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BY E-MAIL

November 16, 2011

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

Dear Ms. Walli:

**Re: Haldimand County Hydro Inc.
2012 IRM3 Distribution Rate Application
Board Staff Interrogatories
Board File No. EB-2011-0170**

In accordance with the Notice of Application and Hearing, please find attached Board Staff Interrogatories in the above proceeding. Please forward the following to Haldimand County Hydro Inc. and to all other registered parties to this proceeding.

In addition please advise Haldimand County Hydro Inc. that responses to interrogatories are due by December 1, 2011.

Yours truly,

Original Signed By

Christiane Wong
Information Administrator – Applications & Regulatory Audit

Encl.

Board Staff Interrogatories

2012 Electricity Distribution Rates Haldimand County Hydro Inc. (“Haldimand”) EB-2011-0170

2012 Shared Tax Savings Workform

1. Ref: Sheet “5. Z-Factor Tax Changes” of the workform is reproduced below.

Summary - Sharing of Tax Change Forecast Amounts		
For the 2010 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)	\$	44,342
1. Tax Related Amounts Forecast from Capital Tax Rate Changes	2010	2012
Taxable Capital	\$ 40,215,213	\$ 40,215,213
Deduction from taxable capital up to \$15,000,000	\$ 15,000,000	\$ 15,000,000
Net Taxable Capital	\$ 25,215,213	\$ 25,215,213
Rate	0.150%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	\$ 18,756	\$ -
2. Tax Related Amounts Forecast from Income Tax Rate Changes	2010	2012
Regulatory Taxable Income	\$ 1,755,065	\$ 1,755,065
Corporate Tax Rate	29.79%	24.33%
Tax Impact	\$ 522,820	\$ 382,595
Grossed-up Tax Amount	\$ 681,487	\$ 505,583
Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ 18,756	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 681,487	\$ 505,583
Total Tax Related Amounts	\$ 700,243	\$ 505,583
Incremental Tax Savings		-\$ 194,660
Sharing of Tax Savings (50%)		-\$ 97,330

The Tax Impact in 2010 on Sheet 5 shows \$522,820. The Tax Impact in Haldimand’s 2010 cost of service decision EB-2009-0265 shows \$478,478. Board staff notes that the difference is equal to the tax credits of \$44,342 (cell I20). Please confirm that the “Tax Impact” line includes the tax credits. If this is the case as the tax credits should not be included in this line, Board staff will make the necessary correction.

Account 1521 – Special Purpose Charge (“SPC”)

2. Ref: Manager’s Summary, Table 1, Page 18 of 32

- a) Please confirm Haldimand’s SPC assessment amount and provide a copy of the original SPC invoice.
- b) Please complete the following table related to the SPC.

SPC Assessment (Principal balance)	Amount recovered from customers in 2010	Carrying Charges for 2010	December 31, 2010 Year End Principal Balance	December 31, 2010 Year End Carrying Charges Balance	Amount recovered from customers in 2011	Carrying Charges for 2011	Forecasted December 31, 2011 Year End Principal Balance	Forecasted December 31, 2011 Year End Carrying Charges Balance	Forecasted Carrying Charges for 2012 (Jan.1 to Apr.30)	Total for Disposition (Principal & Interest)

Lost Revenue Adjustment Mechanism (LRAM)

3. Ref: Manager’s Summary Page 10-11 of 32

Haldimand mentions that in its 2010 COS application, an amount of energy savings on account of 2005, 2006, and 2007 CDM program load reductions was factored into the 2010 load forecast as part of 2010 Test Year Board-approved revenue requirement.

Haldimand later notes that the energy savings from its 2010 COS rate application differed slightly from the actual energy savings on account of the 2005 through to 2007 CDM programs. This resulting difference was attributable to the 2008 CDM programs and has consequently reduced the LRAM claim from \$409,354 to \$240,831 resulting in a total LRAM claim of \$249,145 including carrying charges of \$8,314.

- a) Please explain what Haldimand means when it says that the “resulting difference was attributable to the 2008 CDM programs”.
- b) Please confirm that only energy savings attributable to CDM Programs from 2005-2007 were included in Haldimand’s 2010 load forecast.
- c) If part b) is confirmed, please provide a table that shows a detailed comparison of the load reductions included in Haldimand’s 2010 load forecast and the actual energy savings for CDM Programs from 2005-2007.

- d) If part b) is not correct, please provide a table that includes all the CDM program year actual results to the amount included in Haldimand's 2010 load forecast.

4. Ref: Appendix J / IndEco Third Party Review / Page 3

IndEco notes that its review includes savings between January 1, 2008 and April 30, 2012 from Haldimand's involvement in OPA programs from 2008, 2009 and 2010.

- a) Please confirm that Haldimand is requesting recovery of lost revenues estimated to April 30, 2012 for programs undertaken in 2008, 2009 and 2010.
- b) If part a) is confirmed, please discuss the rationale for requesting recovery of estimated lost revenues until April 30, 2012 in the absence of verified program results for both the 2011 program year and January 1, 2012 to April 30, 2012.
- c) If part a) is confirmed, please provide an updated LRAM amount exclusive of estimated lost revenues past December 31, 2010.