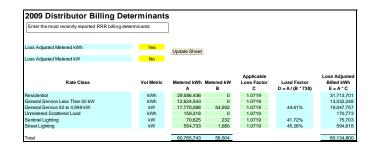
Board Staff Interrogatories

2011 IRM3 Electricity Distribution Rates Canadian Niagara Power Inc. – Easter Ontario Power ("CNPI – EOP") EB-2010-0071

2011 IRM Retail Transmission Service Rates ("RTSR") Workform

1. Ref: Sheet "B1.2 2009 Distributor Billing Determinants" is reproduced below.



- 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 indicate the data that should have been entered in Column A and Board staff will make the relevant corrections to the RTSR Workform.
- b) Board staff has been unable to verify the data entered in for the General Service Less Than 50 kW and Unmetered Scattered Load rate classes to CNPI – EOP's 2009 RRR filings. Please provide evidence supporting these amounts.

2011 IRM3 Shared Tax Savings Workform

2. Ref: Sheet "F1.1 Z-Factor Tax Changes" of the workform is reproduced below.

Summary - Sharing of Tax Change Forecast Amounts			
1. Tax Related Amounts Forecast from Capital Tax Rate Changes	2009	2010	2011
Taxable Capital	\$45,202,093	\$45,202,093	\$45,202,093
Deduction from taxable capital up to \$15,000,000	\$ 2,300,372	\$ 2,300,372	\$ 2,300,372
Net Taxable Capital	\$42,901,721	\$42,901,721	\$42,901,72
Rate	0.225%	0.150%	0.000
Ontario Capital Tax (Deductible, not grossed-up)	\$ 96,529	\$ 31,912	\$.
2. Tax Related Amounts Forecast from Income Tax Rate Changes Regulatory Taxable Income	2009 \$ 1,129,975	2010 \$ 1,129,975	2011 \$ 1,129,97
Corporate Tax Rate	33.00%	31.00%	28.25
Tax Impact	\$ 372,892	\$ 350,292	\$ 319,21
Grossed-up Tax Amount	\$ 556,555	\$ 507,670	\$ 444,90
Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ 96,529	\$ 31,912	s -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 556,555	\$ 507,670	\$ 444,903
Total Tax Related Amounts	\$ 653,084	\$ 539,582	\$ 444,90
Incremental Tax Savings		-\$ 113,502	-\$ 208,18
Sharing of Tax Savings (50%)		-\$ 56.751	-\$ 104.090

Board staff has been unable to verify the 2009 taxable capital and regulatory taxable income.

a) Please provide evidence supporting these amounts.

2011 IRM Deferral and Variance Account Workform

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

Rate Class and Billing Determinants										
					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		29,647,212			4,129,857		
GSLT50	General Service Less Than 50 kW	Customer	kWh		13,214,880			796,858		
GSGT50	General Service 50 to 4,999 kW	Customer	kW		17,408,000	54,162		13,672,243		
Sen	Sentinel Lighting	Connection	kW		20,703	228		0		
SL	Street Lighting	Connection	kW		555,872	1,677		500,284		
USL	Unmetered Scattered Load	Connection	kWh		156,000					

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 this sheet.
- 4. Ref: Rate Rider for 2011 Deferral and Variance Account Disposition.

CNPI – EOP has requested disposition of its deferral and variance accounts, including account 1588 global adjustment sub-account, through a one year rate rider to all customers.

- a) What progress, if any, has CNPI EOP made to its billing system to implement a separate rate rider to dispose of the global adjustment sub-account that would prospectively apply to non-RPP customers?
- 5. Ref: Manager's Summary Pg. 5, Rate Rider for Deferral and Variance Account Disposition

CNPI – EOP has indicated that it will submit Cost of Power and Global Adjustment true-ups to the IESO during the fourth quarter of 2010 and has entered this into Sheet "D1.6 Deferral Variance – Continuity Schedule Final" of the 2011 IRM Deferral and Variance Account Workform.

- -3-
- a) Has CNPI EOP submitted this true-up? If so, please confirm the amount submitted for Cost of Power and Global Adjustment to the IESO. If not, Board staff will update the workform to remove this adjustment.

Smart Meter Rate Calculation

6. Ref: Manager's Summary Pg. 4, Smart Meter Rate Calculation

It is Board staff understanding that the revenue requirement associated with smart meters will be included in deferral account 1555 and 1556 for each of CNPI's service territories until such time that CNPI files a cost of service application. It is also Board staff understanding that the revenue generated through the smart meter funding adder for each service territory would be included as an offset to 1555. Following a prudence review, the difference between the approved revenue requirement and the revenue collected through the smart meter funding adder, for each of CNPI's service territories, would either be collected or returned to affected ratepayers.

- a) Please confirm. If this is confirmed, please explain the benefits of proposing a harmonized smart meter funding adder.
- b) If not, please provide further explanation on the proposed treatment of the smart meter related deferral accounts.

2010 Rate Rider for Deferral and Variance Account Disposition

7. Ref: CNPI – EOP's Current Tariff of Rates and Charges, effective May 1, 2010.

Board staff believes that the 2010 rate rider for deferral and variance account disposition for the General Service 50 to 4,999 kW rate class should be a debit of \$1.3163/kW instead of a credit of (\$1.3163)/kW.

 a) Please confirm that the rate rider amount should be a debit instead of a credit. If so, please indicate how CNPI – EOP proposes to rectify this issue.