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**BY E-MAIL**

December 30, 2010

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

Dear Ms. Walli:

**Re: Hydro Hawkesbury Inc.  
2011 IRM3 Distribution Rate Application  
Board Staff Interrogatories  
Board File No. EB-2010-0090**

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 Hydro Hawkesbury Inc. and to all other registered parties to this proceeding.

In addition please advise Hydro Hawkesbury 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 Hydro Hawkesbury Inc. (“Hydro Hawkesbury”) EB-2010-0090

### Disposition of Group 1 Deferral / Variance Account Balances

#### Board Staff Interrogatory No. 1

Ref: Manager’s Summary

Questions / Requests:

- a) Please file a completed 2011 IRM3 Deferral and Variance Workform.
- b) Please provide the most recent available balances for the Group 1 Deferral and Variance Accounts. Please confirm whether the provided balances have been audited.

### Retail Transmission Service Rates

#### Board Staff Interrogatory No. 2

Ref: 2011 IRM3 RTSR Workform

Sheet “B1.2 – 2009 Distributor Billing Determinants” of the 2011 IRM3 RTSR Workform 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 730)	Loss Adjusted Billed kWh E = A * C
Residential	kWh	53,559,119	0	1.0446		55,947,856
General Service Less Than 50 kW	kWh	20,562,650	0	1.0446		21,479,744
General Service 50 to 4,999 kW	kW	86,186,766	229,814	1.0446	51.40%	90,030,696
Sentinel Lighting	kW	108,470	325	1.0446	45.74%	113,308
Street Lighting	kW	1,208,363	3,096	1.0446	53.49%	1,262,256
Unmetered Scattered Load	kWh	220,667		1.0446		230,509
<b>Total</b>		<b>161,846,035</b>	<b>233,235</b>			<b>169,064,368</b>

Questions / Requests:

- a) Please confirm that the data entered in Columns A & B is sourced from the 2010 forecast included in Hydro Hawkesbury’s latest Cost of Service Application.

- b) 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.

## Shared Tax Savings

### Board Staff Interrogatory No. 3

Ref: 2011 IRM3 Shared Tax Savings Workform

Sheet "B1.1 – Rate Class and Re-Based Billing Determinants & Rates" of the 2011 IRM3 Shared Tax Savings Workform is reproduced below.

Last COS Re-based Year				2010						
Last COS OEB Application Number				EB-2009-0186						
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	4,781	53,559,119		5.87	0.0079		
GSL750	General Service Less Than 50 kW	Customer	kWh	586	20,562,650		13.55	0.0054		
USL	Unmetered Scattered Load	Connection	kWh	4	220,667		6.26	0.0021		
GSG750	General Service 50 to 4,999 kW	Customer	kW	81	86,186,766	229,814	95.30		1.5230	
Sen	Sentinel Lighting	Connection	kW	21	108,470	325	1.59		3.1600	
SL	Street Lighting	Connection	kW	1,158	1,208,363	3,096	0.61		6.6315	
NA	Rate Class 7	NA	NA							

### Questions / Requests:

- a) Please confirm that the data entered in Columns A / B / C is sourced from the 2010 forecast included in Hydro Hawkesbury's latest Cost of Service Application.
- b) Please confirm that the correct Rate ReBal Distribution Volumetric Rate (kW) for the Sentinel Lighting Rate Class is 3.1604.

### Board Staff Interrogatory No. 4

Ref: 2011 IRM3 Shared Tax Savings Workform

Sheet "F1.1 – Z-Factor Tax Changes" of the 2011 IRM3 Shared Tax Savings Workform is reproduced below.

Summary - Sharing of Tax Change Forecast Amounts

1. Tax Related Amounts Forecast from Capital Tax Rate Changes

	2010	2011	2012
Taxable Capital	\$4,283,956	\$4,283,956	\$4,283,956
Deduction from taxable capital up to \$15,000,000	\$4,283,956	\$4,283,956	\$4,283,956
Net Taxable Capital	\$ -	\$ -	\$ -
Rate	0.150%	0.000%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	\$ -	\$ -	\$ -

2. Tax Related Amounts Forecast from Income Tax Rate Changes

	2010	2011	2012
Regulatory Taxable Income	\$ 195,109	\$ 195,109	\$ 195,109
Corporate Tax Rate	16.00%	15.50%	15.50%
Tax Impact	\$ 31,217	\$ 30,242	\$ 30,242
Grossed-up Tax Amount	\$ 37,164	\$ 35,789	\$ 35,789
Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ -	\$ -	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 37,164	\$ 35,789	\$ 35,789
Total Tax Related Amounts	\$ 37,164	\$ 35,789	\$ 35,789
Incremental Tax Savings		-\$ 1,374	-\$ 1,374
Sharing of Tax Savings (50%)		-\$ 687	-\$ 687

Questions / Requests:

- a) Board staff has been unable to verify that the amount entered for taxable capital is correct. Please reconcile with the Revenue Requirement Workform in the EB-2009-0186 proceeding.

**IRM3 Rate Generator**

**Board Staff Interrogatory No. 5**

Ref: 2011 IRM3 Rate Generator Model – Sheet C2.3

Ref: 2011 IRM3 Rate Generator Model – Sheet J2.3

Questions / Requests:

- a) Please confirm that the correct Sunset Date for the 2010 Deferral and Variance Account Rate Rider is April 30, 2012 (30/04/2012). If so, Board staff will make the relevant corrections to the IRM3 Rate Generator.

**Board Staff Interrogatory No. 6**

Ref: 2011 IRM3 Rate Generator Model – Sheet C3.2

Questions / Requests:

- a) Please confirm that the correct Sunset Date for the 2010 Global Adjustment Sub-Account Rate Rider is April 30, 2011 (30/04/2011). If so, Board staff will make the relevant corrections to the IRM3 Rate Generator.

### **Board Staff Interrogatory No. 7**

Ref: 2011 IRM3 Rate Generator Model – Sheet C4.1

#### Questions / Requests:

- a) Please confirm that the correct Distribution Volumetric Rate for the Sentinel Rate Class is \$3.1604 / kW.

### **Board Staff Interrogatory No. 8**

Ref: 2011 IRM3 Rate Generator Model – Sheet L2.1

#### Questions / Requests:

- a) Please confirm that the correct adjustment for the Street Lighting Rate Class is 0.0247. If so, Board staff will make the relevant correction to the IRM3 Rate Generator.