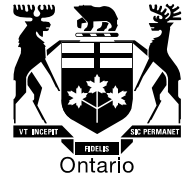


**Ontario Energy
Board**
P.O. Box 2319
27th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**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 10, 2011

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

Dear Ms. Walli:

**Re: PUC Distribution Inc.
2011 IRM3 Distribution Rate Application
Board Staff Interrogatories
Board File No. EB-2010-0111**

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 PUC Distribution Inc. and to all other registered parties to this proceeding.

In addition please advise PUC Distribution Inc. that responses to interrogatories are due by January 24, 2011.

Yours truly,

Original signed by

Christiane Wong
Analyst – Applications & Regulatory Audit

Encl.

Board Staff Interrogatories

2011 IRM3 Electricity Distribution Rates PUC Distribution Inc. ("PUC") EB-2010-0111

1. Ref: 2011 IRM 3 Rate Generator Model

A portion of Sheet C4.1 Current Rates & Charges General is reproduced below.

Monthly Rates and Charges - Delivery Component		
Service Charge	\$	8.71
Service Charge Smart Meters	\$	1.68
Distribution Volumetric Rate	\$/kWh	0.0151
Distribution Volumetric Def Var Disp 2010 – effective until Saturday, April 30, 2011	\$/kWh	(0.0026)
Distribution Volumetric Tax Change – effective until Saturday, April 30, 2011	\$/kWh	(0.0001)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055

The descriptions for all rate classes for the three rates identified below are different from the versions on PUC's current Tariff sheet:

Service Charge Smart Meters

Distribution Volumetric Def Var Disp 2010 – effective until Saturday, April 30, 2011

Distribution Volumetric Tax Change – effective until Saturday, April 30, 2011

Unmetered Scattered Load		
Rate Description	Metric	Rate
Service Charge (per connection)	\$	11.01

The description for Unmetered Scattered Load is different from the version on PUC's current Tariff sheet:

Service Charge (per connection)

- a) If the above descriptions are correct, please provide evidence supporting the new descriptions. If the descriptions are incorrect, please re-file sheet C4.1 with the correct descriptions and Board staff will make the necessary changes to the model.

-2 -

2. Ref: 2011 Transmission Service Rates (“RTSR”) Adjustment Workform

Sheet B1.1 Rate Class and 2010 RTSR Rates is reproduced below.

Rate Group	Rate Class	Vol Metric	RTSR - Network	RTSR - Connection
RES	Residential	kWh	0.0055	
GSLT50	General Service Less Than 50 kW	kWh	0.0050	
GSGT50	General Service 50 to 4,999 kW	kW	2.0636	
USL	Unmetered Scattered Load	kWh	0.0050	
Sen	Sentinel Lighting	kW	1.5643	
SL	Street Lighting	kW	1.5563	

- a) PUC’s current Tariff of Rates and Charges does not match with the Tariff of Rates and Charges prepared in the 2011 IRM3 RTSR Adjustment Workform. There is a class identified as “General Service 50 to 4,999 kW – Interval Metered” which does not appear on Sheet B1.1. Please explain the discrepancies or in the alternative, please re-file the Workform with the correct classes and Board staff will make the relevant correction.

3. Ref: 2011 Transmission Service Rates (“RTSR”) Adjustment Workform

Sheet F1.1 IRM RTSR Adjustment Calculation - Network is reproduced below.

IRM RTSR Adjustment Calculation - Network

The purpose of this sheet is to update re-aligned RTSR-Network rates to recover forecast wholesale Network costs.

Rate Class	Vol Metric	Current RTSR - Network	Proposed RTSR - Network	RTSR - Network Adjustment
		(A) Column H Sheet B1.1	(B) Column S Sheet E1.1	C = B - A
Residential	kWh	0.0055	0.0056	0.000141057
General Service Less Than 50 kW	kWh	0.0050	0.0051	0.000128233
General Service 50 to 4,999 kW	kW	2.0636	2.1165	0.052924443
Unmetered Scattered Load	kWh	0.0050	0.0051	0.000128233
Sentinel Lighting	kW	1.5643	1.6044	0.040119067
Street Lighting	kW	1.5563	1.5962	0.039913894

- a) PUC’s current Tariff of Rates and Charges does not match with the Tariff of Rates and Charges prepared in the 2011 IRM3 RTSR Adjustment Workform. Board Staff notes that the rate class “General Service 50 to 4999 kW – Interval Metered” does not appear on Sheet F1.1. Please explain the discrepancies or in the alternative, please re-file the Workform with the correct classes and Board staff will make the relevant correction.

-3 -

4. Ref: 2011 IRM Deferral and Variance Account Workform

A portion of Sheet C1.1 2008 Transfer to 1595 COS is reproduced below.

2008 Board Approved Transfer of 2006 Deferral/Variance accounts to 1595 COS

OEB Decision EB-2007-0931

Disposition Recovery Sunset Date

April 30, 2009

Rate Rider Recovery Complete and 1595 Balance Eligible for Residual Disposition

Yes

- a) Staff notes that PUC has recorded the sunset date of its Disposition Recovery Sunset Date to April 30, 2009. Please confirm that the sunset date is April 30, 2010 and Board staff will make the relevant correction to the Model.

A portion of Sheet D1.6 Deferral Variance – Continuity Schedule Final is reproduced below.

Deferral Variance - Continuity Schedule Final

Account Description	Account Number	Opening Interest Amounts as of Jan-1-10 D	Interest on Board-approved 2008 amounts prior to transfer Jan-1, 2010 to Date of Transfer E	Adjustments - Please explain F	Projected Interest on Dec 31 -09 balance from Jan 1, 2010 to Dec 31, 2010 G	Projected Interest on Dec 31 -09 balance from Jan 1, 2011 to April 30, 2011 H	Interest Amounts to be disposed I = D + E + F + G + H	Total Claim J = C + I
LV Variance Account	1550	0			0	0	0	0
RSVA - Wholesale Market Service Charge	1580	(130,093)		(99,195)	(1,618)	(656)	(231,563)	(455,897)
RSVA - Retail Transmission Network Charge	1584	(61,506)		22,542	1,064	432	(37,468)	110,081
RSVA - Retail Transmission Connection Charge	1586	0			0	0	0	0
RSVA - Power (Excluding Global Adjustment)	1588	(148,895)		5,610	(7,649)	(3,102)	(154,036)	(1,214,333)
RSVA - Power (Global Adjustment Sub-account)		31,065		(34,277)	3,886	1,576	2,250	540,929
Recovery of Regulatory Asset Balances	1590	40,120		(40,773)	(8)	(3)	(664)	(1,726)
Residual Balance Disposition and recovery of Def/Var Balances Account (2008)	1595	63,308			136	55	63,500	82,386
Total		(206,001)	0	(146,093)	(4,188)	(1,699)	(357,981)	(938,559)

- b) If the sunset date is April 30, 2010, please confirm that the residual balance in account 1595 would not be disposed of.

-4 -

5. Ref: 2011 IRM Deferral and Variance Account Workform

A portion of Sheet D1.5 Deferral Variance – Continuity Schedule 2009 is reproduced below.

Deferral Variance - Continuity Schedule 2009

Account Description	Account Number	Opening Principal Amounts as of Jan-1-09	Transactions (additions) during 2009, excluding interest and adjustments ¹	Transactions (reductions) during 2009, excluding interest and adjustments ¹	Adjustments during 2009 - instructed by Board ²	Adjustments during 2009 - other ³	Transfer Residual Amount of USoA 1595	Closing Principal Balance as of Dec-31-09
LV Variance Account	1550	0						0
RSVA - Wholesale Market Service Charge	1580	(1,909,524)				(224,334)		(2,133,858)
RSVA - Retail Transmission Network Charge	1584	(359,980)				147,549		(212,431)
RSVA - Retail Transmission Connection Charge	1586	0						0
RSVA - Power (Excluding Global Adjustment)	1588	(31,004)				(1,060,296)		(1,091,300)
RSVA - Power (Global Adjustment Sub-account)	1588	560,727				538,679		1,099,406
Recovery of Regulatory Asset Balances	1590	49,814				(1,062)		48,752
Residual Balance Disposition and recovery of Def/Var Balances Account (2008)	1595	0					18,887	18,887
Total		(1,689,967)	0	0	0	(599,465)	18,887	(2,270,545)

- a) Staff notes that PUC has recorded data in Column N “Adjustments during 2009 – other”. It appears to Board staff that the data should rather be recorded in Columns H “Transactions (additions) during 2009, excluding interest and adjustments” and J “Transactions (reductions) during 2009, excluding interest and adjustments”. If PUC has made an error, please confirm and Board staff will make the relevant corrections. If not, please explain what these adjustments are.