

1. Ref: 2011 IRM3 Rate Generator – GA Sub-Account - Sheet J3.21  
2011 IRM3 Deferral and Variance Account Workform

**Request**

- 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?

Response:

- a) The Global Adjustment rate rider is applied to loss adjusted metered consumption, consistent with other electricity components of the bill.
- b) In 2009, in the Veridian\_Main Tariff Zone, there were no non-RPP customers in the USL and Street Lighting rate classes.

There were 3 non-RPP customers within the Sentinel Lighting rate class.

Veridian agrees that the Global Adjustment Sub-Account Disposition rate rider need not be applied to the USL and Street Lighting rate classes but should be applied to the Sentinel Lighting rate class. Veridian understands that Board staff will make this adjustment to the model.

2. Ref: 2011 IRM3 Rate Generator – Sheet P2.1

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.

**Request**

- 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.

Response:

- a) Veridian is not proposing discontinuance of the cited service charges. These charges were omitted in error. Veridian requests Board Staff to make the relevant corrections to Sheet P2.1 of the 2011 IRM3 Rate Generator model to include these service charges.

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
NA	Rate Class 9	NA	NA						

### Request

- 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.

### Response:

- a) In preparing its response to this interrogatory, Veridian has determined that, in error, rebased Billing Determinants were not entered on Sheet B1.1 of the 2011 IRM3 Shared Tax Savings Workform, but rather the 2009 RRR reported values were entered.

Veridian has also determined that some values for Rate ReBal Service Charge and Volumetric Rates kWh and kW, are also in error. Approved 2010 base rates were entered, rather than the Rate ReBal Base rates.

Veridian understands that, rather than providing revised models, any required changes to model inputs will be listed by Veridian and that these changes will be made by Board Staff and incorporated in the final Board issued models.

A list of the original values filed in error and the correct values to be updated in the model are provided in Attachment “A” – EB-2010-0117 – Updates Required from Interrogatory Responses.

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

**Request**

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

**Response:**

The User Instructions for Completion of 2011 IRM3 Shared Tax Savings Workform for Electricity Distributors directed that the “User will input 2008 actual taxable capital into cell E25. User will input 2008 actual deduction from taxable capital into cell E27. User will also input 2008 actual regulatory taxable income into cell E36.”. Veridian requested clarification of these instructions through the following e-mail to the OEB Market Operations on September 13, 2010:

*“Sheet G1.1 Z-Factor Tax changes – Instructions indicate to enter 2008 actual taxable capital, 2008 actual deduction from taxable capital and 2008 actual regulatory taxable income.”*

*Question:*

*Veridian was a 2010 Cost of Service applicant – Would the resulting calculations not be more accurate if Veridian were to enter the approved 2010 forecast taxable capital, 2010 approved forecast deduction from taxable capital and its 2010 approved regulatory taxable income used in calculating its 2010 Board Approved capital tax within its 2010 PILs amount included in 2010 revenue requirement, rather than 2008 historic values?*

*Also – If directed to use the 2008 values mentioned above – Please indicate where the 2008 actual regulatory taxable income is found.*

*Regards,*

*Laurie McLorg”*

No written reply was received. A follow up discussion with Board Staff confirmed that as Veridian was a 2010 Cost of Service applicant, the approved 2010 forecast taxable capital, 2010 approved forecast deduction from taxable capital and the 2010 approved regulatory taxable income should be input, not the 2008 actual values.

As described at pages 3 to 6 of the Manager’s Summary (Exhibit 2, Tab 1, Schedule 1) of Veridian’s 2011 IRM Application, Veridian has allocated the Board Approved 2010 PILs values of Taxable Capital, Deduction from Taxable Capital and Regulatory Taxable Income between its two Tariff Zones and has entered these values on Tariff zone specific Shared Tax Savings Workforms.

In preparing its response to this interrogatory, Veridian identified that it incorrectly stated the Board Approved value for Regulatory Taxable Income in its calculation of shared tax savings. The value of \$7,240,920 was used in error. The 2010 Board Approved value for Regulatory Taxable Income is \$7,237,870 (Reference Appendix “F”- PILs of Approved Draft Rate Order – EB-2009-0140 dated April 30, 2010).

Updated values for Table 1 of Exhibit 2, Tab 1, Schedule 1 of the Manager Summary are provided here.

**REVISED Table 1: Allocation of 2010 PILS amounts to Tariff Zones**  
**Allocation of Tax Amounts to Tariff**  
**-**

**Approved 2010 Revenue Requirement Apportionment to Tariff Zones**

Veridian_Main	43,525,482	94.04%
Veridian_Gravenhurst	<u>2,758,527</u>	5.96%
	46,284,009	

**Taxable Capital**

<b>Allocation to Tariff Zones based on 2010 Revenue Requirement Apportionment</b>
---

	<b>2010 Approved</b>	<b>Veridian_Main</b>	<b>Veridian_Gravenhurst</b>
2010 Approved Rate Base (Appendix J-Settlement Agreement - Page 15 of 16)	186,594,959	175,473,899	11,121,060
Deduction from taxable capital up to \$15,000,000	<u>(15,000,000)</u>	<u>(14,106,000)</u>	<u>(894,000)</u>
	171,594,959	161,367,899	10,227,060

**Regulatory Taxable Income**

<b>Allocation to Tariff Zones based on 2010 Revenue Requirement Apportionment</b>
---

	<b>2010 Approved</b>	<b>Veridian_Main</b>	<b>Veridian_Gravenhurst</b>
Regulatory Taxable Income (Appendix F-Settlement Agreement - Revenue Requirement Workform)	7,237,870	6,806,493	431,377

The value of Regulatory Taxable Income for 2010 on Tab F1.1 Z-Factor Tax Changes of the VCI-Main-2011 IRM3 Shared Tax Savings Workform should be changed from 6,809,361 to 6,806,493.

The value of Regulatory Taxable Income for 2010 on Tab F1.1 Z-Factor Tax Changes of the VCI-Gravenhurst-2011 IRM3 Shared Tax Savings Workform should be changed from \$431,559 to \$431,377.

These changes are included within Attachment "A" – EB-2010-0117 – Updates Required from Interrogatory Responses.

5. Ref: 2011 IRM3 RTSR Adjustment Workform  
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%
<b>Total</b>		<b>2,361,018,695</b>	<b>2,800,236</b>		

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 R	NA	NA						

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

### Request

- 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.



- c) 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.

Response:

- a) As indicated in response to Board Staff Interrogatory No. 3, the data entered on Sheet B1.1 of the 2011 IRM3 Shared Tax Savings Workform was in error and were not the re-based billing determinants.
- b) Veridian confirms that 2009 RRR Billing Determinants have been entered on Sheet B1.2 of the 2011 IRM3 RTSR Adjustment Workform.
- c) No loss factor has been applied to the data entered in Column A of Sheet B1.2 of the 2011 IRM3 RTSR Workform as Veridian interpreted the instructions provided for completion of Sheet B1.2 to be to enter the 2009 reported RRR billing determinants in columns H and I and that an indication should be made in Column E whether these values had been loss adjusted.

Veridian Connections  
EB-2010-0117  
Response to Board Staff Interrogatories  
December 14, 2010

6. Ref: 2011 IRM3 Revenue Cost Adjustment Workform  
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	294,968,007		13.69	0.0169	
GSGT50	General Service 50 to 2,999 kW	Customer	kW	1,038	928,060,437	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	166,638,438	311,685	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						

### Request

- a) 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.

Response:

- a) As indicated in response to Board Staff Interrogatory No. 3, the data entered on Sheet B1.1 of the 2011 IRM3 Shared Tax Savings Workform was in error and were not the re-based billing determinants.

There are no errors in the input to Sheet B1.1 Re-Based Bill Det & Rates of the VCI-Main-2011 IRM3 Revenue Cost Ratio Adjustment Workform.

7. Ref: 2011 IRM3 Revenue Cost Ratio Adjustment Workform  
2010 COS RRWF

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

**Request**

- a) 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.

Response:

No revenue offset information has been entered on Sheet C1.2 of the 2011 IRM3 Revenue Cost Ratio Adjustment Workform as there is no relevant source for this information.

Within its 2010 Cost of Service rate application, Veridian calculated Total Service Revenue Requirement and then deducted the 2010 Revenue Offset amount of \$4,463,100 to determine Distribution Revenue Requirement. The Distribution Revenue Requirement was then apportioned to the two Tariff zones. This methodology was employed as Veridian does not maintain by Tariff Zone, all of the pertinent financial or cost records such as distribution asset values, PILs and miscellaneous revenues as would be required to develop two distinct Tariff Zone revenue requirements.

Similarly, the detailed asset and cost information by Tariff Zone that would be required for fully updated 2010 Tariff Zone specific Cost Allocation models was not available. Due to these data limitations, Veridian proposed a methodology whereby 2010 Cost Allocation Models were developed for each Tariff Zone using the underlying cost and revenue data from the 2006 Informational Filings. Veridian's 2010 Cost Allocation methodology and apportionment of revenue requirement by Tariff Zone were reflected in a Settlement Proposal that was accepted by the Board.

Further details on the 2010 Cost Allocation methodology can be found at EB-2009-0140, Exhibit 7 – Cost Allocation.

8. Ref: 2011 IRM3 Rate Generator – GA Sub-Account - Sheet J3.21  
2011 IRM3 Deferral and Variance Account Workform

**Request**

- a) 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?

Response:

- a) In 2009, in the Veridian\_Gravenhurst Tariff Zone, there were no non-RPP customers in the Street Lighting rate classes. There is no USL rate class within the Veridian\_Gravenhurst Tariff Zone.

There was 1 non-RPP customers within the Sentinel Lighting rate class.

Veridian agrees that the Global Adjustment Sub-Account Disposition rate rider need not be applied to the Street Lighting rate class but should be applied to the Sentinel Lighting rate class. Veridian understands that Board staff will make this adjustment.

Veridian Connections  
EB-2010-0117  
Response to Board Staff Interrogatories  
December 14, 2010

9. Ref: 2011 IRM3 Shared Tax Savings Workform  
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

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.

**Request**

- 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.

Response:

- a) In preparing its response to this interrogatory, Veridian has determined that, in error, rebased Billing Determinants were not entered on Sheet B1.1 of the 2011 IRM3 Shared Tax Savings Workform, but rather the 2009 RRR reported values were entered.

Veridian has also determined that some values for Rate ReBal Service Charge and Volumetric Rates kWh and kW, are also in error. Approved 2010 base rates were entered, rather than the Rate ReBal Base rates.

Veridian understands that, rather than providing revised models, any required changes to model inputs will be listed by Veridian and that these changes will be made by Board Staff and incorporated in the final Board issued models.

A list of the original values filed in error and the correct values to be updated in the model are provided in Attachment "A" – EB-2010-0117 – Updates Required from Interrogatory Responses.

- b) Please see answer to a).

## Attachment “A” – EB-2010-0017 – Updates Required from Interrogatory Responses

Veridian has identified through interrogatory response some errors in data entry within the various models. Through discussion with Board Staff, Veridian has been asked to identify any and all required errors in data input and the corrected values. Board Staff will correct these values in the Board Issued models.

Interrogatory Reference	Model and Sheet Name	Data Reference		Erroneous Value	Corrected Value
Board Staff No 2	Main-2011 IRM3 Rate Generator – Sheet P2.1	Missing Specific Service Charges			
			Install/Remove Load Control Device-During Regular Hours	N/A	\$65
			Install/Remove Load Control Device-After Regular Hours	N/A	\$185
			Customer Substation-Isolation	N/A	\$905
Board Staff No. 3	Main-2011 IRM3 Shared Tax Savings Workform-Sheet B1.1	Re-based Billed Customers/Connections	<i>Note: 2009 RRR values were entered – Should be 2010 Rebased values</i>		
			Residential	96,168	96,370
			GS Less Than 50	7,781	7,758
			GS 50 – 2,999	993	1,038
			USL	893	875
			Sentinel Lighting	651	730
			Street Lighting	26,672	27,045



Veridian Connections  
EB-2010-0117  
Response to Board Staff Interrogatories  
December 14, 2010

Interrogatory Reference	Model and Sheet Name	Data Reference		Erroneous Value	
		Re-based Billed kWh	Note: 2009 RRR values were entered – Should be 2010 Rebased values		
			Residential	895,633,594	927,385,803
			GS Less Than 50	287,089,314	294,966,007
			GS 50 – 2,999	926,658,737	928,060,437
			GS 3,000-4,999	30,205,301	32,196,539
			Large Use	195,617,726	166,636,438
			USL	5,832,532	5,413,534
			Sentinel Lighting	812,525	846,470
			Street Lighting	19,168,966	19,533,195
		Re-based Billed kW	Note: 2009 RRR values were entered – Should be 2010 Rebased values		
			GS 50 – 2,999	2,294,788	2,408,247
			GS 3,000-4,999	91,017	86,111
			Large Use	358,799	311,685
			Sentinel Lighting	2,257	2,353
			Street Lighting	53,375	54,601
		Rate ReBal Base Service Charge	Note: 2010 Base rates were entered – Should be Values from ‘as filed’ Sheet E1.1 of Main-IRM3 Rate Generator Model		
			GS Less Than 50	13.69	13.67
			Sentinel Lighting	2.84	3.52
		Rate ReBal Base Vol Rate kWh	Note: 2010 Base rates were entered – Should be Values from ‘as filed’ Sheet E1.1 of Main-IRM3 Rate Generator Model		
			GS Less Than 50	0.1690	0.0169
Board Staff No. 4	Main-2011 IRM3 Shared Tax Savings Workform Sheet F1.1	Regulatory Taxable Income	Incorrect Value Entered	6,809,361	6,806,493
	Gravenhurst-2011 IRM3 Shared Tax Savings Workform-Sheet F1.1	Regulatory Taxable Income	Incorrect Value Entered	431,559	431,377

Veridian Connections  
EB-2010-0117  
Response to Board Staff Interrogatories  
December 14, 2010

Interrogatory Reference	Model and Sheet Name	Data Reference		Erroneous Value	Corrected Value
Board Staff No. 9	Gravenhurst-2011 IRM3 Shared Tax Savings Workform-Sheet B1.1	Re-based Billed Customers/Connections	<i>Note: 2009 RRR values were entered – Should be 2010 Rebased values</i>		
			Res-Urban	3,023	2,985
			Res-Suburban	751	757
			Res-Seasonal	1,605	1,592
			GS Less Than 50	720	727
			GS 50 – 4,999	47	50
			Sentinel Lighting	53	53
			Street Lighting	947	947
		Re-based Billed kWh	<i>Note: 2009 RRR values were entered – Should be 2010 Rebased values</i>		
			Res-Urban	27,112,704	27,397,075
			Res-Suburban	9,736,962	9,458,013
			Res-Seasonal	9,732,617	9,730,721
			GS Less Than 50	15,138,913	14,769,007
			GS 50 – 4,999	30,715,184	28,668,436
			Sentinel Lighting	42,440	43,727
			Street Lighting	596,852	598,709
		Re-based Billed kW	<i>Note: 2009 RRR values were entered – Should be 2010 Rebased values</i>		
			GS 50 – 2,999	76,520	68,687
			Sentinel Lighting	120	127
			Street Lighting	1,665	1,664
		Rate ReBal Base Service Charge	<i>Note: 2010 Base rates were entered – Should be Values from ‘as filed’ Sheet E1.1 of Gravenhurst-IRM3 Rate Generator Model</i>		
			Res-Suburban	14.56	16.39
			GS Less Than 50	11.49	10.84
			GS 50-4,999	110.62	104.44
			Sentinel Lighting	1.57	2.27

Veridian Connections  
EB-2010-0117  
Response to Board Staff Interrogatories  
December 14, 2010

Interrogatory Reference	Model and Sheet Name	Data Reference		Erroneous Value	Corrected Value
		Rate ReBal Base Vol Rate kWh	<i>Note: 2010 Base rates were entered – Should be Values from ‘as filed’ Sheet E1.1 of Gravenhurst-IRM3 Rate Generator Model</i>		
			Sentinel Lighting	1.6621	4.3065

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

**Request**

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

**Response:**

- a) Please see the response to Board Staff Interrogatory No. 4.

11. Ref: 2011 IRM3 RTSR Adjustment Workform  
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	55.02% 48.47% 49.13%
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	
Sentinel Lighting	kW	42,440	120	1.0884	
Street Lighting	kW	596,852	1,665	1.0884	
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

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

### Request

- 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.

- c) 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.

Response:

- a) As indicated in response to Board Staff Interrogatory No.9, the data entered on Sheet B1.1 of the 2011 IRM3 Shared Tax Savings Workform was in error and were not the re-based billing determinants.
- b) Veridian confirms that 2009 RRR Billing Determinants have been entered on Sheet B1.2 of the 2011 IRM3 RTSR Adjustment Workform.
- c) No loss factor has been applied to the data entered in Column A of Sheet B1.2 of the 2011 IRM3 RTSR Workform as Veridian interpreted the instructions provided for completion of Sheet B1.2 to be to enter the 2009 reported RRR billing determinants in columns H and I and that an indication should be made in Column E whether these values had been loss adjusted.

12. Ref: 2011 IRM3 Revenue Cost Adjustment Workform  
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 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

### Request

- a) 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.

### Response:

- a) As indicated in response to Board Staff Interrogatory No. 9, the data entered on Sheet B1.1 of the 2011 IRM3 Shared Tax Savings Workform was in error and were not the re-based billing determinants.

Veridian Connections  
EB-2010-0117  
Response to Board Staff Interrogatories  
December 14, 2010

There are no errors in the input to Sheet B1.1 Re-Based Bill Det & Rates of the VCI-Gravenhurst-2011 IRM3 Revenue Cost Ratio Adjustment Workform.



13. Ref: 2011 IRM3 Revenue Cost Ratio Adjustment Workform  
2010 COS RRWF

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

**Request**

- a) 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.

Response:

- a) Please see the response to Board Staff Interrogatory No. 7.

14. Ref: Ex. 2 / Tab 1 / Schedule 2

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.

**Request**

- 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.

Response:

- a) Two transformers were identified to be replaced.
- b) Veridian followed its standard capitalization practices for treatment of the removal and replacement costs associated with the faulty transformers. The capital impacts of the removal and replacement costs were included within the 2009 year end value of capital assets. The capital impacts were not included within the Z-factor claim as those impacts were included within the value of the 2010 Test Year rate base.

15. Ref: Ex. 2 / Tab 1 / Schedule 2

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.

**Request**

- 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.

Response:

- a) The proposal to use metered kWh was not derived from a standpoint of cost causality, but rather from the *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR) dated July 31, 2009*. Table 1 – Summary of the Default Allocation Factors from Section 7. Cost Allocation of the report provides for kWh as a default allocation factor for Account 1572 – Extraordinary Event Costs.
- b) Veridian did not consider transformer costs as an alternative to the default allocation factor of kWh. Veridian understands this proposed allocation approach to affect only the allocation to classes within the Tariff Zones, rather than the identification of cost by Tariff Zones.  
Veridian interprets Board Staff's proposal to be the use of the class percentages of responsibility for transformer asset costs as allocated within Veridian's Board Approved 2010 Cost Allocation Studies for each Tariff Zone. Veridian does view this as an acceptable approach for allocating recovery of the Z-factor costs.
- c) Tables 1 and 2 provide the calculations for the allocations to classes based on transformer costs and a comparison of the two allocation methodologies. Tables 3 and 4 provide the calculation of the rate rider by class that would result when applying the Board Staff proposed transformer cost methodology.

Veridian Connections  
EB-2010-0117  
Response to Board Staff Interrogatories  
December 14, 2010

**Table 1: Veridian\_Main Z-Factor Cost Allocation**  
**Based on Allocation of Transformer Costs - 2010 Cost Allocation**

Rate Class	Transformer Costs from 2010 Cost Allocation Model	%age of Total	Transformer Cost Allocation of Z-Factor Recovery	kWh Allocation of Z-Factor Recovery
Residential	\$31,354,350	66.86%	\$ 196,599	\$ 111,540
GS < 50 kW	\$7,685,697	16.39%	\$ 48,191	\$ 35,753
GS > 50 kW	\$6,592,098	14.06%	\$ 41,334	\$ 115,404
Intermediate Use	\$0	0.00%	\$ -	\$ 3,762
Large Use	\$0	0.00%	\$ -	\$ 24,362
Unmetered Scattered Load	\$195,918	0.42%	\$ 1,228	\$ 726
Sentinel Lighting	\$123,857	0.26%	\$ 777	\$ 101
Street Lighting	\$942,041	2.01%	\$ 5,907	\$ 2,387
Total	\$46,893,960	100%	\$294,036	\$294,036

**Table 2: Veridian\_Gravenhurst Z-Factor Cost Allocation**  
**Based on Allocation of Transformer Costs - 2010 Cost Allocation**

Rate Class	Transformer Costs from 2010 Cost Allocation Model	%age of Total	Transformer Cost Allocation of Z-Factor	kWh Allocation of Z-Factor Recovery
Res Urban Year-Round	\$540,237	23.75%	\$ 4,961	\$ 6,086
Res Suburban Year Round	\$494,155	21.72%	\$ 4,538	\$ 2,186
Res Suburban Seasonal	\$947,078	41.63%	\$ 8,697	\$ 2,185
GS < 50 kW	\$185,454	8.15%	\$ 1,703	\$ 3,398
GS > 50 kW	\$99,974	4.39%	\$ 918	\$ 6,894
Sentinel Lighting	\$5,811	0.26%	\$ 53	\$ 10
Street Lighting	\$2,312	0.10%	\$ 21	\$ 134
Total	\$2,275,021	100.00%	\$ 20,892	\$ 20,892

Veridian Connections  
EB-2010-0117  
Response to Board Staff Interrogatories  
December 14, 2010

**Table 3: Veridian\_Main Rate Rider Calculation**  
**Based on Allocation of Transformer Costs - 2010 Cost Allocation**

Rate Class	Transformer Cost		Metered kWh - 2009	Metered kW - 2009	Rate Rider Calculation
	Allocation of Z-Factor Recovery				
Residential	\$	196,599	895,633,594	-	0.0002 per kWh
GS < 50 kW	\$	48,191	287,089,314	-	0.0002 per kWh
GS > 50 kW	\$	41,334	926,658,737	2,294,788	0.0180 per kW
Intermediate Use	\$	-	30,205,301	91,017	N/A
Large Use	\$	-	195,617,726	358,799	N/A
Unmetered Scattered Load	\$	1,228	5,832,532	-	0.0002 per kWh
Sentinel Lighting	\$	777	812,525	2,257	0.3441 per kW
Street Lighting	\$	5,907	19,168,966	53,375	0.1107 per kW
			-	-	
<b>Total</b>		<b>\$294,036</b>	<b>2,361,018,695</b>	<b>2,800,236</b>	

**Table 4: Veridian\_Gravenhurst Rate Rider Calculation**  
**Based on Allocation of Transformer Costs - 2010 Cost Allocation**

Rate Class	Transformer Cost		Metered kWh - 2009	Metered kW - 2009	Rate Rider Calculation
	Allocation of Z-Factor Recovery				
Res Urban Year-Round	\$	4,961	27,112,704	-	0.0002 per kWh
Res Suburban Year Round	\$	4,538	9,736,962	-	0.0005 per kWh
Res Suburban Seasonal	\$	8,697	9,732,617	-	0.0009 per kWh
GS < 50 kW	\$	1,703	15,138,913	-	0.0001 per kWh
GS > 50 kW	\$	918	30,715,184	76,520	0.0000 per kW
Sentinel Lighting	\$	53	42,440	120	0.0013 per kW
Street Lighting	\$	21	596,852	1,665	0.0000 per kW
	\$	-	-	-	
<b>Total</b>	\$	<b>20,892</b>	<b>93,075,672</b>	<b>78,305</b>	

***Note: Rate Rider calculation for GS > 50 kW, Sentinel Lighting and Street Lighting does not meet materiality threshold***

d) Confirmed.

16. Ref: Ex. 2 / Tab 1 / Schedule 2

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.

**Request**

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

Response:

- a) Originally the planned date for Veridian to file the corrected RRR data was October 4<sup>th</sup>, 2010. In fact, a RRR Data Revision Request was not completed until October 13<sup>th</sup>, 2010 and the final filing date was October 20<sup>th</sup>, 2010.

A copy of the RRR Data Revision Request is provided as Attachment “B”.

## APPENDIX A RRR DATA REVISION REQUEST

**Reporting Entity Name:** Veridian Connections Inc.

**Contact Person:** Steve Zebrowski

**Date of Request:** October 13<sup>th</sup>, 2010

**RRR Section Reference:** 2.1.5

**Filing Name:** Performance Based Regulation

**Period(s) to which the revision relates:** 2006 to 2009

**Data to be changed :**

	As Filed				Revised			
(3) Outputs and Revenues	2006	2007	2008	2009	2006	2007	2008	2009
Wholesale KWH (kWh)	2,654,973,079	2,661,665,354	2,623,840,782	2,568,464,313	2,654,511,217	2,661,212,231	2,624,231,027	2,568,464,313
Retail KWH (kWh)	2,532,414,193	2,547,644,408	2,501,313,739	2,473,069,287	2,530,475,353	2,528,007,323	2,482,123,308	2,454,094,367
Distribution System Losses (kWh)	122,558,886	114,020,946	122,527,043	95,395,026	124,035,864	133,204,908	142,107,719	114,369,946
Customers, Demand and Revenues								
General Service >= 50 kW Customers - Billed kWh	1,045,596,226	1,015,888,468	1,013,264,102	1,006,554,142	1,043,657,386	996,251,383	994,073,671	987,579,222
General Service >= 50 kW Customers	1,054	1,073	1,080	1,049	1,049	1,068	1,075	1,042
Large Use (>5,000 kW) Customers				4				5

In 2009 Veridian had one Large Use customer erroneously included in the count for GS>50 kW customers. This has now been corrected.

**Materiality (describe why/how the revision is material)**

The revision stated above is material as the Board has relied upon this information in assigning Electricity Conservation and Demand Management Targets as per EB-2010-0216. It is important that this embedded load be removed from the data reported in RRR 2.1.5 so that the Board's data is accurate and may be relied upon for future use.