



PUC Distribution Inc.
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January 18, 2011

Kirsten Walli, Board Secretary
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON
M4P 1E4

Attention: Ms. Walli

**Re: PUC Distribution Inc. ("PUC") 2011 3rd Generation IRM Rate Application –
Responses to Board Staff Interrogatories
Board File No. EB-2010-0111**

Please find enclosed PUC's 2011 Distribution Rate Application - Board Staff Interrogatory Responses. The responses have been electronically filed through the Board's web portal.

Sincerely,

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PUC Distribution Inc. ("PUC") EB-2010-0111
Responses to Board Staff Interrogatories
2011 IRM3 Electricity Distribution Rates

Question #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 customer)

- 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.

PUC Distribution Response

The above descriptions are pre-populated in the model issued by the OEB and are password protected. PUC is not requesting a change from the descriptions in the current tariff of rates and charges but is not able to edit the descriptions in the model on sheet C4.1. It would be correct for Board Staff to make the necessary changes in the model so that the descriptions agree to PUC's current tariff of rates and charges.

Question #2**Ref: 2011 Transmission Service Rates (“RTSR”) Adjustment Workform**

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

Rate Class Vol Metric RTSR - Network Connection				RTSR -Rate Group	
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.

PUC Distribution Response

Within the General Service Rate class 50 to 4,999 kW PUC has a separate rate for Retail Transmission Rate - Network Service Rate - Interval Metered. On sheet B1.1 PUC entered the rate classes in the order as listed in the current Tariff of Rates and Charges effective May 1, 2010. Since General Service 50 to 4,999 kW – Interval Metered is not a separate rate class it was not entered separately on sheet B1.1. Also, in the most recent RRR reporting PUC does not report metered billing determinants separately for customers that are charged the interval metered GS>50 rate that would be required in sheet B.1.2 of the RTSR Model. In the rate generator model the adjustment generated from the RTSR model was consistently applied to both interval metered and non-interval metered rates in the General Service 50 to 4,999 kW rate class.

Question #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
		(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.

PUC Distribution Response

PUC did not enter General Service 50 to 4,999kW – interval metered as a separate rate class in the RTSR Adjustment Workform. The adjustment of 0.052924443 generated in the RTSR Workform was applied in the Rate Generator Model to the General Service 50 to 4,999kW rate class consistently to both the interval metered and non-interval metered rate.

Question # 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.

PUC Distribution Response

- a) PUC confirms the sunset date for the 2008 Board approved transfer to 1595 is April 30, 2010 and that April 30, 2009 was entered in error.
- b) PUC also confirms that since the sunset date is April 30, 2010 that the residual balance in account 1595 would not be disposed of.

Question #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 US oA 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 DefVar 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.

PUC Distribution Response

PUC confirms that the data recorded in Column N “Adjustment during 2009 – other” should rather be recorded in columns H or J “Transactions (additions) during 2009 excluding interest and adjustments” or “Transactions (reductions) during 2009 – excluding interest and adjustments”.