

**Ontario Energy
Board**
P.O. Box 2319
27th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**Commission de l'énergie
de l'Ontario**
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone; 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY E-MAIL

January 6, 2011

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

Dear Ms. Walli:

**Re: Cooperative Hydro Embrun Inc.
2011 IRM3 Distribution Rate Application
Board Staff Interrogatories
Board File No. EB-2010-0077**

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 Cooperative Hydro Embrun Inc. and to all other registered parties to this proceeding.

In addition please advise Cooperative Hydro Embrun Inc. that responses to interrogatories are due by January 20, 2011.

Yours truly,

Original Signed By

Suresh Advani

Encl.

**Cooperative Hydro Embrun Inc.
2011 Electricity Distribution Rates
EB-2010-0081
Board Staff Interrogatories**

1. Tax Model

- a. Board staff notes that a Tax Model is not included in the application. Please file a Tax Model.

2. Revenue Cost Ratio Adjustment

Ref: Rate Generator Model
Ref: Revenue Cost Ratio Model

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

Revenue Cost Ratio Adjustment

Monthly Service Charge

Class	Metric	Base Rate	\$ Adjustment	Adj To Base
Residential	Customer -12 per year	13.490000	- 0.150000	0.150000
General Service Less Than 50 kW	Customer -12 per year	20.020000	0.000000	0.000000
General Service 50 to 4,999 kW	Customer -12 per year	241.540000	0.000000	0.000000
Unmetered Scattered Load	Customer -12 per year	39.400000	13.150000	13.150000
Street Lighting	Customer -12 per year	1.580000	0.280000	0.280000

Volumetric Distribution Charge

Class	Metric	Base Rate	\$ Adjustment	Adj To Base
Residential	kWh	0.012600	- 0.000100	0.000100
General Service Less Than 50 kW	kWh	0.016600	0.000000	0.000000
General Service 50 to 4,999 kW	kW	4.475200	0.000000	0.000000
Unmetered Scattered Load	kWh	0.010300	0.003400	0.003400
Street Lighting	kW	6.415300	0.000000	0.000000

A portion of Sheet C1.9 from the Revenue Cost Ratio Model is reproduced below.

Adjustment required to Proposed Rates

Rate Class	Adjustment Required Base Service Charge		Adjustment Required Base Distribution Volumetric Rate kWh		Adjustment Required Base Distribution Volumetric Rate kW	
	G = A - D		H = B - E		I = C - F	
	-\$	\$	-\$	\$	\$	\$
Residential	-\$	0.15	-\$	0.0001	\$	-
General Service Less Than 50 kW	\$	-	\$	-	\$	-
General Service 50 to 4,999 kW – Interva	\$	-	\$	-	\$	-
Unmetered Scattered Load	\$	13.15	\$	0.0034	\$	-
Street Lighting	\$	0.28	\$	-	\$	1.1374

Enter the above values onto Sheet "D1.X Revenue Cost Ratio Adj" of the 2011 OEB IRM3 Rate Generator.

- a. With respect to the Street Lighting rate class, please explain the discrepancy between the value in the "\$ Adjustment" column of the Volumetric Distribution Charge section in the former and the value in column I in the latter. If this is an error, Board staff will make the relevant corrections.

3. Rate class “General Service 50 to 4,999”

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

- a. Board staff notes the extensive use of the rate class label “General Service 50 to 4,999 – Interval” in various sheets in various models. As an example, please refer to the second exhibit in the previous question and the exhibit in the next question. Board staff further notes that the Tariff of Rates and Charges Effective May 1, 2010 identifies this rate class without “Interval”. If this is an error, Board staff will make the relevant corrections.

4. Revenue Cost Ratios

Ref: Revenue Cost Ratio Model

A portion of Sheet C1.1 from the Revenue Cost Ratio Model is reproduced below.

Decision - Cost Revenue Adjustments by Rate Class

Rate Class	Direction	Current Year 2010	Transition Year 1 2011	Transition Year 2 2012	Transition Year 3 2013	Transition Year 4 2014	Transition Year 5 2015
Residential	Rebalance	102.00%	tbd	tbd	tbd	tbd	tbd
General Service Less Than 50 kW	No Change	121.00%	121.00%	121.00%	121.00%	121.00%	121.00%
General Service 50 to 4,999 kW – Inte	No Change	91.00%	91.00%	91.00%	91.00%	91.00%	91.00%
Unmetered Scattered Load	Change	51.00%	66.00%	80.00%	80.00%	80.00%	80.00%
Street Lighting	Change	60.00%	70.00%	70.00%	70.00%	70.00%	70.00%

- a. With respect to the 2010 revenue-to-cost ratios, Board staff notices a discrepancy between the ratios provided in the “Current Year 2010” column in the above exhibit and the ratios provided in the Draft Rate Order (page F4) of the 2010 Cost of Service application (EB-2009-0132). Please reconcile the 2010 ratios and if relevant update the ratios for the downstream years. Provide the updated information; Board staff will make the relevant corrections.

5. Revenue Offsets Allocation

Ref: Revenue Cost Ratio Model

A portion of Sheet C1.2 from the Revenue Cost Ratio Model is reproduced below.

Revenue Offsets Allocation

The purpose of this sheet is to allocate the Revenue Offsets (miscellaneous revenue) found in the last COS to the various rate classes in proportion to the allocation from the Cost Allocation informational filing.

Rate Class	Informational Filing		Allocated Revenue	
	Revenue Offsets A	Percentage Split C = A / B	Offsets E = D * C	
Residential	29,331	70.90%	29,331	
General Service Less Than 50 kW	6,508	15.73%	6,508	
General Service 50 to 4,999 kW – Interval Metered	3,201	7.74%	3,201	
Unmetered Scattered Load	1,403	3.39%	1,403	
Street Lighting	928	2.24%	928	
	41,371	100.00%	41,371	
	B		D	

Enter revenue offsets as found in Cell F47 on sheet "C1.2 Revenue Offsets Allocation" of the 2010 IRM3 Supplemental Filing Module or from 2010 COS RRWF

- a. Board Staff has been unable to verify the figures in column A (Informational Filing Revenue Offsets) for the various rate classes. Please provide evidence supporting these amounts.

6. Loss Adjusted Metered kWh and RRR Billing Determinants

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 No Update Sheet
 Loss Adjusted Metered kW No

Rate Class	Vol Metric	Metered kWh	Metered kW	Applicable	Load Factor D = A / (B * 730)
		A	B	Loss Factor C	
Residential	kWh	19,949,042	0	1.0579	
General Service Less Than 50 kW	kWh	4,928,893	0	1.0579	
General Service 50 to 4,999 kW	kW	4,153,840	12,974	1.0579	43.88%
Unmetered Scattered Load	kWh	92,676	0	1.0579	
Street Lighting	kW	351,661	1,018	1.0579	47.35%
Total		29,476,112	13,992		

- a. Please confirm that the kWh volumes in column A are not loss adjusted, i.e. losses are not included in these volumes.
- b. Board Staff has been able to verify some but not all the billing determinant figures in columns A and B (Metered kWh and Metered kW) against the most recently reported RRR billing determinants. Please provide evidence supporting these amounts.

7. Historical Wholesale Transmission

Ref: RTSR Model

A portion of Sheet C1.1 from the RTSR Model is reproduced below.

Hydro One										
Month	Network			Line Connection			Line Transformation			
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	
January	6,862	\$ 2.24	\$ 15,371		\$-		6,862	\$ 1.99	\$ 13,655	
February	6,326	\$ 2.24	\$ 14,170		\$-		6,326	\$ 1.99	\$ 12,589	
March	5,691	\$ 2.24	\$ 12,748		\$-		5,808	\$ 1.99	\$ 11,558	
April	4,779	\$ 2.24	\$ 10,705		\$-		4,779	\$ 1.99	\$ 9,510	
May	3,963	\$ 2.24	\$ 8,877		\$-		3,963	\$ 1.99	\$ 7,886	
June	5,731	\$ 2.24	\$ 12,837		\$-		5,731	\$ 1.99	\$ 11,405	
July	4,839	\$ 2.24	\$ 10,839		\$-		4,839	\$ 1.99	\$ 9,630	
August	6,052	\$ 2.24	\$ 13,556		\$-		6,052	\$ 1.99	\$ 12,043	
September	4,428	\$ 2.24	\$ 9,919		\$-		4,428	\$ 1.99	\$ 8,812	
October	4,719	\$ 2.24	\$ 10,571		\$-		4,719	\$ 1.99	\$ 9,391	
November	5,464	\$ 2.24	\$ 12,239		\$-		5,464	\$ 1.99	\$ 10,873	
December	6,854	\$ 2.24	\$ 15,353		\$-		6,854	\$ 1.99	\$ 13,639	
Total	65,708	\$ 2.24	\$ 147,186	-	\$-	\$ -	65,825	\$ 1.99	\$ 130,992	

A portion of Sheet B1.3 from the RTSR model is reproduced below.

Hydro One Sub-Transmission Rates				
Rate Description	Vol Metric	Effective May	Effective	Effective May
		1, 2008	May 1, 2009	1, 2010
		Rate	Rate	Rate
Network Service Rate	kW	\$ 2.01	\$ 2.24	\$ 2.65
Line Connection Service Rate	kW	\$ 0.50	\$ 0.60	\$ 0.64
Transformation Connection Service Rate	kW	\$ 1.38	\$ 1.39	\$ 1.50
Both Line and Transformation Connection Service Rate	kW	\$ 1.88	\$ 1.99	\$ 2.14

- a. With respect to the first exhibit, Board staff notes that the Rate column in the Line Connection section is not populated whereas in the Line Transformation section, data in the Rate column represents the combined Line and Transformation Connection Service Rates (please see second exhibit for comparison). Please confirm that Embrun is seeking adjustments to its RTSR Connection Charges.
- b. For the May to December period, Board staff further notes that data in the Rate columns in the first exhibit are not aligned with corresponding data in the second exhibit. If this is an error, Board staff will make the relevant corrections.

8. 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 Met	Billed Amount (D) = (A) * (B) or (A) * (C)	Billed Amount % (F) = (D) / (E)	Current Wholesale Billing (H) = (G) * (F)
Residential	kWh	\$ 101,740	67.32%	\$ 119,295
General Service Less Than 50 kW	kWh	\$ 23,166	15.33%	\$ 27,163
General Service 50 to 4,999 kW	kW	\$ 24,353	16.11%	\$ 28,556
Unmetered Scattered Load	kWh	\$ 436	0.29%	\$ 511
Street Lighting	kW	\$ 1,441	0.95%	\$ 1,690
		<u>\$ 151,136</u> (E)	<u>100.00%</u>	<u>\$ 177,214</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	22,267
RSVA - Wholesale Market Service Charge	1580	(15,817)
RSVA - Retail Transmission Network Charge	1584	(42,411)
RSVA - Retail Transmission Connection Charge	1586	(68,896)
RSVA - Power (Excluding Global Adjustment)	1588	114,622
RSVA - Power (Global Adjustment Sub-account)		34,777
Recovery of Regulatory Asset Balances	1590	(25,554)
Residual Balance Disposition and recovery of Def/Var Balances Account (2008)	1595	0
	Total	18,989

- 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.

9. Rate Class and Billing Determinants

Ref: Deferral/Variance Account Model.

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

Rate Class and Billing Determinants

Rate Group	Rate Class	Fixed Metric	Vol Metric	2010 COS Forecast		Billed kWh for Non-RPP customers
				Metered kWh	Metered kW	
RES	Residential	Customer	kWh	19,657,452		1,757,279
GSLT50	General Service Less Than 50 kW	Customer	kWh	4,976,291		97,073
GSGT50	General Service 50 to 4,999 kW	Customer	kW	4,387,835		11,784
USL	Unmetered Scattered Load	Connection	kWh	93,536		132
SL	Street Lighting	Connection	kW	388,274		1,003

- a. Board Staff has been unable to verify the figures in the “Billed kWh for Non-RPP customers” column for the various rate classes. Please provide evidence supporting these amounts.
- b. Board staff notes that figures for “Metered kW” for rates classes “General Service 50 to 4,999 kW” and Street Lighting are missing. Provide the figures, Board staff will make the relevant corrections.