has been applied to the data in Column A, please re-file the data for Column A and Board staff will make the relevant corrections to the RTSR Workform.

## RESPONSE 5:

- The data in Column A is metered data without any loss factor applied.

## Revenue / Cost Ratio Adjustments

### Board Staff Interrogatory No. 6

Ref: 2011 IRM3 Revenue Cost Ratio Adjustment 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				2009					
Last COS OEB Application Number				EB-2008-0226					
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	13,011	121,128,423		9.40	0.0178	
GSLT50	General Service Less Than 50 kW	Customer	kWh	1,588	45,443,663		17.86	0.0112	
GSGT50	General Service 50 to 4,999 kW	Customer	kWh	128	147,855,680	342,721	98.68		2.2849
USL	Unmetered Scattered Load	Connection	kWh	68	455,702		0.02	0.0011	
SL	Street Lighting	Connection	kW	3,051	2,061,153	6,087	2.52		11.2240
NA	Rate Class 6	NA	NA						
NA	Rate Class 7	NA	NA						
NA	Rate Class 8	NA	NA						
NA	Rate Class 9	NA	NA						
NA	Rate Class 10	NA	NA						
NA	Rate Class 11	NA	NA						
NA	Rate Class 12	NA	NA						
NA	Rate Class 13	NA	NA						
NA	Rate Class 14	NA	NA						
NA	Rate Class 15	NA	NA						
NA	Rate Class 16	NA	NA						
NA	Rate Class 17	NA	NA						
NA	Rate Class 18	NA	NA						
NA	Rate Class 19	NA	NA						
NA	Rate Class 20	NA	NA						
NA	Rate Class 21	NA	NA						
NA	Rate Class 22	NA	NA						
NA	Rate Class 23	NA	NA						
NA	Rate Class 24	NA	NA						
NA	Rate Class 25	NA	NA						

### Questions / Requests:

- Board staff has been unable to verify that the billing determinants entered for the GSGT50 rate class are correct. Please provide evidence supporting the cited billing determinants.
- Please confirm that the correct current service charge for the Unmetered Scattered Load Rate Class is \$0 (as opposed to \$0.02).
- Please confirm that the correct current distribution volumetric rate for the Unmetered Scattered Load Rate Class is \$0.0176 / kWh (as opposed to \$0.0011 / kWh).

## RESPONSE 6:

- Please refer to the COLLUS Power response for Question #3a.
- & (c) The current service charge is \$0.00 and volumetric rate is \$0.0176.

## **RESPONSE 6 (CONTINUED):**

**We note that Street Lighting kWh in the above chart is shown as 2,061,153 but the correct number is 2,061,143. Either Board staff can make this adjustment or COLLUS Power will when the Final Submission model information is completed.**

**End of Responses**



Name of LDC: COLLUS Power Corporation  
File Number: EB-2009-0220  
Effective Date: Saturday, May 01, 2010

EXHIBIT # 1

## Rate Class and Re-Based Billing Determinants & Rates

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billing Determinants			Re-based Tariff	
				Customers or Connections	Re-based Billing kWh	Re-based Billing kW	Re-based Tariff Service Charge	Re-based Tariff Distribution Volumetric Rate
RES	Residential	Customer	kWh	A	B	C	D	E
	GSLT50	General Service Less Than 50 kW	kWh	13,011	121,128,423		10.78	0.0197
	GSGT50	General Service 50 to 4,999 kW	kWh	1,588	45,443,663		19.66	0.0128
	LU	Large Use	kW	128	147,855,660	342,721	84.57	2.3683
	SL	Street Lighting	kW	3,051	2,061,153	6,087	1.90	8.8071
USL	Unmetered Scattered Load	Connection	kWh	68	455,702			0.0187
NA	Rate Class 7	NA	NA					
NA	Rate Class 8	NA	NA					
NA	Rate Class 9	NA	NA					
NA	Rate Class 10	NA	NA					
NA	Rate Class 11	NA	NA					
NA	Rate Class 12	NA	NA					
NA	Rate Class 13	NA	NA					
NA	Rate Class 14	NA	NA					
NA	Rate Class 15	NA	NA					
NA	Rate Class 16	NA	NA					
NA	Rate Class 17	NA	NA					
NA	Rate Class 18	NA	NA					
NA	Rate Class 19	NA	NA					
NA	Rate Class 20	NA	NA					
NA	Rate Class 21	NA	NA					
NA	Rate Class 22	NA	NA					
NA	Rate Class 23	NA	NA					
NA	Rate Class 24	NA	NA					
NA	Rate Class 25	NA	NA					

# 1. Tax Related Amounts Forecast from Capital Tax Rate Changes

	2009	2010	2011	2012
Taxable Capital	\$1,289,243	\$1,289,243	\$1,289,243	\$1,289,243
Deduction from taxable capital up to \$15,000,000	\$ -	\$ -	\$ -	\$ -
Net Taxable Capital	\$1,289,243	\$1,289,243	\$1,289,243	\$1,289,243
Rate	0.225%	0.150%	0.000%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	\$ 2,901	\$ 959	\$ -	\$ -

# 2. Tax Related Amounts Forecast from Income Tax Rate Changes

Regulatory Taxable Income	\$ 504,759	\$ 504,759	\$ 504,759	\$ 504,759
Corporate Tax Rate	24.6%	23.1%	21.1%	19.6%
Tax Impact	\$ 124,273	\$ 116,536	\$ 106,334	\$ 98,744
<b>Grossed-up Tax Amount</b>	<b>\$ 164,862</b>	<b>\$ 151,517</b>	<b>\$ 134,713</b>	<b>\$ 122,759</b>

Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ 2,901	\$ 959	\$ -	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 164,862	\$ 151,517	\$ 134,713	\$ 122,759
<b>Total Tax Related Amounts</b>	<b>\$ 167,763</b>	<b>\$ 152,476</b>	<b>\$ 134,713</b>	<b>\$ 122,759</b>
Incremental Tax Savings		-\$ 15,286	-\$ 33,049	-\$ 45,004
Total Tax Savings (2009 - 2012)				-\$ 93,339
Sharing of Tax Savings (50%)		-\$ 7,643	-\$ 16,525	-\$ 22,502
Total Sharing of Tax Savings (50%)				-\$ 46,670

EXHIBIT #2

**COLLUS POWER CORPORATION**

**RESPONSES TO:**

**2011 RATE APPLICATION (EB-2010-0076)**

**VECC INTERROGATORIES**

**REVENUE TO COST RATIOS**

**QUESTION #1**

**Reference:** Revenue to Cost Ratio Adjustment Work Form, Sheet B1.1  
Current (2010) Tariff Sheet

- a) The USL rates used in Sheet B1.1 include a monthly service charge. However, there is no 2010 approved service charge for USL. Please reconcile.

**RESPONSE:**

- (a) The USL question was brought up in the Board's interrogatories as well. Please refer to the response for Board IR # 3(b) for the detailed explanation.

## **QUESTION #2**

**Reference:** Revenue To Cost Ratio Adjustment Work Form, Sheet C1.1  
OEB Decision EB-2008-0226, pages 23-25

- a) In its EB-2008-0226 Decision the Board accepted the proposed Revenue to Cost ratio for GS<50 of 103.7% and did not provide any direction regarding future adjustments. Please explain why a ratio of 99.68% is proposed for 2011 when the ratio for Residential is only reduced to 104.4%.

## **RESPONSE:**

- (a) In EB-2009-0220 the Board ruled that the General Service < 50 kW revenue to cost ratio be 99.68% for 2010 rates going forward. This is located on Page 8 of the Decision underneath the COLLUS Revenue to Cost Ratios(%) table. This ratio is maintained in 2011 and the only rates that are adjusted besides Residential are the GS > 50 kW and Street Lighting because they are outside the target areas.**

## LRAM

### **QUESTION #3**

**References:** Managers Report, PageS 9 & 12 Tables 1 and 2;  
OPA results spreadsheet

**Preamble:** *In recognition of that fact, the preceding energy and demand savings related to the Third Tranche programs are provided for information purposes only and are not included in the LRAM application. COLLUS Power's promotion and participation in CDM activities related to OPA-sponsored programs have resulted in foregone revenues of \$201,112.79 for COLLUS Power as set out in the Table 1 and Table 2. COLLUS Power seeks to recover this lost revenue through Lost Revenue Adjustment Mechanism (LRAM).*

- a) Confirm that COLLUS is not seeking, now or in future, an LRAM for Third Tranche CDM Programs.

### **RESPONSE 3(a):**

**COLLUS Power Corp. confirms that it is not seeking now, or in the future, an LRAM for Third Tranche CDM Programs.**

- b) Provide supporting details of the COLLUS OPA EKC campaigns from 2006-2009 that are included in the data shown in OPA Results spreadsheet Net Energy Savings (MWh) at Lines 18-21
- i. # units
  - ii. unit and total kWh savings,
  - iii. lifetime and
  - iv. free ridership
- for each year 2006-2009

### **RESPONSE 3(b):**

**COLLUS has included in the IRM filing materials all the information provided by the OPA both GROSS and NET on a year by year basis for each individual program. The information provided by the OPA is in the Excel document entitled "2006-8 Final+2009 Preliminary.OPA CDM Results.COLLUS Power Corporation.xls".**

### **RESPONSE 3(b) continued:**

This report is provided by the OPA to the individual LDC's as well as to the OEB and Ministry Staff for the purposes of activity tracking, Provincial CDM achievements, and target setting for future years.

COLLUS is not in possession of more detailed information than that provided by the OPA for the EKC programs. COLLUS understands that the data provided by the OPA has been scrutinized by multiple parties in the preparation of targets under the regulatory proceeding EB-2010-0216 for LDC's through 2011 and 2014 and as such did not further question the results posted.

- c) Reconcile to the Net Energy Savings (MWh) and to lost revenue for each year and the Total Revenue.

### **RESPONSE 3(c):**

COLLUS Power Corp. included with the 2011 3<sup>rd</sup> GIRM application filing an Excel document entitled "LRAM\_Model\_Bart.xlsx" which shows an annual breakdown of Lost Revenue utilizing the "NET" energy savings drawn from the OPA report.

End of Responses