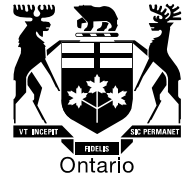


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BY E-MAIL

December 20, 2010

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

Dear Ms. Walli:

**Re: Espanola Regional Hydro
2011 IRM3 Distribution Rate Application
Board Staff Interrogatories
Board File No. EB-2010-0081**

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 Espanola Regional Hydro and to all other registered parties to this proceeding.

In addition please advise Espanola Regional Hydro that responses to interrogatories are due by January 10, 2011.

Yours truly,

Original Signed By

Suresh Advani

Encl.

**Espanola Regional Hydro
2011 Electricity Distribution Rates
EB-2010-0081
Board Staff Interrogatories**

1. Rate Class 2010 RTSR Rates

Ref: RTSR Model

Ref: Tariff of Rates and Charges Effective May 1, 2010

A portion of Sheet B1.1 from the RTSR Model is reproduced below.

Rate Class And 2010 RTSR Rates

Enter Rate Group and Rate Class in the same order as listed on your current Tariff sheet and Rate Generator.

Enter the RTSR-Network and RTSR-Connection rates as approved on your current Tariff sheet.

Expand Rate Class
Column for better view

Rate Group	Rate Class	Vol Metric	RTSR - Network	RTSR - Connection
RES	Residential	kWh	0.0053	0.0039
GSLT50	General Service Less Than 50 kW	kWh	0.0049	0.0035
GSGT50	General Service 50 to 4,999 kW	kW	1.9912	1.3748
USL	Unmetered Scattered Load	kWh	0.0049	0.0035
Sen	Sentinel Lighting	kW	1.5094	1.0850
SL	Street Lighting	kW	1.5018	1.0628

- a. Board staff notes that the “General Service 50 to 4,999 kW – Interval Metered” rate class is missing in the above exhibit whereas this rate class and its associated rate are captured in Espanola’s Tariff of Rates and Charges Effective May 1, 2010. If this is an error, please provide the relevant information, Board staff will make the relevant correction.

2. RTSR Network Adjustment

Ref: Rate Generator Model

Ref: RTSR Model

A portion of Sheet L1.1 from the Rate Generator Model is reproduced below.

Applied For RTSR - Network

Rate Class	Applied to Class				
Residential	Yes				
Rate Description	Vol Metric	Current Amount	% Adjustment	\$ Adjustment	Final Amount
Retail Transmission Rate – Network Service Rate	\$/kWh	0.005300	0.000%	0.000498	0.005798
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 – Network Service Rate	\$/kWh	0.004900	0.000%	0.000460	0.005360
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 – Network Service Rate	\$/kW	1.991200	0.000%	0.187062	2.178262
Retail Transmission Rate – Network Service Rate – Interval metered	\$/kW	2.261500	0.000%	0.187062	2.448562
Rate Class	Applied to Class				
Unmetered Scattered Load	Yes				
Rate Description	Vol Metric	Current Amount	% Adjustment	\$ Adjustment	Final Amount
Retail Transmission Rate – Network Service Rate	\$/kWh	0.004900	0.000%	0.000460	0.005360
Rate Class	Applied to Class				
Sentinel Lighting	Yes				
Rate Description	Vol Metric	Current Amount	% Adjustment	\$ Adjustment	Final Amount
Retail Transmission Rate – Network Service Rate	\$/kW	1.509400	0.000%	0.141799	1.651199
Rate Class	Applied to Class				
Street Lighting	Yes				
Rate Description	Vol Metric	Current Amount	% Adjustment	\$ Adjustment	Final Amount
Retail Transmission Rate – Network Service Rate	\$/kW	1.501800	0.000%	0.141085	1.642885

A portion of Sheet F1.1 from the RTSR Model is reproduced below.

IRM RTSR Adjustment Calculation - Network

The purpose of this sheet is to update re-aligned RTSR-Network rates to recover forecast wholesale Network costs.

Rate Class	Vol Metric	Current RTSR - Network	Proposed RTSR - Network	RTSR - Network Adjustment
		(A) Column H Sheet B1.1	(B) Column S Sheet E1.1	C = B - A
Residential	kWh	0.0053	0.0058	0.000497904
General Service Less Than 50 kW	kWh	0.0049	0	0.000460326
General Service 50 to 4,999 kW	kW	1.9912	2	0.187061608
Unmetered Scattered Load	kWh	0.0049	0	0.000460326
Sentinel Lighting	kW	1.5094	2	0.141799312
Street Lighting	kW	1.5018	2	0.141085337

Enter this value into
column "G" on sheet "L1.1
Appl For TX Network" of
the 2011 Rate Generator

- Board staff notes that the "General Service 50 to 4,999 kW – Interval Metered" rate class is missing in the latter. If this is an error, please provide the relevant information, Board staff will make the relevant corrections in the model.

3. RTSR Connection Adjustment

Ref: Rate Generator Model

Ref: RTSR Model

A portion of Sheet L2.1 from the Rate Generator Model is reproduced below.

Applied For RTSR - Connection

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		\$/k w/h	0.003900	0.000%	0.000169	0.004069
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		\$/k w/h	0.003500	0.000%	0.000152	0.003652
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		\$/k w	1.374800	0.000%	0.059565	1.434365
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval metered		\$/k w	1.927200	0.000%	0.059565	1.986765
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		\$/k w/h	0.003500	0.000%	0.000152	0.003652
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		\$/k w	1.085000	0.000%	0.047009	1.132009
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		\$/k w	1.062800	0.000%	0.046047	1.108847

A portion of Sheet F1.2 from the RTSR Model is reproduced below.

IRM RTSR Adjustment Calculation - Connection

The purpose of this sheet is to update re-aligned RTSR-Network rates to recover forecast wholesale Network costs.

Rate Class	Vol Metric	Current RTSR - Connection (A) Column J Sheet B1.1	Proposed RTSR - Connection (B) Column S Sheet E1.2	RTSR - Network Adjustment C = B - A
Residential	kWh	0.0039	0.0041	0.000168972
General Service Less Than 50 kW	kWh	0.0035	0.0037	0.000151641
General Service 50 to 4,999 kW	kW	1.3748	1.4344	0.059564666
Unmetered Scattered Load	kWh	0.0035	0.0037	0.000151641
Sentinel Lighting	kW	1.0850	1.1320	0.047008774
Street Lighting	kW	1.0628	1.1088	0.046046935

Enter this value into
column"G" on sheet"L2.1
Appl For TX Connect" of
the 2011 Rate Generator

- Board staff notes that the "General Service 50 to 4,999 kW – Interval Metered" rate class is missing in the latter. If this is an error, please provide the relevant information, Board staff will make the relevant corrections in the model.

4. Loss Adjusted Metered kWh

Ref: RTSR Model

A portion of Sheet B1.2 from the RTSR Model is reproduced below.

2009 Distributor Billing Determinants

Enter the most recently reported RRR billing determinants

Loss Adjusted Metered kWh

Loss Adjusted Metered kW

Rate Class	Vol Metric	Metered kWh A	Metered kW B	Applicable Loss Factor C	Load Factor D = A / (B * 730)
Residential	kWh	33,443,599	0	1.0543	
General Service Less Than 50 kW	kWh	14,046,543	0	1.0543	
General Service 50 to 4,999 kW	kW	16,963,776	36,833	1.0543	63.12%
Unmetered Scattered Load	kWh	170,432	0	1.0543	
Sentinel Lighting	kW	24,640	40	1.0543	84.43%
Street Lighting	kW	615,553	1,766	1.0543	47.77%
Total		65,264,543	38,639		

- Please confirm that the kWh volumes in column A are not loss adjusted, i.e. losses are not included in these volumes.
- Board staff notes that the “General Service 50 to 4,999 kW – Interval Metered” rate class is missing. If this is an error, please provide the relevant information, Board staff will make the relevant correction.

5. Recovery of RTSR Network Charge

Ref: RTSR Model

Ref: Deferral/Variance Account Model.

A portion of Sheet D1.1 from the RTSR Model is reproduced below.

Rate Class	Vol Metr	Billed Amount (D) = (A) * (B) or (A) * (C)	Billed Amount % (F) = (D) / (E)	Current Wholesale Billing (H) = (G) * (F)
Residential	kWh	\$ 177,251	54.88%	\$ 193,903
General Service Less Than 50 kW	kWh	\$ 68,828	21.31%	\$ 75,294
General Service 50 to 4,999 kW	kW	\$ 73,342	22.71%	\$ 80,232
Unmetered Scattered Load	kWh	\$ 835	0.26%	\$ 914
Sentinel Lighting	kW	\$ 60	0.02%	\$ 66
Street Lighting	kW	\$ 2,652	0.82%	\$ 2,901
		<u>\$ 322,969</u> (E)	<u>100.00%</u>	<u>\$ 353,310</u> (G) Cell G73 Sheet C1.2

A portion of Sheet D1.6 from the Deferral/Variance Account Model is reproduced below.

Account Description	Account Number	Total Claim J = C * I
LV Variance Account	1550	(8,911)
RSVA - Wholesale Market Service Charge	1580	(51,665)
RSVA - Retail Transmission Network Charge	1584	(267)
RSVA - Retail Transmission Connection Charge	1586	(417)
RSVA - Power (Excluding Global Adjustment)	1588	(22,673)
RSVA - Power (Global Adjustment Sub-account)		25,463
Recovery of Regulatory Asset Balances	1590	(35)
Residual Balance Disposition and recovery of Def/Var Balances Account (2008	1595	11,270
Total		(47,234)

- a. In the former, column D is less than column H which indicates an under-recovery of the RTSR Network charge. In the latter, Account 1584 shows an over-recovery as of December 31, 2009. Please explain this apparent discrepancy.

6. Recovery of RTSR Connection Charge

Ref: RTSR Model

Ref: Deferral/Variance Account Model.

A portion of Sheet D1.2 from the RTSR Model is reproduced below.

Rate Class	Vol Metric	Billed Amount (D) = (A) * (B) or (A) * (C)	Billed Amount % (F) = (D) / (E)	Current Wholesale Billing (H) = (G) * (F)
Residential	kWh	\$ 130,430	56.04%	\$ 136,081
General Service Less Than 50 kW	kWh	\$ 49,163	21.12%	\$ 51,293
General Service 50 to 4,999 kW	kW	\$ 50,638	21.76%	\$ 52,832
Unmetered Scattered Load	kWh	\$ 597	0.26%	\$ 622
Sentinel Lighting	kW	\$ 43	0.02%	\$ 45
Street Lighting	kW	\$ 1,877	0.81%	\$ 1,958
		\$ 232,748	100.00%	\$ 242,832
		(E)		(G) Cell 073 Sheet C1.2

A portion of Sheet D1.6 from the Deferral/Variance Account Model is reproduced below.

Account Description	Account Number	Total Claim J = C + I
LV Variance Account	1550	(8,911)
RSVA - Wholesale Market Service Charge	1580	(51,665)
RSVA - Retail Transmission Network Charge	1584	(267)
RSVA - Retail Transmission Connection Charge	1586	(417)
RSVA - Power (Excluding Global Adjustment)	1588	(22,673)
RSVA - Power (Global Adjustment Sub-account)		25,463
Recovery of Regulatory Asset Balances	1590	(35)
Residual Balance Disposition and recovery of Def/Var Balances Account (2008)	1595	11,270
Total		(47,234)

- In the former, column D is less than column H which indicates an under-recovery of the RTSR Network charge. In the latter, Account 1586 shows an over-recovery as of December 31, 2009. Please explain this apparent discrepancy.

7. Billing Determinants – 2009 Audited RRR

Ref: Deferral/Variance Account Model

A portion of Sheet B1.3 from the Deferral/Variance Account Model is reproduced below.

2009 Audited RRR						
Rate Group	Rate Class	Fixed Metric	Vol Metric	Metered kWh	Metered kW	Billed kWh for Non-RPP customers
RES	Residential	Customer	kWh	33,443,599		5,189,994
GSLT50	General Service Less Than 50 kW	Customer	kWh	14,046,543		3,293,855
GSGT50	General Service 50 to 4,999 kW	Customer	kW	16,963,776	36,833	11,903,916
USL	Unmetered Scattered Load	Connection	kWh	170,432		
Sen	Sentinel Lighting	Connection	kW	24,640	40	
SL	Street Lighting	Connection	kW	615,553	1,766	

- Board Staff has been unable to verify the figures in the “Billed kWh for Non-RPP customers” column. Please provide evidence supporting these amounts. If this is an error, Board staff will make the relevant corrections.

8. Deferral Variance – Continuity Schedule 2009

Ref: Deferral/Variance Account Model

A portion of Sheet D1.5 from the Deferral/Variance Account Model is reproduced below.

Account Description	Account Number	Opening Principal Amounts as of Jan-1-09	Transactions (additions) during 2009, excluding interest and adjustments	Transactions (reductions) during 2009, excluding interest and adjustments	Adjustments during 2009 - instructed by Board	Adjustments during 2009 - other
LV Variance Account	1550	29,470				(8,621)
RSVA - Wholesale Market Service Charge	1580	(80,035)				(50,796)
RSVA - Retail Transmission Network Charge	1584	(102,109)				(233)
RSVA - Retail Transmission Connection Charge	1586	(243,823)				(663)
RSVA - Power (Excluding Global Adjustment)	1588	538,823				(16,821)
RSVA - Power (Global Adjustment Sub-account)	1588	34,377				25,281
Recovery of Regulatory Asset Balances	1590	15,325				
Residual Balance Disposition and recovery of DefVar Balances Account (2008)	1595	0				
Total		192,628	0	0	0	(51,853)

- a. Please provide details of transactions during 2009 and an explanation of Adjustments during 2009.

9. Deferral and Variance Account Disposition

Ref: Deferral/Variance Account Model

Ref: Rate Generator Model

Ref: Manager's Summary

A portion of Sheet G1.1 from the Deferral/Variance Account Model is reproduced below.

Rate Class	Vol Metric	Rate Rider kWh H = G / A (kWh) or H = G / B (kW)
Residential	kWh	(0.00090)
General Service Less Than 50 kW	kWh	(0.00080)
General Service 50 to 4,999 kW	kW	(0.13739)
Unmetered Scattered Load	kWh	(0.00115)
Sentinel Lighting	kW	(0.51219)
Street Lighting	kW	(0.35903)

						Enter the above value onto Sheet "J2.2 DefVar Disp 2011" of the 2011 OEB IRM2 Rate Generator "J2.4 DefVar Disp 2011" of the 2011 OEB IRM3 Rate Generator

A portion of Sheet J2.4 from the Rate Generator Model is reproduced below.

Rate Class	Applied to Class	Fixed Amount	Fixed Metric	Vol Amount	Vol Metric
Residential	No	0.000000	Customer - 12 per year	0.000000	kWh
General Service Less Than 50 kW	No	0.000000	Customer - 12 per year	0.000000	kWh
General Service 50 to 4,999 kW	No	0.000000	Customer - 12 per year	0.000000	kW
Unmetered Scattered Load	No	0.000000	Connection - 12 per year	0.000000	kWh
Sentinel Lighting	No	0.000000	Connection - 12 per year	0.000000	kW
Street Lighting	No	0.000000	Connection - 12 per year	0.000000	kW

- Board staff notes from the Manager's Summary that Espanola is not requesting the disposition of balances, nevertheless please explain the discrepancies between the values in column H in the former and the column "Vol Amount" in the latter. If this is an error, Board staff will make the relevant corrections.