Welland Hydro
ELECTRIC SYSTEM CORP.
POWERING WELLAND'S FUTURE

December 29, 2010

Delivered by Courier and E-file

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Younge Street, Suite 2700
Toronto, Ontario
M4P 1E4

Dear Ms Walli:

Re: Welland Hydro-Electric System Corp.
2011 Incentive Rate Mechanism Application (IRM3)
Board File No. EB-2010-0116

Please find attached two (2) copies of responses to Ontario Energy Board staff interrogatories regarding Welland Hydro-Electric System Corp.'s 2011 Incentive Rate Mechanism Application (EB-2010-0116).

An electronic copy containing all documents has been filed using the OEB's E-filing services.

Yours very truly,

Wayne Armstrong
Director of Finance
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905-732-1381 Ext 234

Welland Hydro Electric System Corp.

Responses to:

Board Staff Interrogatories

2011 IRM3 Electricity Distribution Rates
Welland Hydro-Electric System Corp ("Welland Hydro")
EB-2010-0116

Board Staff Interrogatory #1

Ref: 2011 IRM3 RTSR Adjustment Workform, Sheet B1.2 – 2009 Distributor Billing Determinants

Sheet B1.2 – 2009 Distributor Billing Determinants is reproduced below.

2009 Distributor Billing Determinants
Enter the most recently reported RRR billing determinants

Loss Adjusted Metered kWh Yes

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	152,795,281		1.0532		160,923,990
General Service Less Than 50 kW	kWh	54,842,891		1.0532		57,760,533
General Service 50 to 4,999 kW	kW	50,793,374	151,643		45.91%	0
General Service 50 to 4,999 kW Interval Metered	kW	85,055,224	256,131		45.51%	0
Large Use	kW	51,909,228	201,911		35.24%	0
Unmetered Scattered Load	kWh	1,170,354		1.0532		1,232,617
Sentinel Lighting	kW	930,303	3,814		33.43%	0
Street Lighting	kW	4,691,957	13,094		49.11%	0
Total		402,188,612	626,593			219,917,140

a) Please confirm that the data entered in columns "A" and "B" has not been loss adjusted. If the data has been loss adjusted, please confirm and staff will adjust the workform by entering 1.0 in column C.

Response – Welland Hydro can confirm that columns "A" and "B" have not been loss adjusted.

Board Staff Interrogatory #2

Ref: 2011 IRM3 Shared Tax Savings Workform
Ref: 2011 IRM3 Rate Generator

Sheet B1.1 – Rate Class and Re-Based Billing Determinants & Rates of the 2011 IRM 3 Shared Tax Savings Workform, is reproduced below.

Rate Class and Re-Based Billing Determinants & Rates

Last COS Re-based Year	2009
Last COS OEB Application Number	EB-2008-0247

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	19,618	166,999,701		14.87	0.0150	
GSLT50	General Service Less Than 50 kW	Customer	kWh	1,717	55,348,528		24.51	0.0086	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	171	160,782,066	440,756	306.14		1.2844
LU	Large Use	Customer	kW	1	49,804,199	169,553	12,831.71		0.6658
USL	Unmetered Scattered Load	Connection	kWh	208	1,072,774		13.36	0.0092	
Sen	Sentinel Lighting	Connection	kW	721	1,098,311	2,592	1.92		4.3990
SL	Street Lighting	Connection	kW	6,677	4,722,781	13,262	1.37		5.8705

a) Please explain why rates in columns D, E and F are not identical with rates from Sheet E1.1 – Rate Rebalanced Base Distribution Rates of the 2011 IRM3 Rate Generator.

Response – The information in columns A through F above are from the Decision & Order- 2009 Cost of Service Application EB-2008-0247. The rates from Sheet E1.1-Rate Rebalanced Base Distribution Rates of the 2011 IRM3 Rate Generator are the current 2010 approved rates.

b) If Welland Hydro is of the view that the data included in the application is more appropriate to use, please explain why. If not, please confirm and staff will adjust the workform by entering the correct rates.

Response – Welland Hydro has no objection to Board Staff changing the information in columns D, E, and F to reflect 2010 rates. The change will only result in minor adjustments to three rate classes as can be seen in Appendix A and B.

Appendix A

Current Submission (Based on 2009 Approved Rates)

Name of LDC: Welland Hydro-Electric System Corp.
File Number: IRM3
Effective Date: Sunday, May 01, 2011
Version : 1.0

Ontario

Calculate Tax Change Rate Rider Volumetric

Rate Class	Total Revenue $ by Rate Class A	Total Revenue % by Rate Class B = A / $H	Total Z-Factor Tax Change$ by Rate Class C = $I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential	$6,041,319.4350	68.84%	-$44,325	166,999,701	0	-$0.0003	
General Service Less Than 50 kW	$981,001	11.18%	-$7,198	55,348,528	0	-$0.0001	
General Service 50 to 4,999 kW	$1,194,371	13.61%	-$8,763	160,782,066	440,796		-$0.0199
Large Use	$300,780	3.43%	-$2,207	49,804,199	169,553		-$0.0130
Unmetered Scattered Load	$43,266	0.49%	-$317	1,072,774	0	-$0.0003	
Sentinel Lighting	$28,016	0.32%	-$206	1,098,311	2,592		-$0.0793
Street Lighting	$187,624	2.14%	-$1,377	4,722,781	13,262		-$0.1038
	$8,776,378	100.00%	-$64,391				
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Enter the above value onto Sheet "J2.7 Tax Change Rate Rider" of the 2011 IRM3 Rate Generator.

Appendix B

Revision
(Based on 2010
Approved Rates)

Ontario

Name of LDC: **Welland Hydro-Electric System Corp.**
File Number: **IRM3**
Effective Date: **Sunday, May 01, 2011**
Version : 1.0

Calculate Tax Change Rate Rider Volumetric

Rate Class	Total Revenue $ by Rate Class A	Total Revenue % by Rate Class B = A / $H	Total Z-Factor Tax Change$ by Rate Class C = $I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential	$5,767,461.0843	65.66%	-$42,281	166,999,701	0	-$0.0003	
General Service Less Than 50 kW	$981,620	11.18%	-$7,196	55,348,528	0	-$0.0001	
General Service 50 to 4,999 kW	$1,310,542	14.92%	-$9,607	160,782,066	440,796		-$0.0218
Large Use	$301,199	3.43%	-$2,208	49,804,199	169,553		-$0.0130
Unmetered Scattered Load	$43,316	0.49%	-$318	1,072,774	0	-$0.0003	
Sentinel Lighting	$38,206	0.43%	-$280	1,098,311	2,592		-$0.1081
Street Lighting	$341,248	3.89%	-$2,502	4,722,781	13,262		-$0.1886
	$8,783,592	100.00%	-$64,391				
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Enter the above value onto Sheet "J2.7 Tax Change Rate Rider" of the 2011 IRM3 Rate Generator.