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BY E-MAIL

December 17, 2010

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

Dear Ms. Walli:

**Re: Northern Ontario Wires Inc.
2011 IRM3 Distribution Rate Application
Board Staff Interrogatories
Board File No. EB-2010-0103**

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 Northern Ontario Wires Inc. and to all other registered parties to this proceeding.

In addition please advise Northern Ontario Wires Inc. that responses to interrogatories are due by January 21, 2011.

Yours truly,

Original Signed By

Lawrie Gluck
Analyst, Applications & Regulatory Audit

Encl.

Board Staff Interrogatories

2011 IRM3 Electricity Distribution Rates Northern Ontario Wires Inc. ("Northern Ontario Wires") EB-2010-0103

Shared Tax Savings

Board Staff Interrogatory No. 1

Ref: Manager's Summary

Questions / Requests:

- a) Please explain why Northern Ontario Wires has not filed a 2011 IRM3 Shared Tax Savings Model.
- b) If this was an error, please file the Shared Tax Savings Model with the Board and Board staff will make the relevant changes to the 2011 IRM3 Rate Generator.

Smart Meter Adder

Board Staff Interrogatory No. 2

Ref: 2011 IRM3 Smart Meter Workform

A portion of Sheet "3 - LDC Assumptions and Data" of the 2011 IRM3 Smart Meter Workform is reproduced below.

Per Meter Cost Split:

Smart meter including installation
Computer Hardware Costs
Computer Software Costs
Tools & Equipment
Other Equipment
Smart meter incremental operating expenses
Total Smart Meter Capital Costs per meter

	Per Meter	Installed	Investment	% of Invest
\$	185.59	6,090	\$ 1,130,245	71%
\$	1.41	6,090	\$ 8,615	1%
\$	12.18	6,090	\$ 74,191	5%
\$	-	6,090	\$ -	0%
\$	-	6,090	\$ -	0%
\$	60.52	6,090	\$ 368,579	23%
\$	259.71		\$ 1,581,629	100%

Questions / Requests:

- a) Please provide an explanation as to why Northern Ontario Wires' 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

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

Disposition of Group 1 Deferral / Variance Account Balances

Board Staff Interrogatory No. 3

Ref: Manager's Summary – Page 3

Ref: 2011 IRM3 Deferral and Variance Account Workform

Preamble: Northern Ontario Wires noted that its reconciliation between the balances reported in this application and the RRR filing indicates a small difference in the 1588 Power and Global Adjustment account which it is investigating.

Questions / Requests:

- Please provide an explanation for the cited variance in the 1588 Power and Global Adjustment account.
- Please explain how Northern Ontario Wires plans to deal with the cited variance in the 1588 Power and Global Adjustment account.
- Please confirm that the amount entered in Column AH of Sheet D1.5 of the 2011 IRM3 Deferral and Variance Account Workform is the same as the amount filed with the Board as part of its RRR 2.1.7 filing. If there are discrepancies, please explain.

IRM3 Rate Generator

Board Staff Interrogatory No. 4

Ref: Manager's Summary – Page 5

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

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

Questions / Requests:

- a) Please explain why Northern Ontario Wires requires new service charges for: Statement of Account, Account History, and Request for Other Billing Information.

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	Yes

Enter the most recently reported RRR billing determinants							
Rate Class	Metric	Metered kWh	Metered kW	Factor	Load Factor	Loss Adjusted Billed kWh	Loss Adjusted Billed kW
		A	B	C	D = A / (B * 730)	E = A * C	F = B * C
Residential	kWh	43,042,148	0	1.0448		44,970,436	0
General Service Less Than 50 kW	kWh	20,012,505	0	1.0448		20,909,065	0
General Service 50 to 4,999 kW	kW	58,783,293	168,237	1.0448	47.89%	61,416,785	175,774
Unmetered Scattered Load	kWh	129,179	0	1.0448		134,966	0
Street Lighting	kW	1,607,552	3,938	1.0448	55.95%	1,679,570	4,114
Total		123,574,677	172,175			129,110,823	179,888

Questions / Requests:

- 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.
- b) Please explain why a loss factor has been applied to the Metered kW data. If this is an error, please confirm and Board staff will make the relevant corrections to the Workform.