

Board Staff Interrogatories

2011 IRM3 Electricity Distribution Rates North Bay Hydro Distribution Inc. ("North Bay") EB-2010-0102

RTSR Adjustments

Board Staff Interrogatory No. 1

Ref: 2011 IRM3 RTSR Adjustment 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	Metered kW	Applicable Loss Factor	Load Factor
		A	B	C	D = A / (B * 730)
Residential	kWh	226,669,714	0	1.0387	
General Service Less Than 50 kW	kWh	92,227,314	0	1.0387	
General Service 50 to 2,999 kW	kW	219,115,319	527,585		56.92%
General Service 3,000 to 4,999 kW	kW	38,677,776	70,695		74.99%
Unmetered Scattered Load	kWh	329,048	0	1.0387	
Sentinel Lighting	kW	586,835	1,464		54.95%
Street Lighting	kW	3,450,728	9,284		50.95%
Total		581,056,732	609,027		

Preamble: The current tariff sheet cites a total loss factor – secondary metered customer < 5000 kW of 1.048.

Questions / Requests:

- Board staff has been unable to verify the data entered in Columns A & B. Please provide supporting evidence.
- Please explain why no loss factor has been applied to the data entered in Column A.
- Please explain the discrepancy between the loss factor cited on the above sheet and that which is presented in North Bay's current tariff sheet.

Revenue Cost Ratio Adjustments

Board Staff Interrogatory No. 2

Ref: 2011 IRM3 Revenue Cost Ratio Adjustment Workform

Sheet "C1.1 Decision – Cost Revenue Adjustments by Rate Class" of the 2011 IRM3 Revenue Cost Ratio Adjustment Workform is reproduced below.

Rate Class	Direction	Current Year 2010	Transition Year 1 2011	Transition Year 2 2012	Transition Year 3 2013	Transition Year 4 2014	Transition Year 5 2015
Residential	No Change	98.59%	98.59%	98.59%	98.59%	98.59%	98.59%
General Service Less Than 50 kW	No Change	112.57%	112.57%	112.57%	112.57%	112.57%	112.57%
General Service 50 to 2,999 kW	Rebalance	120.11%	tbd	tbd	tbd	tbd	tbd
General Service 3,000 to 4,999 kW	Change	58.63%	69.32%	80.00%	80.00%	80.00%	80.00%
Unmetered Scattered Load	No Change	99.65%	99.65%	99.65%	99.65%	99.65%	99.65%
Sentinel Lighting	Change	54.24%	62.12%	70.00%	70.00%	70.00%	70.00%
Street Lighting	Change	40.05%	55.03%	70.00%	70.00%	70.00%	70.00%

Questions / Requests:

- a) Board staff has been unable to verify that the current year revenue cost ratios are correct. Please provide supporting evidence from North Bay's latest rates application.

Board Staff Interrogatory No. 3

Ref: 2011 IRM3 Revenue Cost Ratio Adjustment Workform

Sheet "C1.3 – Transformer Allowance" of the 2011 IRM3 Revenue Cost Ratio Adjustment Workform is reproduced below.

Rate Class	Transformer Allowance In Rate	Transformer Allowance A	Transformer Allowance kW's C	Transformer Allowance Rate E	Volumetric Distribution Rate F	Billed kW's G	Adjusted Volumetric Distribution Rate I = (F * (G - C) + (F - E) * C) / G
Residential	No						
General Service Less Than 50 kW	No						
General Service 50 to 2,999 kW	Yes	58,777	97,962	0.6000	2.2209	638,330	2.1288
General Service 3,000 to 4,999 kW	Yes	44,463	74,106	0.6000	0.8434	74,106	0.2434
Unmetered Scattered Load	No						
Sentinel Lighting	No						
Street Lighting	No						
		B 103,240	D 172,067			H 712,435	

Questions / Requests:

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

Shared Tax Savings

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	\$44,105,306	\$44,105,306	\$44,105,306
Deduction from taxable capital up to \$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000
Net Taxable Capital	\$29,105,306	\$29,105,306	\$29,105,306
Rate	0.150%	0.000%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	\$ 21,850	\$ -	\$ -

2. Tax Related Amounts Forecast from Income Tax Rate Changes

	2010	2011	2012
Regulatory Taxable Income	\$ 1,500,001	\$ 1,500,001	\$ 1,500,001
Corporate Tax Rate	30.99%	28.25%	26.25%
Tax Impact	\$ 464,880	\$ 423,720	\$ 393,735
Grossed-up Tax Amount	\$ 673,661	\$ 590,534	\$ 533,871
Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ 21,650	\$ -	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 673,661	\$ 590,534	\$ 533,871
Total Tax Related Amounts	\$ 695,311	\$ 590,534	\$ 533,871
Incremental Tax Savings		\$ 104,777	\$ 161,440
Sharing of Tax Savings (50%)		\$ 52,388	\$ 80,720

Questions / Requests:

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