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BY EMAIL

September 20, 2011

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Hydro Ottawa Limited
Application for Rates
Board File Number EB-2011-0054**

Please find attached supplementary technical conference questions for the Hydro Ottawa Limited cost of service rate proceeding.

Please forward the attached to Hydro Ottawa Limited and parties to this proceeding.

Yours truly,

Original signed by

Violet Binette
Project Advisor, Applications & Regulatory Audit

**Board Staff Supplementary Questions
for Technical Conference
Hydro Ottawa Limited
2012 Electricity Distribution Rates
EB-2011-0054**

DEFERRAL AND VARIANCE ACCOUNTS

Issue 9.1

Are the account balances, cost allocation methodology and disposition period appropriate?

Account 1562 – Deferred PILs

38. Ref: Exh K9-1-10 Board Staff IR 75
The SIMPIL model for the 4th Quarter of 2001 has not been filed. Please file.
39. Ref: Exh K9-1-10 Board Staff IR 75
Ref: Exh I1-1-1 Attachment BD,BE,BF,BG
In the SIMPIL models for 2003, 2004 and 2005, zero dollars was used as the materiality level. However, for 2002 the materiality level selected was \$800,490. Please explain why zero was not used for 2002.
40. Ref: Exh K9-1-10 Board Staff IR 75
Ref: Exh I1-1-1 Attachment BG (Tab PILs 1562 Calculation)
- a) Please explain the entry of -\$45,250 in the 2002 column and provide the calculations of the amount.
 - b) For the amounts input on row 18 “Adjustments to reported prior years’ variances”, were the carrying charges adjusted to reflect these adjustments in the PILs 1562 balance?
 - c) Collections entered for 2005 of \$13,514,592 seem to be low when compared with the PILs proxy of \$13,762,265. Please explain why 2005 differs from 2003 and 2004 when collections exceeded the proxy. Please provide the calculations.
 - d) In a comment box the following comment appears: “linx: excluded \$1,561,618 revenue collected in May to July for before April 30 consumption.”
 - i) Please explain how Hydro Ottawa calculated the impact of the PILs contained in the unbilled revenue accrual as at April 30, 2006.
 - ii) Please explain why the amount of the PILs contained in the unbilled revenue accrual was not included as collections in this continuity schedule.
 - e) The Large Corporation Tax was repealed with effect from January 1, 2006. Where is the amount related to the repeal of Large Corporation Tax up to April 30, 2006 shown in the schedule? What is the dollar amount? Please refer to APH FAQ July 2007.

- f) From 2005 SIMPIL Tab TAXCALC, the true-up entry is -\$114 and the deferral account entry is \$127,621. In the table in Tab PILs 1562 Calculation in the 2006 column, Hydro Ottawa has entered \$142,545 as the true-up amount and \$127,621 as the deferral account amount. There appears to be an error. Please correct the schedule to eliminate the receivable entry of \$142,545.
- g) The amounts shown in the total column "O" do not agree with the cross-addition sum of the data in each of the rows and columns. Please correct the table.
- h) Please extend this table to December 31, 2011 and to April 30, 2012. Please show the interest carrying charges/ credits for May 1, 2006 to December 31, 2011 and for May 1, 2012 to April 30, 2012. Please show the amounts related to the PILs 1562 balance collected from ratepayers from the effective date of the 2008 EDR rate rider to December 31, 2011 and to April 30, 2012.

41. Ref: Exh K9-1-10 Board Staff IR 75

Ref: Exh I1-1-1 Attachment BG (Tab TAXCALC)

The tax rate for calculating the Large Corporation Tax in 2005 in cell E168 was 0.175%. Hydro Ottawa used 0.200% for the true-up calculations. Please correct the tax rate to 0.175% and update 2005 SIMPIL Tab PILs 1562 Calculation.

42. Ref: Exh K9-1-8 Board Staff IR 73

- a) As part of its 2008 application, Hydro Ottawa transferred a PILs 1562 receivable (debit) amount of \$760,155, which included principal and interest, to account 1595. How much money did Hydro Ottawa collect from ratepayers up to the date the rate rider was adjusted in a subsequent application?
- b) Please compare the table on page 2 of Exh K9-1-8 with the 2005 SIMPIL Tab PILs 1562 Calculation, and explain the differences.

43. Ref: Exh I1-1-1 Attachment AQ (as updated on September 14, 2011)

For account deferred PILs 1562, in cell BP46, a principal credit amount of (\$463,798) was entered. In cell BR46 a credit interest amount of (\$130,833) was input. The total credit is (\$594,632).

Please provide the calculations which show how Hydro Ottawa determined these adjustments.