

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

- Ref: Sheet “B1.2 2009 Distributor Billing Determinants” is reproduced below.

Enter the most recently reported RRR billing determinants						
Loss Adjusted Metered kWh	Yes	Update Sheet				
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)	Loss Adjusted Billed kWh E = A * C
Residential	kWh	20,586,436	0	1.0719		31,713,701
General Service Less Than 50 kW	kWh	12,624,543	0	1.0719		13,532,248
General Service 50 to 4,999 kW	kW	17,770,088	54,592	1.0719	44.61%	19,047,757
Unmetered Scattered Load	kWh	159,318	0	1.0719		170,773
Sentinel Lighting	kW	70,625	232	1.0719	41.72%	75,703
Street Lighting	kW	554,733	1,680	1.0719	45.26%	594,618
Total		60,765,743	56,504			65,134,800

- 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.
- 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

- 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	\$ 42,901,721
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	2009	2010	2011
Regulatory Taxable Income	\$ 1,129,975	\$ 1,129,975	\$ 1,129,975
Corporate Tax Rate	33.00%	31.00%	28.25%
Tax Impact	\$ 372,892	\$ 350,292	\$ 319,218
Grossed-up Tax Amount	\$ 556,555	\$ 507,670	\$ 444,903
Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ 96,529	\$ 31,912	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 556,555	\$ 507,670	\$ 444,903
Total Tax Related Amounts	\$ 653,084	\$ 539,582	\$ 444,903
Incremental Tax Savings		-\$ 113,502	-\$ 208,181
Sharing of Tax Savings (50%)		-\$ 56,751	-\$ 104,090

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

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.

- 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.