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 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

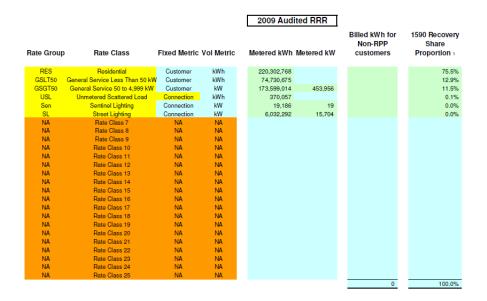
2011 IRM3 Electricity Distribution Rates Westario Power Inc. ("Westario") EB-2010-0122

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.



<u>Preamble:</u> 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.

<u>Questions / Requests:</u>

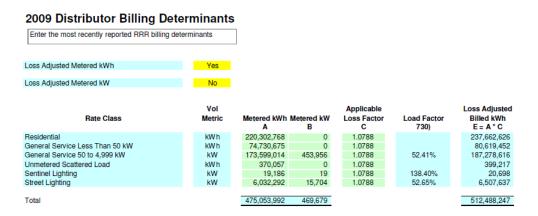
a) Please explain why no data has been entered in the Column for Billed kWh for Non-RPP customers. If this was an error, please provide the relevant data and Board staff will make corrections to the 2011 IRM3 Deferral and Variance Account Workform and also make the relevant updates to the 2011 IRM3 Rate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



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-2008-0250					
Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B		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	kW h	18,875	197,649,413		12.23	0.0155	
GSLT50	General Service Less Than 50 kW	Customer	kW h	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	kW h	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 Residential General Service Less Than 50 kW General Service 50 to 4,999 kW	Metric Customer - 12 per year Customer - 12 per year Customer - 12 per year	Base Rate 11.220000 20.550000 237.630000	Revenue Cost Ratio 0.000000 0.000000 0.000000	Rate ReBal Base 11.220000 20.550000 237.630000
Unmetered Scattered Load Sentinel Lighting Street Lighting	Connection - 12 per year Connection - 12 per year Connection - 12 per year	11.180000 2.510000 3.840000	0.000000 0.000000 0.000000	11.180000 2.510000 3.840000
Volumetric Distribution Charge				
Class	Metric	Base Rate	Revenue Cost Ratio	
Residential General Service Less Than 50 kW General Service 50 to 4,999 kW Urmetered Scattered Load Sertinel Lighting Street Lighting	kWh kWh kW kWh kW kW	0.014100 0.009100 2.213800 0.041700 12.942800 3.225700	0.000000 0.000000 0.000000 0.000000 0.000000	0.014100 0.009100 2.213800 0.041700 12.942800 3.225700

<u>Preamble</u>: 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:

a) 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 Regulatory Taxable Income	2009 \$ 890,980	2010 \$ 890,980	2011 \$ 890,980	2012 \$ 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.