Filed: 2011-09-26 EB-2011-0266 Interrogatory Response Board Staff #1 Page **1** of **2**

1		Enersource Hydro Mississauga Inc.
2		Board Staff Interrogatories
3		EB-2011-0266
4	Inter	rogatory #1
5	Ref:	Deferral and Variance Account Work Form, Tab 3, Schedule 3, Page 7
6 7		d staff notes that interest for the 2011 year does not appear to have been entered he Deferral and Variance Account Work Form.
8	(A)	If Enersource has inadvertently omitted 2011 interest figures, please refile the
9 10		Deferral and Variance Account Work Form with interest up to October 31, 2011 on tab 3, schedule 3, page 6 under "adjustments during 2010."
11	(B)	If Enersource believes that the original filing is correct, please provide an
12		explanation.
13	Resp	oonse:
14	(A	A) Enersource inadvertently omitted 2011 interest figures in the creation of its PDF
15		submission of Tab 3, Schedule 3, page 7 under the column heading "Projected
16		interest from January 1, 2011 to October 31, 2011 on December 31, 2010
17		balance adjusted for disposition during 2011". The interest amounts that were
18		omitted in the PDF submission are shown below. Please note that these interest
19		amounts were included in the Excel version of the Deferral and Variance Account
20		Work Form which was provided to Board Staff subsequent to the filing of this
21		Application.

		Projected Interest from Jan 1, 2011 to October 31, 2011 on Dec 31 -10 balance adjusted for disposition during 2011 ⁹
LV Variance Account	1550	24,481
RSVA - Wholesale Market Service Charge	1580	(127,314)
RSVA - Retail Transmission Network Charge	1584	(76,038
RSVA - Retail Transmission Connection Charge	1586	(64,792
RSVA - Power (excluding Global Adjustment)	1588	45,966
RSVA - Power - Sub-Account - Global Adjustment	1588	(279,333
Recovery of Regulatory Asset Balances	1590	(0
Disposition and Recovery of Regulatory Balances (2008) ¹⁰	1595	(2,486
Disposition and Recovery of Regulatory Balances (2009) ¹⁰	1595	65,487
Group 1 Sub-Total (including Account 1588 - Global Adju	stment)	(414,030
Group 1 Sub-Total (excluding Account 1588 - Global Adju	ustment)	(134,697)
RSVA - Power - Sub-Account - Global Adjustment	1588	(279,333)

Table 1.1: Projected Interest from January 1, 2011 to October 31, 2011 excerpt from Tab 3, Schedule 3, Page 7

Enersource has corrected the PDF version of the Deferral and Variance Account
 Work Form. Please refer to Tab 3, Schedule 3, CORRECTED, which now
 includes the omitted 2011 interest figures shown above.

8 Enersource confirms that the total amount of interest to be refunded up to

9 October 31, 2011 is \$785,041. This amount relates to all Group 1 Accounts,

10 excluding Account 1595 (2009).

11 (B) Please refer to Response (A).

34

Filed: 2011-09-26 EB-2011-0266 Interrogatory Response Board Staff #2 Page **1** of **2**

1	Enersource Hydro Mississauga Inc.
2	Board Staff Interrogatories
3	EB-2011-0266

4 Interrogatory #2

5 Ref: Manager's Summary, Tab 2, Page 4

6 Ref: Deferral and Variance Account Work Form, Tab 3, Schedule 3, Page 7

Account	Description	Balance at Dec-31-10	Interest to Oct-31-11	Total
1550	Low Voltage	2,000,049	36,108	2,036,157
1580	RSVA Wholesale Market Service Charge	(10,401,473)	(193,111)	(10,594,584)
1584 RSVA Retail Transmission Network Charges		(6,212,255)	(117,585)	(6,329,840)
1586 RSVA Retail Transmission Connection Charges		(5,293,496)	(101,195)	(5,394,691)
1588 RSVA Power (Excluding Global Adjustment)		3,755,373	63,179	3,818,552
1588	RSVA Power (Global Adjustment Sub-account)	(22,821,333)	(392,615	(23,213,948)
1595	Recovery of Regulatory Asset Balances	(203,108)	(79,822)	(282,930)
	Total Net Refund	(39,176,243)	(785,041)	(39,961,284)

Board staff has been unable to reconcile the figures in columns "Interest to Oct-31-11"
and "Total" in the above table to those reported in Enersource's Deferral and Variance
Account Work Form. Board staff notes, as per the previous IR, that interest for 2011 has
not been entered in the Deferral and Variance Account Work Form and consequently
the above figures are not identical to Enersource's Work Form (i.e. Total amount
identified in the Deferral and Variance Account Work Form, Tab 3, Schedule 3, Page 7
differs from total amount recorded in the Manager's Summary).

Filed: 2011-09-26 EB-2011-0266 Interrogatory Response Board Staff #2 Page **2** of **2**

(A) Please re-file the Deferral and Variance Account Work Form correcting for
 interest for 2011 if applicable, and to confirm the total amounts sought for
 disposition.

4 Response:

- 5 Enersource confirms that the total amounts sought for disposition are correct as shown
- 6 at Table 1 of Tab 2, page 4 of the original application, and as replicated in the preamble
- 7 to this interrogatory.
- 8 Enersource has refiled the PDF version of the Deferral and Variance Account Work
- 9 Form with interest up to October 31, 2011. Please refer to Board Staff Interrogatory #1,
- 10 Response (A).

Filed: 2011-09-26 EB-2011-0266 Interrogatory Response Board Staff #3 Page **1** of **4**

1	Enersource Hydro Mississauga	Inc.				
2	Board Staff Interrogatories					
3	EB-2011-0266					
4	Interrogatory #3					
5	Ref: Manager's Summary, Page 2					
6	Ref: Reconciliation of Audited Financial Statements, Tab 6, Sch. 2, Page 1					
	Account 1588					
	GL Balance	\$	(19,661)			
	Retailer True-up LDC Billing	\$	(3,306)			
	Rebates Oayable Adjustment	\$	155			
	Energy True-up	\$ \$ \$	1,943			
	GA True-up Adjustment	\$	1708			
		\$	499			
	Net Postings					
	Revised 1588 Balance	\$	(19,162)			

- 7 Board staff notes that the regulatory trial balances in the OEB RRR Filing for 2.1.7 for
- 8 December 31, 2010 differs from the December 31, 2010 Audited Financial Statements
- 9 for Account 1588.
- 10 According to Enersource, "the difference of approximately \$499,000 represents the
- 11 impact of the completion of the comprehensive review¹," which commenced subsequent
- 12 to the filing of its 2011 IRM Application, and in order to ensure that its treatment of
- 13 accounts was in accordance with the provisions of the Board's Accounting Procedures
- 14 Handbook. Enersource also claims that pursuant to the CICA Handbook Section 1506,
- 15 the December 31, 2010 audited financial statements are not required to be adjusted for

¹ EB-2011-0266 Application, Tab 2, Page 2

1 immaterial amounts, and Enersource's external auditor has concurred that this

- 2 difference is immaterial.
- 3 Board staff notes that Enersource's current application (EB-2011-0266) does not
- 4 provide the external auditor report or any evidence validating this claim, nor how the
- 5 external auditors determine materiality. Board staff also notes that while this difference
- 6 is only approximately 0.04% of Enersource's total Board-approved revenue requirement
- 7 from its 2008 Cost of Service Application, it is approximately 2% of the total balance of
- 8 Account 1588 (including Global Adjustment).
- 9 (A) Please provide a reconciliation of this balance identifying the factors which10 contributed to this difference.
- 11 Response:
- 12 Table 3.1: Reconciliation of Account 1588 Balances (\$000s)

December 31, 2010 Audited Financial Statements	OEB RRR Filing for 2.1.7 for December 31, 2010	Difference	Note
\$(19,661)	\$(19,162)	\$499	Reference: Tab 6, Sch. 2, Page 1 .

13 Source: Enersource Hydro Mississauga Inc.

14 Enersource would like to clarify the context and relevance of CICA Handbook Section1506 as presented in the Manager's Summary.

16 Enersource follows the accrual basis of accounting and estimates the unbilled energy

17 usage at the end of each period. If a variance is created between energy revenue and

18 energy costs, an adjusting entry is made to regulatory assets or regulatory liabilities, as

19 applicable. When the actual meter information is received and the customers are billed,

20 Enersource makes a true-up entry for the difference between the estimated amounts

Filed: 2011-09-26 EB-2011-0266 Interrogatory Response Board Staff #3 Page **3** of **4**

1 and the actual amounts billed. Enersource also follows a similar process for settlement

- 2 with the IESO whereby any amounts that are considered true-up amounts are included
- 3 in the following period results. This process is in accordance with CICA Handbook,
- 4 Section 1506.

5 With respect to the reconciliation provided in the table entitled "Audited Financial

6 Statements Reconciliation to USofA", found at Tab 6, Schedule 2, Page 1, the identified

- 7 adjustments include:
- Retailer True-Up LDC Billing that relates to differences between the prices of
 retailer contracts, spot and RPP;
- 10 Rebates Payable Adjustment that relates to a retailer's rebates;
- Energy True-Up that relates to a calculation of the actual energy consumed
 compared to the original estimated amount claimed; and
- GA True-Up that relates to a calculation of the actual Global Adjustment
 compared to the original estimates claimed.

At the time of the original adjustments in 2010, Enersource had believed that these differences would have been refunded to, or collected from, customers through future rates. However, as a result of a comprehensive review completed in 2011, Enersource determined that these regulatory balances would not be refunded or recovered to/from Enersource customers in the future as these amounts are related to a period prior to September 30, 2009, the date for which the Board had already issued a decision and final order to dispose of the balances in those Group 1 accounts (EB-2009-0405).

22 Therefore, in Enersource's 2011 Financial Statements an entry was made to remove the

net adjustment amount of \$499,000 from Account 1588. To ensure these amounts are

- 24 not refunded to or collected from customers, Enersource adjusted the 2010 regulatory
- 25 balances for these items. At that time, Enersource determined that the net revisions to

Filed: 2011-09-26 EB-2011-0266 Interrogatory Response Board Staff #3 Page **4** of **4**

- 1 the regulatory balances were not material to Enersource's financial statements. Please
- 2 refer to the attached email, at Appendix 1, which reflects the concurrence of
- 3 Enersource's external auditor.

From: John Bonadie
Sent: Friday, September 23, 2011 11:59 AM
To: Bill Killeen; Gia DeJulio
Subject: FW: Revisions to 2010 Group 1 regulatory account balances fyi

Filed: 2011-09-26 EB-2011-0266 Interrogatory Response Board Staff #3 Appendix 1 Page 1 of 2

From: James Macumber Sent: Friday, September 23, 2011 11:48 AM To: John Bonadie Subject: FW: Revisions to 2010 Group 1 regulatory account balances

From: Travers, Kevin M [mailto:ktravers@kpmg.ca]
Sent: Thursday, September 22, 2011 5:28 PM
To: Norman Wolff
Cc: James Macumber
Subject: Re: Revisions to 2010 Group 1 regulatory account balances

Hi Norm

Based on our previous conversations, I would agree with your assessment

Best regards Kevin M. Travers, C.A. Partner KPMG LLP (416) 228 7004 Ktravers@kpmg.ca

From: Norman Wolff [mailto:nwolff@enersource.com]
Sent: Thursday, September 22, 2011 04:30 PM
To: Travers, Kevin M
Cc: James Macumber <jmacumber@enersource.com>
Subject: Revisions to 2010 Group 1 regulatory account balances

Hello Kevin:

Pursuant to our past discussions regarding the revisions to the balances of Enersource Hydro Mississauga's Group 1 regulatory accounts as a result of our internal review earlier this year, Enersource Management determined that certain regulatory balances would not be refunded or recovered to/from EHM's customers in the future. At that time, Enersource Management determined that the net revisions to the regulatory balances were not material to EHM's 2010 financial statements when taken as a whole.

Please advise whether you concur or not.

Regards,

Norman Wolff Executive Vice President & CFO 1 905.283.4186 c 647.222.0558 f 905.566.2737 3240 Mavis Road, Mississauga, Ontario L5C 3K1 enersource.com



more than energy

Filed: 2011-09-26 EB-2011-0266 Interrogatory Response Board Staff #3 Appendix 1 Page 2 of 2

IMPORTANT: This message is intended only for the use of the intended recipients, and it may be privileged and confidential. If you are not the intended recipient, you are hereby notified that any review, retransmission, conversion to hard copy, copying, circulation or other use of this message is strictly prohibited. If you are not the intended recipient, please notify me immediately by return e-mail, and delete this message from your system.

Any tax advice herein is based on the facts provided to us and on current tax law including judicial and administrative interpretation. Tax law is subject to continual change, at times on a retroactive basis and may result in incremental taxes, interest or penalties. Should the facts provided to us be incorrect or incomplete or should the law or its interpretation change, our advice may be inappropriate. We are not responsible for updating our advice for changes in law or interpretation after the date hereof. The advice or other information provided herein is confidential and may be privileged and is for the sole use of KPMG's client. The advice is based on the specific facts and circumstances and the scope of KPMG's engagement and associated terms of engagement as the case may be and is not intended to be relied upon by any other person. KPMG disclaims any responsibility or liability for any reliance that any person other than the client may place on this advice. If you are not the intended recipient, any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on it, is prohibited and may be unlawful.

Filed: 2011-09-26 EB-2011-0266 Interrogatory Response Board Staff #4 Page **1** of **2**

1	Enersource Hydro Mississauga Inc.
2	Board Staff Interrogatories
3	EB-2011-0266
4	Interrogatory #4
5	Ref: Manager's Summary, Page 5
6	Although the EDDVAR Report states that the default disposition period should be one
7	year, Enersource proposes that disposition of Group 1 balances of \$39,961,284 be
8	refunded to customers over a four-year period. Enersource notes that refunding this
9	balance over a four-year period would "dampen the potential for material volatility and
10	assist in mitigating future bill impacts ¹ ." Furthermore, Enersource suggests that
11	refunding this balance over a shorter time frame may have a financial impact on the
12	company and could impose a significant strain on its cash flows.
12	(A) Plagge provide alternative calculations of rate riders and hill impacts representing

(A) Please provide alternative calculations of rate riders and bill impacts representing a
disposition period of: 1 year, 2 years and 3 years.

15 Response:

16 Rate riders and bill impacts representing a disposition period of 1 year, 2 years and 3

17 years are provided as Schedules 1, 2 and 3, respectively, to this response.

18 Enersource proposes that the disposition of Group 1 balances of \$39,961,284 be

19 refunded to customers over a four-year period. Enersource notes that shortening the

20 period to one year would result in a cash outflow equivalent to over 30% of

21 Enersource's annual distribution revenue. This could potentially create a significant

22 deficiency to Enersource's cash flow. Enersource also notes that a disposition over a

23 one-year time period, in addition to the expiry of the current deferral and variance rate

¹ EB-2011-0266 Application, Tab 2, Page 5

Filed: 2011-09-26 EB-2011-0266 Interrogatory Response Board Staff #4 Page **2** of **2**

rider on January 31, 2012, would expose customers to positive rate shock in the year of
disposition and negative rate shock upon the expiration of the rate rider, as described
more fully below. Potentially intensifying the negative rate shock upon expiry of the
subject rate rider are possible distribution rate increases resulting from the outcomes of
Enersource's upcoming 2012 IRM rate application and Enersource's 2013 cost of
service rate application.

7 A disposition period of one year would result in a decrease to customers' bills equivalent

8 to 7% to 65% of their distribution charge, or 1.7% to 7.3% of the total bill, as shown in

9 Table 4.1 below. Enersource submits that a four-year disposition period would mitigate

10 customer bill impacts by removing rate shocks in two successive years and promote

11 stability to distribution rates.

Rate Class	Customer Type	Monthly Consumption/ Demand	1 Year Period	2 Year Period	3 Year Period	4 Year Period
			Change (%)	Change (%)	Change (%)	Change (%)
Residential	RPP	800 kWh	-1.73%	-0.86%	-0.55%	-0.47%
General Service < 50 kW	RPP	2,000 kWh	-1.65%	-0.82%	-0.52%	-0.45%
Small Commercial	RPP	2,000 kWh	-1.83%	-0.95%	-0.63%	-0.48%
Residential	Non-RPP	800 kWh	-5.07%	-2.57%	-1.64%	-1.32%
General Service < 50 kW	Non-RPP	2,000 kWh	-4.84%	-2.46%	-1.56%	-1.27%
Small Commercial	Non-RPP	2,000 kWh	-5.19%	-2.68%	-1.73%	-1.34%
General Service 50 kW - 499 kW	Non-RPP	230 KW	-5.20%	-2.64%	-1.70%	-1.32%
General Service 500 kW - 4999 kW	Non-RPP	2,250 KW	-7.26%	-3.67%	-2.39%	-1.83%
Large Use (> 5000 kW)	Non-RPP	50,000 KW	-5.67%	-2.88%	-1.86%	-1.44%

12 Table 4.1: Total Monthly Bill Impacts by Disposition Period

13 Source: Enersource Hydro Mississauga Inc.

- 14 Furthermore, Enersource reiterates that shortening the period to one year would result
- 15 in a cash outflow equivalent to over 30% of Enersource's annual distribution revenue

16 and may create significant cash flow deficiencies.

Filed: 2011-09-26 EB-2011-0266 Board Staff Interrogatory #4 Schedule 1 Page 1 of 1

Name of LDC:Enersource Hydro Mississauga Inc.File Number:EB-2011-0266Effective Date:November 1, 2011

	1 Year Di	sposition Period			
Pr	oposed 2011 Tota	al Monthly Bill Ir	npact RPP		
Customer Type	Monthly Consumption	Distribution Volumetric Deferral and Variance Disposition Rate Rider	Rate Rider for Global Adjustment Sub- Account Disposition	Change (\$)	Change (%)
Residential	800 kWh	-0.0022 kWh	(e)	\$ (1.79)	-1.73%
General Service < 50 kW	2,000 kWh	-0.0022 kWh	*	\$ (4.47)	-1.65%
Small Commercial	2,000 kWh	-0.0023 kWh		\$ (4.68)	-1.83%

1 Y	'ear Dispo	sition Period
	Distribut	tion Only
Change (\$)		Change (%)
\$	(1.79)	-7.88%
\$	(4.47)	-7.12%
\$	(4.68)	-9.81%

	1 Year Dis	sposition Period			
Propos	ed 2011 Total N	Ionthly Bill Imp	act Non-RPP		
Customer Type	Monthly Consumption	Distribution Volumetric Deferral and Variance Disposition Rate Rider	Rate Rider for Global Adjustment Sub- Account Disposition	Change (\$)	Change (%)
Residential	800 kWh	-0.0022 kWh	-0.0043 kWh	\$ (5.41)	-5.07%
General Service < 50 kW	2,000 kWh	-0.0022 kWh	-0.0043 kWh	\$ (13.54)	-4.84%
Small Commercial	2,000 kWh	-0.0023 kWh	-0.0043 kWh	\$ (13.74)	-5.19%
General Service 50 kW - 499 kW	230 KW	-0.736 kW	-0.0043 kWh	\$ (694.68)	-5.20%
General Service 500 kW - 4999 kW	2,250 KW	-0.9359 kW	-0.0043 kWh	\$ (4,393.10)	-7.26%
Large Use (> 5000 kW)	5,000 KW	-1.2601 kW	-0.0043 kWh	\$ (21,907.93)	-5.67%

1	Year Disp	oosition Period
	Distrib	ution Only
Change (\$)		Change (%)
\$	(5.41)	-20.83%
\$	(13.54)	-19.04%
\$	(13.74)	-24.57%
\$	(694.68)	-48.01%
\$	(4,393.10)	-65.27%
\$	(21,907.93)	-50.15%

Filed: 2011-09-26 EB-2011-0266 Board Staff Interrogatory #4 Schedule 2 Page 1 of 1

Name of LDC:Enersource Hydro Mississauga Inc.File Number:EB-2011-0266Effective Date:November 1, 2011

	2 Year Di	sposition Period			
Proposed 2011 Total Monthly Bill Impact RPP					
Customer Type	Monthly Consumption	Distribution Volumetric Deferral and Variance Disposition Rate Rider	Rate Rider for Global Adjustment Sub- Account Disposition	Change (\$)	Change (%)
Residential	800 kWh	-0.0011 kWh	-	\$ (0.89)	-0.86%
General Service < 50 kW	2,000 kWh	-0.0011 kWh		\$ (2.24)	-0.82%
Small Commercial	2,000 kWh	-0.0012 kWh		\$ (2.44)	-0.95%

2 Year Disposition Period Distribution Only			
Change (\$)		Change (%)	
\$	(0.89)	-3.94%	
\$	(2.24)	-3.56%	
\$	(2.44)	-5.12%	

2 Year Disposition Period							
Proposed 2011 Total Monthly Bill Impact Non-RPP							
Customer Type	Monthly Consumption	Distribution Volumetric Deferral and Variance Disposition Rate Rider	Rate Rider for Global Adjustment Sub- Account Disposition	Change (\$)	Change (%)		
Residential	800 kWh	-0.0011 kWh	-0.0022 kWh	\$ (2.75)	-2.57%		
General Service < 50 kW	2,000 kWh	-0.0011 kWh	-0.0022 kWh	\$ (6.87)	-2.46%		
Small Commercial	2,000 kWh	-0.0012 kWh	-0.0022 kWh	\$ (7.08)	-2.68%		
General Service 50 kW - 499 kW	230 KW	-0.368 kW	-0.0022 kWh	\$ (353.20)	-2.64%		
General Service 500 kW - 4999 kW	2,250 KW	-0.468 kW	-0.0022 kWh	\$ (2,220.09)	-3.67%		
Large Use (> 5000 kW)	5,000 KW	-0.6301 kW	-0.0022 kWh	\$ (11,126.21)	-2.88%		

2	2 Year Disposition Period				
	Distribution Only				
Change (\$)		Change (%)			
\$	(2.75)	-10.58%			
\$	(6.87)	-9.67%			
\$	(7.08)	-12.66%			
\$	(353.20)	-24.41%			
\$	(2,220.09)	-32.99%			
\$	(11,126.21)	-25.47%			

Filed: 2011-09-26 EB-2011-0266 Board Staff Interrogatory #4 Schedule 3 Page 1 of 1

Name of LDC:Enersource Hydro Mississauga Inc.File Number:EB-2011-0266Effective Date:November 1, 2011

	3 Year Dis	sposition Period			
Pr	oposed 2011 Tota	I Monthly Bill In	npact RPP		
Customer Type	Monthly Consumption	Distribution Volumetric Deferral and Variance Disposition Rate Rider	Rate Rider for Global Adjustment Sub- Account Disposition	Change (\$)	Change (%)
Residential	800 kWh	-0.0007 kWh		\$ (0.57)	-0.55%
General Service < 50 kW	2,000 kWh	-0.0007 kWh		\$ (1.42)	-0.52%
Small Commercial	2,000 kWh	-0.0008 kWh	-	\$ (1.63)	-0.63%

3 Y	ear Dispos	ition Period	
	Distributi	on Only	
Change (\$)		Change (%)	
\$	(0.57)	-2.51%	
\$	(1.42)	-2.26%	
\$	(1.63)	-3.41%	

	3 Year Dis	sposition Period				
Proposed 2011 Total Monthly Bill Impact Non-RPP						
Customer Type	Monthly Consumption	Distribution Volumetric Deferral and Variance Disposition Rate Rider	Rate Rider for Global Adjustment Sub- Account Disposition	Change (\$)	Change (%)	
Residential	800 kWh	-0.0007 kWh	-0.0014 kWh	\$ (1.75)	-1.64%	
General Service < 50 kW	2,000 kWh	-0.0007 kWh	-0.0014 kWh	\$ (4.37)	-1.56%	
Small Commercial	2,000 kWh	-0.0008 kWh	-0.0014 kWh	\$ (4.58)	-1.73%	
General Service 50 kW - 499 kW	230 KW	-0.2453 kW	-0.0014 kWh	\$ (227.65)	-1.70%	
General Service 500 kW - 4999 kW	2,250 KW	-0.312 kW	-0.0014 kWh	\$ (1,448.84)	-2.39%	
Large Use (> 5000 kW)	5,000 KW	-0.42 kW	-0.0014 kWh	\$ (7,187.82)	-1.86%	

	Distributi	on Only
Change (\$)		Change (%)
\$	(1.75)	-6.73%
\$	(4.37)	-6.15%
\$	(4.58)	-8.19%
\$	(227.65)	-15.73%
\$	(1,448.84)	-21.53%
\$	(7,187.82)	-16.45%

Filed: 2011-09-26 EB-2011-0266 Interrogatory Response Board Staff #5 Page **1** of **3**

1	Enersource Hydro Mississauga Inc.
2	Board Staff Interrogatories
3	EB-2011-0266
4	Interrogatory #5
5	Ref: 2010 Deferral and Variance Account Application (EB-2009-0405)
6 7 8	In Enersource's 2010 DVA Application (EB-2009-0405), the Board approved Enersource's request to include the global adjustment (GA) sub-account rate rider as part of the Provincial Benefit (commodity) line on the customer's bill.
9 10 11 12	Board staff notes that this was approved partly because of additional time that Enersource required to alter billing capabilities. Board staff also notes that the decisions on most 2011 IRM Applications directed that the GA sub-account rate rider be included in the delivery line of the bill.
13 14 15	(A) Please confirm whether or not Enersource is requesting to continue to include the GA sub-account rate rider, if approved by the Board, as part of the commodity line of a customer's bill.
16 17	(B) If Enersource intends to continue to include the GA-sub account rate rider as part of the commodity line, please provide an explanation as to why.
18 19	(C) Please confirm whether or not Enersource's billing capabilities have been upgraded to facilitate the inclusion of the GA sub account rate rider in the delivery line of the bill.
20 21	(D) If the answer to part C) is no, please provide the status of Enersource's CIS system and if applicable, a tentative timeline of when it will be upgraded.

Filed: 2011-09-26 EB-2011-0266 Interrogatory Response Board Staff #5 Page **2** of **3**

1 Response:

The original application and supporting evidence assumed the continuation of the rate rider within the commodity line of the bill. As Board Staff have indicated, a rate rider associated with the GA Sub-account may also be recovered within the delivery line of the bill.

6 Enersource recently upgraded its billing system and can now facilitate the inclusion of7 the GA sub-account rate rider in the delivery line of the bill.

As a result of the flexibility provided within the upgraded billing system, Enersource has
included a revised Excel Deferral and Variance Account Workform Model which
assumes the recovery of the Global Adjustment in the delivery line of the bill. This can
be found as Schedule 1 to this interrogatory response. In addition, Enersource provides
(in Table 5.1 below) a summary of the bill impacts under this scenario, refunded over
four years.

14 Table 5.1: Total Monthly Bill Impacts with Rate Rider Recovery Within Delivery Line

Filed: 2011-09-26 EB-2011-0266 Interrogatory Response Board Staff #5 Page **3** of **3**

Rate Class	Customer Type	Monthly Consumption/ Demand	Change (\$)	Change (%)
Residential	RPP	800 kWh	(0.49)	-0.47%
General Service < 50 kW	RPP	2,000 kWh	(1.22)	-0.45%
Small Commercial	RPP	2,000 kWh	(1.22)	-0.48%
Residential	Non-RPP	800 kWh	(1.38)	-1.29%
General Service < 50 kW	Non-RPP	2,000 kWh	(3.46)	-1.24%
Small Commercial	Non-RPP	2,000 kWh	(3.46)	-1.31%
General Service 50 kW - 499 kW	Non-RPP	230 KW	(142.84)	-1.07%
General Service 500 kW - 4999 kW	Non-RPP	2,250 KW	(1,788.65)	-2.95%
Large Use (> 5000 kW)	Non-RPP	50,000 KW	(5,358.46)	-1.39%

1 Source: Enersource Hydro Mississauga Inc.

Filed: 2011-09-26 EB-2011-0266 Board Staff Interrogatory Response #5 Schedule 1 Page 1 of 10



Application Contact Information

Name:	John Bonadie
Title:	Director, Revenue
Phone Number:	905 283 4250
Email Address:	ibonadie@enersourca.com

General Notes

 Due to the time lag of deferral/variance account dispositions, this model assumes that all opening balances include previously disposed of amounts. Accordingly, all "Board Approved Dispositions" are deducted from the opening balance.

2. Please provide information in this model since the last time your balances were disposed.

 For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.

Copyright

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of preparing your rate application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, unodification, reverse sengineering or other use or dissemination of this model to a without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

Filed: 2011-09-26 EB-2011-0266 Board Staff Interrogatory Response #5 Schedule 1 Page 2 of 10



Contario Energy Board Deferral / Variance Account Work Form

Select the appropriate rate classes that appear on your most recent Board-Approved Tariff of Rates and Charges

Rate Class

Residential Regular	NEED IN THE REPORT OF THE
General Service Less Than 50 kW	《日本》为"建立"的"新兴"
Small Commercial and USL - per meter	HAR STORESE STORE
General Service 50 to 499 kW	and the second states of the second
General Service 500 to 4,999 kW	
Large Use > 5000 kW	《] ····································
Street Lighting	20-14月1日日日日10日日日日日日日日日日日日日日日日日日日日日日日日日日日日日日
Choose Rate Class	HEAD CONTRACTOR OF A
Choose Rate Class	

Filed: 2011-09-26 EB-2011-0266 Board Staff Interrogatory Response #5 Schedule 1 Page 3 of 10

	-					2005					H					2006				
Account three spectrum]]		· ····································]]]]	there there is a second to the second		1			, unanative , would								
Complete Journal	11111111		And the second s					Sector Converts Converts Converts Converts	All the second secon			21171		And a second				A Link () A Link ()		
Urug I bar fan jan januarg karanal 1980. Urug Adjanterang Urug I bar fan jan jan du du du jan jan karana Urug Prans - ban durand van dan dipatanan	1						1 4010 1 40101 1 1000	115	•••	***	115	-	1 unut			T TANK T TANK	1011			
total total constructions of the construction										 Eventson Stranger Stranger<		 Service Information of Annual A			1. Name 1, e. and the state of the state		The second in the second second is a second			
bate unter Facil de larang 1 and linnag 2 macaunite jincaning 1 Mil and 1 Mil.		* 1100011	5	1 1444 1 10747A		1 10000		A 401 1 21100 4 40100 1 31100 1	•	1	-	A MUNIA	1 5714	+ 10011		A 100 4 100 10 100 1	1 1111	• 715	• •••=	-
ling and a fungtion of statements of products that and the statement of th	1		dial in	· ····································	1	and a second		sourcementation and a series a	1		1		A water	d .	anian diang mananana mananana mananananan wasa a sa mi 1 2 maana a mana	Zones -	i	• • • •	1 1112	10.00
The interview of the industrial in the four stars for the project of a second stars the interview of the industrial in the four stars for a second star of the four dependence of the interview of the off the industrial interview is the four dependence of the off the industrial interview is the industrial of the other industrial interview of the other industrial interview is the industrial of the other industrial interview of the other industrial interview of the other industrial interview is the other industrial interview of the other interview of the oth	111	and the second		ALC: N						112	-1	14	A REAL	a subscript	P. Landschoff, et al. 2011, non-particular and an anti- station of a station of the station o				A first production of the statements of the statements of the statement of	110

121 Constitution Date

Filed: 2011-09-26 EB-2011-0266 Board Staff Interrogatory Response #5 Schedule 1 Page 4 of 10

					2002										2008				
As cause Devertations	lj	nji				[]]]		1]]]				And provide subscript			[]]				
Complete I Amateria 1990 - Amateria 1991 - Amateria Amateria 1991 - Amateria Amateria 1992 - Amateria Amateria 1992 - Amateria Amateria 1992 - Amateria Amateria 1992 - Amateria Amateria 1995 - Amateria 1995	11111111			 Control control (Control (Contro) (Control (Contro) (Contro) (Contro) (Contro) (11111	MARKA MARKA MARKA MARKA MARKA MARKA MARKA MARKA			1112111		JAM Annumber							
Noruș I ban fant postating Access 1984. Ostate Aductoreal Oruș I ban fant postating Access 1984. Bosta Aductoreal Oruș I ban Accessi Ostate Aquitant	1		All and Tax			510	121		•••	1912	Name of Street				T DESERT	331	111	Mile .	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Amothering and a second and a s						The second						A much service state stream of the service state of the service state stream of the service stream of the servi							where the second
among A face from the second result of the second s	111				M	 										- 193	-	NATURAL SECTION AND AND AND AND AND AND AND AND AND AN	140
Ober 1 and 1000 grant production of A monthly and 1	3 -		1 12 North 1	The state of the second strength	A HAME & RULE A HAME AND	10.00	01 1 MART 1				1 20 201 LOG	1 2000		-	· VEHICLE	A manual & 50 to 8 reconstra	1	NUMBER 1	
annual property of the second statement of the second statement of the second s	1	-	TITATION CONTRACTOR	4		COLOR BRANCH	-	3		1000	1	1	Number	L'BOM AND	C.C. Contractor of the	ALCORE ALCORE	all other states	Martin Martin	(Investment)
tage membrang memorer (14.5) The transmission of memorial transmission of memory and the strategiest of constraints of the strategiest and the strategiest transmission of the strategiest of the strategiest of the strategiest transmission of the strategiest of the strategiest of the strategiest transmission of the strategiest of the strategiest of the strategiest transmission of the strategiest of the strategiest of the strategiest transmission of the strategiest of the strategiest of the strategiest transmission of the strategiest of the strategiest of the strategiest transmission of the strategiest of the strategiest of the strategiest transmission of the strategiest of the strategiest of the strategiest of the strategiest of the strategiest transmission of the strategiest of the strategi	1111		· Name is					and	A contract of the second	3				1 State	tel ino e		- AL	 A manual state of the state of	11.9

5 minu

Filed: 2011-09-26 EB-2011-0266 **Board Staff** Interrogatory Response #5 Schedule 1 Page 5 of 10



D internet

Chara.

Filed: 2011-09-26 EB-2011-0266 Board Staff Interrogatory Response #5 Schedule 1 Page 6 of 10



Enterorer Hydro Missisaaga Iac.

In the green shaded cells, writer the most recent Board Approved volumetric forecast. If there is a material difference between the latest Board-approved volumetric

-

Rate Class	Unit	Metered kWh	Metered kW	Billed KWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	1590 Recovery Share Proportion*	1595 Recovery Share Proportion (2008)*	1595 Recovery Share Proportion (2009)*
Residential Regular	kwh	1,586,325,915		227,960,898	,	18%	31%	21%
General Service Less Than 50 kW	kWh	661,116,282		129,852,674		3%	14%	2%5
Small Commercial and USL - per muter	kwh -	11,516,322		505,115	•	0%	17%	0.20
General Survice 50 to 499 kW	kW	2,130,676,736	6,303,886	1,813,111,283	5,364,327	31%	31%	28%
General Service 500 to 4,999 kW	¥W	2,207,078,156	5,084,891	2,082,576,587	4,798,051	29%	16%	29%
Large Use > 5000 kW	N M	1,072,366,029	1,831,545	1.069,714,362	1,827,016	13%	6%	14%
Street Lighting	*W	39,595,309	111,465	41,020,546	115,477	%0	1%	1%
Total		7,708,674,748	13,331,786	5,364,741,465		100%	100%	100%
Total Claim (including Account 1521)		-\$ 39,961,284						
100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100								

Threshold Test •• 0.00518 (Total Gum per kWh) • • 0.00518 · Residual Account balance to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented.

.. The Threshold Test does not include the amount in 1521.

Filed: 2011-09-26 EB-2011-0266 Board Staff Interrogatory Response #5 Schedule 1 Page 7 of 10

Lot on the provided of the pro

No input required. This worksheest allocates the defortativatiance account balances to the appropriate classes.

										and a state	ADDATE:	
Rate Class	Unit	Billed kWh	* kWh	1550	1580	1584	1586	1588* 15	- 06	(8002)	(citer)	Total
Rasidential Regular	WW	1,586,325,915	20.58%	419,010	(2,180,201)	(1,302,583)	(1,110,144)	785,799	(0)	(565,78)	o	(3,475,715)
Guneral Service Less Than 50 kW	NWN	661,116,282	0.50%	174,626	(308,619)	(542,864)	(462,663)	327,489	(0)	(40,544)	0	(1,452,575)
Small Commercial and USL - per moter	MWN	11,516,322	0.15%	3,042	(15,828)	(9.456)	(8,059)	5,705	(0)	(186'1)	0	(26,577)
General Service 50 to 499 kW	M	2.130,676,736	27.64%	562,794	(2,928,342)	(1.749.567)	(1,491,092)	1,055,447	(0)	(88.755)	0	(4,639,515)
General Service 500 to 4,999 kW	NN	2,207,078,156	28.63%	582,974	(3,033,346)	(1,812,303)	(1,544,559)	102,260,1	(0)	(44,986)	0	(4,758,926)
Larga Uko > 5000 kW	P.M.	1,072,366,029	216.61	£52,£82	(1,473,829)	(\$80,554)	(750,464)	531,205	(0)	(17,598)	0	(2,307,988)
Street Lighting	M.M.	905,363,9E	0.51%	10,459	(54,419)	(03,513)	(27.710)	19,614	(0)	(1.471)	٥	(86,040)
Total		7,708,674,748	100 00%	2,036,157	(10,534,584)	(6,329,840)	(163) 765'5)	3,010,551	(0)	(006 282)	•	(100,747,211)

1588 RSVA - Power (Global Adjustment Sub-Account)

顶

Hate Class	hon-Ki'l	% kwh	1588
Residential Regular		4.25% -	986,417
General Service Less Than 50 kW		2.42% .	561,830
Small Commercial and USL - per meter	505,115	0.01% -	2,186
General Service 50 to 499 kW	*********	- %08.CE	7,845,573
General Service 500 to 4,999 kW	********	- %28'9C	9,011,585
Largu Uwu > 5000 kW	*******	- %16'61	4,628,796
Street Lighting	41,020,546	0.76% -	177,501
Total	aunanana a	100.00%	(23,213,946)

* RSVA - Power (Excluding Global Adjustment)

Filed: 2011-09-26 EB-2011-0266 Board Staff Interrogatory Response #5 Schedule 1 Page 8 of 10



Rate Rider Recovery Period (in years)

4

Rate Class	Unit	Billed kWh	Billed kW	Accounts Allocated by kWh/kW (RPP)	Deferral/ Variance Account Rate Rider		Account 1588 Global Adjustment Sub-Account	Billed kWh or Estimated kW for Non-RPP Customers	Global Adjustment Rate Rider	No. of the local diversion of the local diver
Residential Regular	kWh	1,586,325,915	-	-\$ 3,475,715	(\$0.00055) kV	Vh -\$	986,417	227,960,898	(\$0.00108)	kWh
General Service Less Than 50 kW	kWh	661,116,282		-\$ 1,452,575	(\$0.00055) kV	Vh -s	561,890	129,852,674	(\$0.00108)	kWh
Small Commercial and USL - per meter	kWh	11,516,322		-\$ 26,577	(\$0.00058) kV	vh 📕-\$	2,186	505,115	(\$0.00108)	kWh
General Service 50 to 499 kW	kW	2,130,676,736	6,303,886	-\$ 4,639,515	(\$0.18399) kV	v -s	7,845,573	5,364,327	(\$0.36564)	kW
General Service 500 to 4,999 kW	kW	2,207,078,156	5,084,891	-\$ 4,758,926	(\$0.23397.) kV	v -s	9,011,585	4,798,051	(\$0.46954)	kW
Large Use > 5000 kW	kW	1,072,366,029	1,831,545	-\$ 2,307,988	(\$0.31503) kW	v 📭-s	4,628,796	1,827,016	(\$0.63338)	kW
Street Lighting	kW	39,595,309	111,465	-\$ 86,040	(\$0.19298) kV	v -s	177,501	115,477	(\$0.38428)	kW
Total		7,708,674,748	13,331,786	-\$ 16,747,337		-\$	23,213,948	370,423,558		

Filed: 2011-09-26 EB-2011-0266 Board Staff Interrogatory Response #5 Schedule 1 Page 9 of 10

Filed: 2011-09-26 EB-2011-0266 Board Staff Interrogatory Response #5 Schedule 1 Page 10 of 10



Contario Energy Board Deferral / Variance Account Work Form Variance Explanations

Accounts that produced a variance on the 2012 continuity schedule are listed below. Please provide a detailed explanation for each variance below.

Account Descriptions	Account Number	Variance RRR vs. 2010 Balance (Principal + Interest)	Explanation
Group 1 Accounts			
Low Voltage Account	1550	S 0.40	Rounding
RSVA - Wholesale Market Service Charge	1580	5 0.13	Raunding
ISVA - Retail Transmission Network Charge	1584	\$ (0.07)	Raunding
RSVA - Retail Transmission Connection Charge	1586	\$ (0.27)	Rounding
RSVA - Power (excluding Global Adjustment)	1588	\$ 0.32	Raurang
ISVA - Power - Sub-Accourt - Global Adjustment	1588	\$ (0.40)	Rourang
Iscovery of Regulatory Asset Balances	1590	\$ 0.34	Raunang
sposition and Recovery of Regulatory Balances (2008) ¹⁵	1595	S (51 C)	Rounding
Group 2 Accounts			

Filed: 2011-09-26 EB-2011-0266 Interrogatory Response Board Staff #6 Page **1** of **3**

6	
7	Enersource Hydro Mississauga Inc.
8	Board Staff Interrogatories
9	EB-2011-0266
10	Interrogatory #6
11	Ref: Application, Page 1
12 13 14	Enersource has applied to the Board for "interim order or orders approving interim rates, rate riders, or other charges and accounting orders as may be necessary or appropriate ³ ".
15 16 17 18	Board staff notes that based on the filing date for this application, dated August 17, 2011, the Board's standard timelines for processing applications would typically result in a decision and rate order being rendered after the November 1 implementation date as requested by Enersource.
19 20	(A) Please confirm that Enersource is seeking interim rates beginning November 1, 2011, if necessary.
21 22	(B) Please provide any implications of a later effective date, taking into account the end date of the current rate rider for the global adjustment sub-account of January 31, 2012.
23	Response:
24	(A) & (B)

25

³ EB-2011-0266 Application, Tab 1, Page 1

Filed: 2011-09-26 EB-2011-0266 Interrogatory Response Board Staff #6 Page **2** of **3**

Enersource was seeking a November 1, 2011 effective date as this would align with the OEB's usual changes to the RPP threshold and rates. Enersource is not seeking interim rates as this would add unnecessary billing complexities. Enersource submits that an effective date of February 1, 2012 is the best available option, should the Board believe a decision and rate order will be rendered after the proposed November 1, 2011 implementation date, as this effective date aligns with the expiration of the current rate rider.

8

9 Table 6.1 below summarizes the bill impacts of a potential February 1, 2012

10 implementation date. As noted above, this implementation date would coincide with the

11 termination of the existing 2010 deferral and variance account disposition rate rider.

12 For RPP customers, the 2010 rider was disposed of over a two-year period and will be a

13 larger credit amount than that proposed in this application. Thus, as shown in Table

14 6.1, these RPP customers would experience an increase in their monthly bills as at

15 February 1, 2011.

16

However, the result of the coincidental riders at February 1 2011 would have an
opposite effect on the monthly bills of non-RPP customers. These customers would see
their monthly bills decrease approximately 3 to 4% at February 1 2011. The numbers in
Table 6.1 assume a four-year disposition, which Enersource continues to believe is
appropriate for this application. Shorter disposition periods would result in significant
and confusing swings in the monthly bills for non-RPP customers.

Filed: 2011-09-26 EB-2011-0266 Interrogatory Response Board Staff #6 Page **3** of **3**

- 1 Table 6.1: Total Monthly Bill Impacts With Rate Rider Recovery Within Delivery
- 2 Line Effective February 1, 2012
- 3

Rate Class	Customer Type	Monthly Consumption/ Demand	Change (\$)	Change (%)
Residential	RPP	800 kWh	0.98	0.94%
General Service < 50 kW	RPP	2,000 kWh	2.44	0.90%
Small Commercial	RPP	2,000 kWh	2.44	0.95%
Residential	Non-RPP	800 kWh	(3.21)	-3.00%
General Service < 50 kW	Non-RPP	2,000 kWh	(8.01)	-2.87%
Small Commercial	Non-RPP	2,000 kWh	(8.01)	-3.03%
General Service 50 kW - 499 kW	Non-RPP	230 KW	(431.00)	-3.23%
General Service 500 kW - 4999 kW	Non-RPP	2,250 KW	(1,557.27)	-2.57%
Large Use (> 5000 kW)	Non-RPP	50,000 KW	(16,892.54)	-4.37%

5 Source: Enersource Hydro Mississauga Inc.