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BY E-MAIL

January 17, 2011

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

Dear Ms. Walli:

**Re: Westario Power Inc.
2011 IRM3 Distribution Rate Application
Board Staff Interrogatories
Board File No. EB-2010-0122**

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 Westario Power Inc. and to all other registered parties to this proceeding.

In addition please remind Westario Power Inc. that responses to interrogatories are due by February 2, 2011.

Yours truly,

Original Signed By

Lawrie Gluck
Analyst, Applications & Regulatory Audit

Encl.

Board Staff Interrogatories

2011 IRM3 Electricity Distribution Rates Westario Power Inc. ("Westario") EB-2010-0122

Disposition of Group 1 Deferral / Variance Account Balances

Board Staff Interrogatory No. 1

Ref: 2011 IRM3 Deferral and Variance Account Workform

Sheet "B1.3 – Rate Class and Billing Determinants" of the 2011 IRM3 Deferral and Variance Account Workform is reproduced below.

2009 Audited RRR				Billed kWh for Non-RPP customers		1590 Recovery Share Proportion
Rate Group	Rate Class	Fixed Metric	Vol Metric	Metered kWh	Metered kW	
RES	Residential	Customer	kWh	220,302,768		75.5%
GSLT50	General Service Less Than 50 kW	Customer	kWh	74,730,675		12.9%
GSGT50	General Service 50 to 4,999 kW	Customer	kW	173,599,014	453,956	11.5%
USL	Unmetered Scattered Load	Connection	kWh	370,057		0.1%
Sen	Sentinel Lighting	Connection	kW	19,186	19	0.0%
SL	Street Lighting	Connection	kW	6,032,292	15,704	0.0%
NA	Rate Class 7	NA	NA			
NA	Rate Class 8	NA	NA			
NA	Rate Class 9	NA	NA			
NA	Rate Class 10	NA	NA			
NA	Rate Class 11	NA	NA			
NA	Rate Class 12	NA	NA			
NA	Rate Class 13	NA	NA			
NA	Rate Class 14	NA	NA			
NA	Rate Class 15	NA	NA			
NA	Rate Class 16	NA	NA			
NA	Rate Class 17	NA	NA			
NA	Rate Class 18	NA	NA			
NA	Rate Class 19	NA	NA			
NA	Rate Class 20	NA	NA			
NA	Rate Class 21	NA	NA			
NA	Rate Class 22	NA	NA			
NA	Rate Class 23	NA	NA			
NA	Rate Class 24	NA	NA			
NA	Rate Class 25	NA	NA			
				0		100.0%

Preamble: Westario's Group 1 Deferral and Variance Account balances total a debit of \$1,212,182. This includes a \$502,826 debit in Account 1588 (RSVA – Power – Global Adjustment Sub-account). Board staff notes that the 2011 IRM3 Deferral and Variance Account Workform has only calculated a rate rider to recover \$709,356 (of the total \$1,212,182) which is related to the Group 1 Deferral and Variance Accounts (without the Global Adjustment Sub-account).

Board staff notes that no data has been entered for Billed kWh for Non-RPP customers on Sheet B1.3 of the 2011 IRM3 Deferral and Variance Account Workform. This results in the Workform not calculating a rate rider to recover the \$502,826 debit related to the Global Adjustment Sub-Account.

Questions / Requests:

- a) Please explain why no data has been entered in the Column for Billed kWh for Non-RPP customers. If this was an error, please provide the relevant data and Board staff will make corrections to the 2011 IRM3 Deferral and Variance Account Workform and also make the relevant updates to the 2011 IRM3 Rate Generator.

RTSR Adjustments

Board Staff Interrogatory No. 2

Ref: 2011 IRM3 RTSR Adjustment Workform

Sheet "B1.2 - 2009 Distributor Billing Determinants" of the 2011 IRM3 RTSR Adjustment 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	220,302,768	0	1.0788		237,662,626
General Service Less Than 50 kW	kWh	74,730,675	0	1.0788		80,619,452
General Service 50 to 4,999 kW	kW	173,599,014	453,956	1.0788	52.41%	187,278,616
Unmetered Scattered Load	kWh	370,057	0	1.0788		399,217
Sentinel Lighting	kW	19,186	19	1.0788	138.40%	20,698
Street Lighting	kW	6,032,292	15,704	1.0788	52.65%	6,507,637
Total		475,053,992	469,679			512,488,247

Questions / Requests:

- a) 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

Ref: 2011 IRM3 Rate Generator

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				2009					
Last COS OEB Application Number				EB-2009-0250					
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	18,875	197,649,413		12.23	0.0155	
GSLT50	General Service Less Than 50 kW	Customer	kWh	2,365	70,476,543		21.57	0.0103	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	252	161,192,485	448,543	238.89		2.6465
USL	Unmetered Scattered Load	Connection	kWh	69	501,647		11.19	0.0433	
Sen	Sentinel Lighting	Connection	kW	6	16,635	17	2.51		13.4490
Sen	Sentinel Lighting	Connection	kW	6,077	4,144,560	11,037	3.84		3.7513
NA	Rate Class 7	NA	NA						

Sheet “E1.1 – Rate Rebalanced Base Distribution Rates” of the 2011 IRM3 Rate Generator is reproduced below.

Monthly Service Charge

Class	Metric	Base Rate	Revenue Cost Ratio	Rate ReBal Base
Residential	Customer - 12 per year	11.220000	0.000000	11.220000
General Service Less Than 50 kW	Customer - 12 per year	20.550000	0.000000	20.550000
General Service 50 to 4,999 kW	Customer - 12 per year	237.630000	0.000000	237.630000
Unmetered Scattered Load	Connection - 12 per year	11.180000	0.000000	11.180000
Sentinel Lighting	Connection - 12 per year	2.510000	0.000000	2.510000
Street Lighting	Connection - 12 per year	3.840000	0.000000	3.840000

Volumetric Distribution Charge

Class	Metric	Base Rate	Revenue Cost Ratio	Rate ReBal Base
Residential	kWh	0.014100	0.000000	0.014100
General Service Less Than 50 kW	kWh	0.009100	0.000000	0.009100
General Service 50 to 4,999 kW	kW	2.213800	0.000000	2.213800
Unmetered Scattered Load	kWh	0.041700	0.000000	0.041700
Sentinel Lighting	kW	12.942800	0.000000	12.942800
Street Lighting	kW	3.225700	0.000000	3.225700

Preamble: Board staff notes that the “Rate ReBal Base Rates” from Sheet E1.1 of the 2011 IRM3 Rate Generator are supposed to be entered on Sheet B1.1 of the 2011 IRM3 Shared Tax Savings Workform.

Questions / Requests:

- Please explain the discrepancies between the two sheets cited above. If there are errors, please advise and Board staff will make the relevant corrections.

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

	2009	2010	2011	2012
Taxable Capital	\$33,524,934	\$33,524,934	\$33,524,934	\$33,524,934
Deduction from taxable capital up to \$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000
Net Taxable Capital	\$18,524,934	\$18,524,934	\$18,524,934	\$18,524,934
Rate	0.225%	0.150%	0.000%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	\$ 41,681	\$ 13,780	\$ -	\$ -

2. Tax Related Amounts Forecast from Income Tax Rate Changes

	2009	2010	2011	2012
Regulatory Taxable Income	\$ 890,980	\$ 890,980	\$ 890,980	\$ 890,980
Corporate Tax Rate	30.09%	27.44%	24.18%	22.46%
Tax Impact	\$ 268,140	\$ 244,441	\$ 215,434	\$ 200,123
Grossed-up Tax Amount	\$ 383,578	\$ 336,858	\$ 284,137	\$ 258,094
Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ 41,681	\$ 13,780	\$ -	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 383,578	\$ 336,858	\$ 284,137	\$ 258,094
Total Tax Related Amounts	\$ 425,259	\$ 350,638	\$ 284,137	\$ 258,094
Incremental Tax Savings		-\$ 74,621	-\$ 141,122	-\$ 167,165
Sharing of Tax Savings (50%)		-\$ 37,311	-\$ 70,561	-\$ 83,582

Questions / Requests:

- a) Board staff has been unable to verify the data entered on Sheet F1.1 of the 2011 IRM3 Shared Tax Savings Workform. Please provide evidence supporting this data.