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BY E-MAIL

February 8, 2011

Kirsten Walli Board Secretary Ontario Energy Board 2300 Yonge Street, 27th 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 3rd Generation IRM EB-2010-0089

Board staff Interrogatories

1. Ref: RTSR Model – B1.2 Dist 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 |
| | kW | 365,190 | 966 | 1.0000 | 51.84% | 365,190 | 966 |

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 Aud | | |
|------------|---------------------------------|--------------|------------|-------------|------------|--|
| 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.

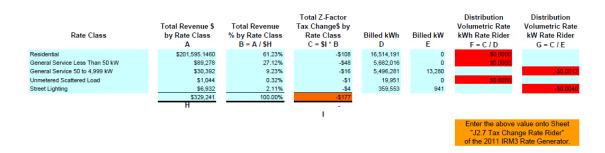
3. Ref: Deferral and Variance Account Model – D1.5 Def Var – Cont Sch 2009

| | Account Number | Total Closing Amounts as of Dec- 31-98 | Deferral Variance Disposition Balances as of Dec- 31-09 | RRR Filing Amount as of Dec-31-09 | Difference |
|--|-------------------|--|--|--------------------------------------|---------------|
| Account Description | | A | В | c | D = A + B - 0 |
| LV Variance Account | 1550 | (7,715) | | 47,632 | (55,347 |
| RSVA - Wholesale Market Service Charge | 1580 | (15,900) | | (13,288) | (2,612 |
| RSVA - Retail Transmission Network Charge | 1584 | (14,845) | | (47,932) | 33,087 |
| RSVA - Retail Transmission Connection Charge | 1586 | (14,124) | | (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 | | | |
| Total | | (40,804) | | | |

- a) 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.
- 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 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

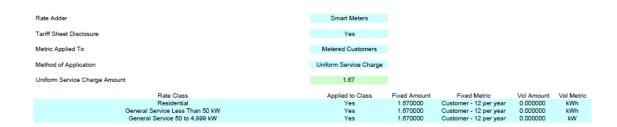
Calculate Tax Change Rate Rider Volumetric



a) 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



- a) 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.
- b) 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.