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BY E-MAIL

December 14, 2010

Kirsten Walli Board Secretary Ontario Energy Board 2300 Yonge Street, 27th Floor Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: Chapleau Public Utilities Corporation 2011 IRM3 Distribution Rate Application Board Staff Interrogatories Board File No. EB-2010-0073

In accordance with the Notice of Application and Written Hearing, please find attached Board Staff Interrogatories in the above proceeding. Please forward the following to Chapleau Public Utilities Corporation and to all other registered parties to this proceeding.

In addition please advise Chapleau Public Utilities Corporation that responses to interrogatories are due by January 6, 2011.

Yours truly,

Original Signed By

Daniel Kim Analyst – Applications & Regulatory Audit

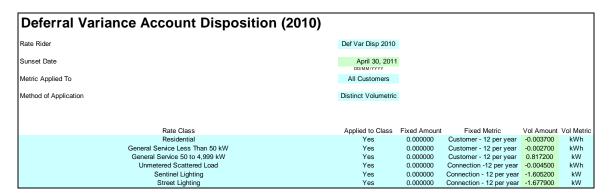
Encl.

Board Staff Interrogatories

2011 IRM3 Electricity Distribution Rates Chapleau Public Utilities Corporation ("Chapleau PUC") EB-2010-0073

2011 IRM3 Rate Generator Model

1. Ref: Sheet "C2.3 Deferral Variance Account Disposition (2010)" of the model is reproduced below.



- a) Please confirm the approved distribution volumetric deferral variance disposition rate rider (2010) effective until April 30, 2011 for the general service less than 50 kW rate class is \$(0.0037) per kWh. If necessary, Board staff will make the necessary changes in the model.
- **2.** Ref: Sheet "L2.1 Applied For RTSR Connection" of the model is reproduced below.

Applied For RTSR - Connection					
Method of Application	Distinct Dollar				
Rate Class	Applied to Class				
Residential	Yes				
Rate Description	Vol Metric	Current Amount	% Adjustment	\$ Adjustment	Final Amount
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.001500	0.000%	0.000100	0.001600
Rate Class	Applied to Class				
General Service Less Than 50 kW	Yes				
Rate Description	Vol Metric	Current Amount	% Adjustment	\$ Adjustment	Final Amount
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.001400	0.000%	0.000100	0.001500
Rate Class	Applied to Class				
General Service 50 to 4,999 kW	Yes				
Rate Description	Vol Metric	Current Amount	% Adjustment	\$ Adjustment	Final Amount
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.543100	0.000%	0.019700	0.562800
Rate Class	Applied to Class				
Unmetered Scattered Load	Yes				
Rate Description	Vol Metric	Current Amount	% Adjustment	\$ Adjustment	Final Amount
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.001400	0.000%	0.000100	0.001500
Rate Class	Applied to Class				
Sentinel Lighting	Yes				
Rate Description	Vol Metric	Current Amount	% Adjustment	\$ Adjustment	Final Amount
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.428700	0.000%	0.015500	0.444200
Rate Class	Applied to Class				
Street Lighting	Yes				
Rate Description	Vol Metric	Current Amount	% Adjustment	\$ Adjustment	Final Amount
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.419900	0.000%	0.015200	0.435100

 a) Please confirm, using the 2011 IRM3 RTSR Workform, that the data entered in to column "\$ Adjustment" should be a negative adjustment for all the rate classes.
 If so, Board staff will make the necessary corrections in the workform.

2011 IRM Retail Transmission Service Rates "RTSR" Workform

3. Ref: "Sheet B1.2 2009 Distributor Billing Determinants" of the workform is reproduced below.

2009 Distributor Billing Dete)			
Enter the most recently reported RRR billing deter					
Loss Adjusted Metered kWh	No	Update Sheet	1		
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	15,271,952	0	1.0654	
General Service Less Than 50 kW	kWh	5,199,427	0	1.0654	
General Service 50 to 999 kW	kW	7,871,532	19,967	1.0654	54.03%
Unmetered Scattered Load	kWh	7,212	0	1.0654	
Sentinel Lighting	kW	27,861	66	1.0654	58.12%
Street Lighting	kW	296,713	780	1.0654	52.14%
Total		28,674,697	20,812		

a) 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.

Smart Meter Rate Calculation Model

4. Ref: A portion of Sheet "3. LDC Assumptions and Data" of the model is reproduced below.

Per Meter Cost Split:	Per Meter
Smart meter including installation	\$ 240.69
Computer Hardware Costs	\$ 3.37
Computer Software Costs	\$ 66.88
Tools & Equipment	\$ -
Other Equipment	\$ -
Smart meter incremental operating expenses	\$ 62.19
Total Smart Meter Capital Costs per meter	\$ 373.14

a) Please provide an explanation as to why Chapleau PUC's total smart meter capital costs per meter appear to be high compared to that of other Ontario electricity distributors. For example, during the combined smart meter proceeding in mid-2007 (EB-2007-0063), the unit costs per installed meter (capital and OM&A) were as follows for urban named distributors:

Table 1: Cost per Installed Smart Meter for Urban Distributors¹

Table II Cost per motanea chiart moter for Ciban Brothbatere							
Distributor	Capital and Operating Cost per Installed Smart Meter						
Toronto Hydro-Electric System Limited	\$126.34						
Hydro One Brampton Networks Inc.	\$148.04						
Hydro Ottawa	\$135.58						
Enersource Hydro Mississauga	\$144.20						
Milton Hydro	\$126.83						
Newmarket Hydro (now Newmarket- Tay Hydro)	\$123.59						

2011 IRM Deferral and Variance Account Workform

5. Ref: Sheet "B1.3 Rate Class and Billing Determinants" of the workform is reproduced below.

Rate Class and Billing Determinants										
					2009 Aud	ited RRR	Billed kWh for Non-RPP	1393 (2006 COS) Recovery		
Rate Group	Rate Class	Fixed Metric	Vol Metric		Metered kWh	Metered kW	customers	Share		
RES	Residential	Customer	kWh		14,767,661		504,291	116.5%		
GSLT50	General Service Less Than 50 kW	Customer	kWh		4,896,395		303,032	7.4%		
GSGT50	General Service 50 to 999 kW	Customer	kW		5,829,296	19,967	2,042,236	(26.0%)		
USL	Unmetered Scattered Load	Connection	kWh		7,212		0	0.0%		
Sen	Sentinel Lighting	Connection	kW		27,861	66	0	1.3%		
SL	Street Lighting	Connection	kW		296,713	780	0	0.8%		

Board staff has been unable to verify whether the billing determinants entered on this sheet are correct.

a) Please provide evidence supporting the billing determinants entered on sheet B1.3 of the 2011 IRM3 Deferral and Variance Account Workform.

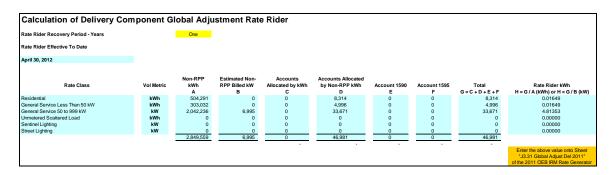
¹ Compiled from Appendix A of the Board's Decision with Reasons, EB-2007-0063, August 8, 2007.

6. Ref: Sheet "D1.6 Deferral Variance – Continuity Schedule Final" of the workform is reproduced below.

Deferral Variance - Continuity Schedule Final												
	Account Number	Opening Principal Amounts as of Jan-1- 10	Adjustments - Please explain	Principal Amounts to be disposed	Opening Interest Amounts as of Jan-1- 10	Interest on Board- approved 2008 amounts prior to transfer Jan-1, 2010 to Date of Transfer	Adjustments - Please explain	Projected Interest on Dec 31 -09 balance from Jan 1, 2010 to Dec 31, 2010	Projected Interest on Dec 31 -09 balance from Jan 1, 2011 to April 30, 2011	Interest Amounts to be disposed	Total Claim	
Account Description		A	В	C = A + B	D	E	F	G	н	I = D + E + F + G +H	J = C + I	
LV Variance Account	1550	3,567		3,567	(1,113)	213		26	10	(864)	2,703	
RSVA - Wholesale Market Service Charge	1580	11,658		11,658	685	(130)		84	34	673	12,331	
RSVA - Retail Transmission Network Charge	1584	(6,467)		(6,467)	(53)	344		(47)	(19)	225	(6,242)	
RSVA - Retail Transmission Connection Charge	1586	(151)		(151)	2,253	(455)		(1)	(0)	1,797	1,646	
RSVA - Power (Excluding Global Adjustment)	1588	(71,912)		(71,912)	(314)	112		(519)	(210)	(932)	(72,844)	
RSVA - Power (Global Adjustment Sub-account)		47,072		47,072	(708)	139		340	138	(91)	46,981	
Recovery of Regulatory Asset Balances	1590	0		0	0	0		0	0	0	0	
Residual Balance Disposition and recovery of Def/Var Balances Account (2008)	1595	0		0	0	0		0	0	0	0	
Total		(16.233)	0	(16.233)	751	223	0	(117)	(47)	809	(15,424)	

Account 1584 currently has a credit balance of \$6,242, which would imply that Chapleau PUC has been overcharging the retail transmission network charge. However, according to Chapleau PUC's RTSR Adjustment Workform an increase to the retail transmission network charge has been calculated, which would imply that Chapleau PUC has been undercharging customers. Also, account 1586 currently has a debit balance of \$1,646, which would imply that Chapleau PUC has been undercharging the retail transmission connection charge. However, according to the RTSR Adjustment Workform a decrease to the retail transmission connection charge has been calculated, which would imply that Chapleau PUC has been overcharging customers.

- a) Please explain why there appears to be a difference.
- **7.** Ref: Sheet "G1.1b Calculation of Delivery Component Global Adjustment Rate Rider" of the workform is reproduced below.



Chapleau PUC has requested disposition of account 1588 global adjustment sub-account through a one year rate rider to non-RPP customers only.

a) Please confirm that Chapleau PUC's billing system could accommodate a separate rate rider that would apply prospectively to non-RPP customers to dispose of the global adjustment sub-account balance.

Addendum to Manager's Summary

- 8. The results of an OEB Regulatory Audit review from proceeding EB-2007-0755, determined that disposition of a credit amount of \$261,348 was incorrectly recorded and should have been a credit of \$215.662.
 - a) As per the Addendum to Manager's Summary submitted on December 7, 2010, please confirm that Chapleau PUC will be making a debit adjustment of \$45,686 to account 1595 as a result of the audit review from proceeding EB-2007-0755.
 - b) Please confirm that Chapleau PUC will be requesting disposition of the residual balance in account 1595, net of the above adjustment, in the next rate application.
 - c) Please provide a table that compares the amounts that would be allocated to each customer rate classes using the allocation factors contained in the Report of the Board on Electricity Distributors' Deferral and Variance Account Review Report (EB-2008-0046). The total amount in each scenario below should add up to \$45,686.
 - 1595: Residual account balance to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented.

II. 1508: Distribution revenues

1586: kWh 1588: kWh