

**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 EMAIL**

January 26, 2011

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

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Orillia Power Distribution Corporation  
2011 IRM3 Distribution Rate Application  
Board Staff Submission  
Board File No. EB-2010-0106**

In accordance with the Notice of Application and Written Hearing, please find attached the Board Staff Submission in the above proceeding. Please forward the following to Orillia Power Distribution Corporation and to all other registered parties to this proceeding.

In addition please remind Orillia Power Distribution Corporation that its Reply Submission is due by February 16, 2011.

Yours truly,

*Original Signed By*

Lenore Dougan  
Policy Advisor, Regulatory Policy & Compliance

Encl.



# **ONTARIO ENERGY BOARD**

## **STAFF SUBMISSION**

2011 ELECTRICITY DISTRIBUTION RATES

Orillia Power Distribution Corporation

EB-2010-0106

**January 26, 2011**

**Board Staff Submission  
Orillia Power Distribution Corporation  
2011 IRM3 Rate Application  
EB-2010-0106**

**Introduction**

Orillia Power Distribution Corporation (“Orillia Power”) filed an application (the “Application”) with the Ontario Energy Board (the “Board”) on October 28, 2010 under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the distribution rates that Orillia Power charges for electricity distribution, to be effective May 1, 2011. The Application is based on the 2011 3<sup>rd</sup> Generation Incentive Regulation Mechanism.

The purpose of this document is to provide the Board with the submissions of Board staff based on its review of the evidence submitted by Orillia Power.

Staff has no concerns with the data supporting the updated Retail Transmission Service Rates proposed by Orillia Power. Pursuant to Guideline G-2008-0001, updated on July 8, 2010, staff notes that the Board will update the applicable data at the time of this Decision based on any available updated Uniform Transmission Rates.

Staff notes that Orillia Power is proposing to maintain its smart meter funding adder at \$1.00 per metered customer per month.

The tax sharing model has been updated with the correct rates and reflects the Revenue Requirement Work Form from the Board’s cost of service decision EB-2009-0273 (the “2010 Decision”). Board staff has no concerns with these adjustments. Staff notes that these adjustments did not change the final tax sharing amount to be returned to customers.

Orillia Power’s revenue-to-cost ratio model has been updated in order to implement the directive from the 2010 Decision. All rate classes have been moved within the Board’s target range. Board staff has no concerns with the adjustments.

The Board’s Guidelines for Electricity Distributor Conservation and Demand Management (the “Guidelines”) issued on March 28, 2008 outline the information that is

required when filing an application for LRAM. Board staff submits that Orillia Power's application for LRAM recovery is consistent with the Board's Guidelines and supports the approval of the updated LRAM amount of \$114,517 as found within Orillia Power's response to Board staff interrogatory #2(b).

Staff notes that Orillia Power's variance and deferral account balances as of December 31, 2009 did not meet the threshold for disposition and so Orillia Power has not requested disposition at this time.

All of which is respectfully submitted.