

**Ontario Energy  
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**BY E-MAIL**

February 8, 2011

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

Dear Ms. Walli:

**Re: Hydro 2000 Inc.  
2011 IRM3 Distribution Rate Application  
Board Staff Interrogatories  
Board File No. EB-2010-0089**

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 Hydro 2000 Inc. and to all other registered parties to this proceeding.

In addition please advise Hydro 2000 Inc. that responses to interrogatories are due by February 28, 2011.

Yours truly,

*Original Signed By*

Kelli Dobson  
Analyst – Applications & Regulatory Audit

Encl.

**Hydro 2000 Inc.**  
**2011 EDR 3<sup>rd</sup> Generation IRM**  
**EB-2010-0089**

**Board staff Interrogatories**

**1. Ref: RTSR Model – B1.2 Dist Billing Determinants**

**2009 Distributor Billing Determinants**

Enter the most recently reported RRR billing determinants

Loss Adjusted Metered kWh Yes

Loss Adjusted Metered kW Yes

Rate Class	Vol Metric	Metered kWh A	Metered kW B	Applicable Loss Factor C	Load Factor D = A / (B * 730)	Loss Adjusted Billed kWh E = A * C	Loss Adjusted Billed kW F = B * C
Residential	kWh	15,905,549	0	1.0660		16,955,315	0
General Service Less Than 50 kW	kWh	4,981,571	0	1.0660		5,310,355	0
General Service 50 to 4,999 kW	kW	4,958,070	11,258	1.0000	60.36%	4,958,070	11,258
Unmetered Scattered Load	kWh	19,706	0	1.0660		21,007	0
Street Lighting	kW	365,190	966	1.0000	51.84%	365,190	966
Total		26,230,086	12,223			27,609,937	12,223

- a) Please confirm that the metered kWh and kW in columns A and B are not already loss adjusted when reported in the RRR 2.1.5 customer, demand and revenue section. If the RRR 2.1.5 kWh's and kW's are already loss adjusted Board staff will change column C to 1.0000.

**2. Ref: Deferral and Variance Account Model – B1.3 Rate Class and Bill Det.**

**2009 Audited RRR**

Rate Group	Rate Class	Fixed Metric	Vol Metric	Metered kWh	Metered kW	Billed kWh for Non-RPP customers
RES	Residential	Customer	kWh	15,239,230		617,752
GSLT50	General Service Less Than 50 kW	Customer	kWh	4,739,498		29,427
GSGT50	General Service 50 to 4,999 kW	Customer	kW	4,701,848	12,380	2,187,633
USL	Unmetered Scattered Load	Connection	kWh	18,487		0
SL	Street Lighting	Connection	kW	342,383	966	0
NA	Rate Class 6	NA	NA			

- a) Please explain why metered kWh's and kW's are not identical with what is reported in the RRR 2.1.5 customer, demand and revenue section.
- b) If Hydro 2000 is of the view that the data included in the application is more appropriate to use, please explain why. If not, please re-file the referenced sheet with the correct kWh's and kW's and staff will make the necessary adjustments to the Deferral and Variance Account model.

### 3. Ref: Deferral and Variance Account Model – D1.5 Def Var – Cont Sch 2009

Account Description	Account Number	Total Closing Amounts as of Dec-31-08 A	Deferral Variance Disposition Balances as of Dec-31-08 B	RRR Filing Amount as of Dec-31-08 C	Difference D = A + B - C
LV Variance Account	1550	(7,715 )		47,632	(55,347 )
RSVA - Wholesale Market Service Charge	1580	(15,900 )		(13,388 )	(2,612 )
RSVA - Retail Transmission Network Charge	1584	(14,845 )		(47,932 )	33,087 )
RSVA - Retail Transmission Connection Charge	1586	(14,134 )		(48,142 )	34,018 )
RSVA - Power (Excluding Global Adjustment)	1588	9,620		(80,067 )	89,687 )
RSVA - Power (Global Adjustment Sub-account)	1588	2,160		2,683	(523 )
Recovery of Regulatory Asset Balances	1590	0			0
Residual Balance Disposition and recovery of Def/Var Balances Account (2008)	1595	0			0
Total		(40,804 )			

- Please explain why column B is not identical to the amounts approved for disposition in Decision and Order EB-2009-0229. Staff notes column D matches exactly to the amounts approved for disposition in EB-2009-0229.
- If Hydro 2000 is of the view that the data included in the application is more appropriate to use, please explain why. If not, please re-file the referenced sheet with the correct Deferral and Variance Disposition Balances as of December 31, 2009 and staff will make the necessary adjustments to the Deferral and Variance Account model.

### 4. Ref: Tax Sharing Model – F1.3 Cal Tax Chg RRider Var

Calculate Tax Change Rate Rider Volumetric

Rate Class	Total Revenue \$ by Rate Class A	Total Revenue % by Rate Class B = A / \$H	Total Z-Factor Tax Change\$ by Rate Class C = \$I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential	\$201,595,1460	61.23%	-\$108	16,514,191	0	\$0.0000	
General Service Less Than 50 kW	\$89,278	27.12%	-\$48	5,682,016	0	\$0.0000	
General Service 50 to 4,999 kW	\$30,392	9.23%	-\$16	5,496,281	13,280		-\$0.0013
Unmetered Scattered Load	\$1,044	0.32%	-\$1	19,951	0	\$0.0000	
Street Lighting	\$6,932	2.11%	-\$4	359,553	941		-\$0.0040
	\$329,241	100.00%	-\$177				
	H		I				

Enter the above value onto Sheet "J2.7 Tax Change Rate Rider" of the 2011 IRM3 Rate Generator.

- Given the immateriality of the tax sharing amount, (i.e. no rate riders are calculated to four decimal places for the residential and other classes), please confirm whether or not Hydro 2000 agrees to defer disposition of the amount at this time, and instead transfer the amount to account 1595 to be disposed in a future proceeding. Staff notes that this was the approach taken by the Board in 2010 IRM applications. Please remove the amounts calculated in the Tax Sharing Model –

F1.3 Tax Chg RRider Var from sheet J2.7 Tax Change Rate Rider due to them being immaterial amounts.

## 5. Ref: Rate Generator Model – J1.1 Smart Meter Funding Adder

### Applied For Smart Meter Funding Adder

Rate Adder	Smart Meters
Tariff Sheet Disclosure	Yes
Metric Applied To	Metered Customers
Method of Application	Uniform Service Charge
Uniform Service Charge Amount	1.67

  

Rate Class	Applied to Class	Fixed Amount	Fixed Metric	Vol Amount	Vol Metric
Residential	Yes	1.670000	Customer - 12 per year	0.000000	kWh
General Service Less Than 50 kW	Yes	1.670000	Customer - 12 per year	0.000000	kWh
General Service 50 to 4,999 kW	Yes	1.670000	Customer - 12 per year	0.000000	kW

- Please explain why the smart meter charge of \$1.67 entered on sheet J1.1 Smart Meter Funding Adder is not identical with the amount of \$1.69 as indicated in the manager's summary. Staff notes the amount calculated in the smart meter model is \$2.07, and that Hydro 2000 has stated that it is requesting a reduced rate.
- If a rate adder of \$1.69 is correct please re-file the referenced sheet with the correct rate and staff will make the necessary adjustments to the rate generator model.