

**Oakville Hydro Electricity Distribution Inc.
EB-2011-0189**

Board Staff Interrogatories

RTSR WORKFORM

Interrogatory #1

Ref: RTSR Workform, Tab 4

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
Residential	kWh	603,151,270		1.0377		625,890,073	-
General Service Less Than 50 kW	kWh	171,974,894		1.0377		178,458,348	-
General Service 50 to 999 kW	kW	240,404,267	607,253		54.26%	240,404,267	607,253
General Service 50 to 999 kW - Interval Metered	kW	388,111,768	988,626		53.81%	388,111,768	988,626
General Service Greater Than 1,000 kW	kW	160,353,727	370,035		59.40%	160,353,727	370,035
Unmetered Scattered Load	kWh	3,862,956		1.0377		4,008,589	-
Sentinel Lighting	kW	96,356	366		36.08%	96,356	366
Street Lighting	kW	11,861,899	31,713		51.27%	11,861,899	31,713

Board staff has been unable to reconcile the figures in the column “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” to those reported in Oakville Hydro’s RRR 2.1.5 filings.

- (A) If Oakville Hydro agrees that the data provided in RRR filing 2.1.5 should be used, please confirm and Board staff will make the necessary adjustments to the workform.
- (B) If Oakville Hydro believes the above figures are correct, please provide evidence supporting these figures.
- (C) Please confirm whether or not Oakville Hydro’s RRR 2.1.5 filings are non-loss adjusted.

Interrogatory #2
Ref: RTSR Workform, Tab 6

For Hydro One Sub-transmission Rates, if you are charged a *combined* Line and Transformer connection rate, please ensure that both the line connection and transformer connection columns are completed.

IESO										
Network				Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	235,379	\$2.57	\$ 604,924	245,810	\$0.70	\$ 172,067	248,803	\$1.62	\$ 403,061	\$ 575,128
February	222,446	\$2.57	\$ 571,686	212,616	\$0.70	\$ 148,831	215,205	\$1.62	\$ 348,631	\$ 497,462
March	197,335	\$2.57	\$ 507,151	193,516	\$0.70	\$ 135,461	195,872	\$1.62	\$ 317,313	\$ 452,774
April	184,081	\$2.57	\$ 473,088	188,267	\$0.70	\$ 131,787	190,559	\$1.62	\$ 308,706	\$ 440,493
May	259,577	\$2.57	\$ 667,112	251,976	\$0.70	\$ 176,383	255,044	\$1.62	\$ 413,172	\$ 589,555
June	247,975	\$2.57	\$ 637,297	235,975	\$0.70	\$ 165,182	238,848	\$1.62	\$ 386,934	\$ 552,116
July	292,804	\$2.57	\$ 752,506	283,355	\$0.70	\$ 198,348	286,805	\$1.62	\$ 464,624	\$ 662,972
August	294,829	\$2.57	\$ 757,709	286,357	\$0.70	\$ 200,450	289,844	\$1.62	\$ 469,547	\$ 669,997
September	284,315	\$2.57	\$ 730,688	267,609	\$0.70	\$ 187,326	270,867	\$1.62	\$ 438,805	\$ 626,131
October	160,183	\$2.97	\$ 475,744	173,418	\$0.73	\$ 126,595	173,418	\$1.71	\$ 296,545	\$ 423,140
November	183,883	\$2.97	\$ 546,133	203,697	\$0.73	\$ 148,699	203,697	\$1.71	\$ 348,322	\$ 497,021
December	216,322	\$2.97	\$ 642,476	231,623	\$0.73	\$ 169,085	231,623	\$1.71	\$ 396,075	\$ 565,160
Total	2,779,128	\$ 2.65	\$ 7,366,515	2,774,217	\$ 0.71	\$ 1,960,214	2,800,585	\$ 1.64	\$ 4,591,735	\$ 6,551,949

HYDRO ONE										
Network				Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	58,077	\$2.24	\$ 130,092	58,077	\$1.39	\$ 80,727		\$0.00		\$ 80,727
February	73,929	\$2.24	\$ 165,601	73,929	\$1.39	\$ 102,761		\$0.00		\$ 102,761
March	65,463	\$2.24	\$ 146,637	65,463	\$1.39	\$ 90,994		\$0.00		\$ 90,994
April	60,349	\$2.34	\$ 141,154	63,062	\$1.42	\$ 89,331		\$0.00		\$ 89,331
May	82,939	\$2.65	\$ 219,788	82,939	\$1.50	\$ 124,409		\$0.00		\$ 124,409
June	99,449	\$2.65	\$ 263,540	99,449	\$1.50	\$ 149,174		\$0.00		\$ 149,174
July	94,501	\$2.65	\$ 250,428	94,501	\$1.50	\$ 141,752		\$0.00		\$ 141,752
August	96,071	\$2.65	\$ 254,588	96,071	\$1.50	\$ 144,107		\$0.00		\$ 144,107
September	57,404	\$2.65	\$ 152,121	57,404	\$1.50	\$ 86,106		\$0.00		\$ 86,106
October	44,837	\$2.65	\$ 118,818	45,578	\$1.50	\$ 68,367		\$0.00		\$ 68,367
November	56,782	\$2.65	\$ 150,472	56,782	\$1.50	\$ 85,173		\$0.00		\$ 85,173
December	73,146	\$2.65	\$ 193,837	73,146	\$1.50	\$ 109,719		\$0.00		\$ 109,719
Total	862,947	\$ 2.53	\$ 2,187,077	866,401	\$ 1.47	\$ 1,272,617	-	\$ -	\$ -	\$ 1,272,617

- (A) Please confirm that Oakville Hydro was billed by the IESO, Uniform Transmission Rates (UTR's) effective January 1, 2010, beginning in October as opposed to January for network, line connection and transformation connection.
- (B) If the answer to (A) is no, please re-file the RTSR Workform with the appropriate UTR's effective in the month in which the IESO began billing Oakville Hydro.

TAX-SHARING WORKFORM

Interrogatory #3

Ref: A portion of the Tax Savings Workform, Tab 3

Ref: A portion of the Revenue-to-Cost Ratio Model, Tab 3

Last COS Re-based Year was in 2010

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C
RES	Residential	Customer	kWh	58,617	557,127,208	
GSLT50	General Service Less Than 50 kW	Customer	kWh	5,109	173,390,609	
GSGT50	General Service 50 to 999 kW	Customer	kW	833	594,844,951	1,670,520
GSGT50	General Service 1,000 to 4,999 kW	Customer	kW	17	147,132,426	353,675
USL	Unmetered Scattered Load	Connection	kWh	696	3,881,044	
Sen	Sentinel Lighting	Connection	kW	227	135,511	389
SL	Street Lighting	Connection	kW	16,783	11,730,313	33,349

Board staff has been unable to reconcile the data for Re-based Billed Customers or Connections (column A) in both the Tax Savings Workform and the Revenue-to-Cost Ratio Model to Oakville Hydro's previous CoS Application (EB-2009-0271) Updated Rate Design table.

- (A) If Oakville Hydro believes the above figures are correct, please confirm and provide evidence for the numbers reported above.
- (B) If the answer to (A) is no, please confirm and Board staff will make the necessary adjustments using data from the final Rate Design table in Oakville's previous cost of service application.

Interrogatory #4

Ref: A portion of the Tax Savings Workform, Tab 5

2. Tax Related Amounts Forecast from Income Tax Rate Changes

Regulatory Taxable Income	2010 \$ 6,821,882	2012 \$ 6,821,882
Corporate Tax Rate	31.00%	25.75%
Tax Impact	\$ 1,899,098	\$ 1,541,241
Grossed-up Tax Amount	\$ 2,752,317	\$ 2,075,865

Board staff has been unable to verify the figure reported for 2010 Regulatory Taxable Income to Oakville Hydro's 2010 RRWF in EB-2009-0271.

- (A) Please provide evidence for this figure or alternatively, please re-file tab 5 of the workform with the corrected figure.

Interrogatory #5

Ref: Tax Savings Workform, Tab 6

Ref: Rate Generator, Tab 14

Board staff notes that most of the figures entered by Oakville on tab 14 of the Rate Generator do not match those figures generated for the tax sharing rate riders on tab 6 of that respective workform.

- (A) If Oakville agrees, please confirm, and Board staff will make the necessary adjustments to the Rate Generator at tab 14.
- (B) If the answer to (A) is no, please confirm, and explain why Oakville believes the figures entered into the Rate Generator are correct.

REVENUE-TO-COST RATIO MODEL

Interrogatory #6

Ref: Revenue-to-Cost Ratio Model, Tab 4

Rate Class	Informational Filing Revenue Offsets A	Percentage Split C= A / B	Allocated Revenue Offsets E = D * C
Residential	1,116,720	54.13%	1,116,720
General Service Less Than 50 kW	332,724	16.13%	332,724
General Service 50 to 999 kW	462,500	22.42%	462,500
General Service Greater Than 1,000 kW	52,291	2.53%	52,291
Unmetered Scattered Load	24,169	1.17%	24,169
Sentinel Lighting	1,028	0.05%	1,028
Street Lighting	73,730	3.57%	73,730
	2,063,163	100.00%	2,063,163

Board staff has been unable to reconcile the figures entered for each rate class in column A to Oakville's previous CoS application (EB-2009-0271).

- (A) Please provide evidence supporting these figures.

RATE GENERATOR

Interrogatory #7

Ref: A portion of the Rate Generator, Tab 6

Residential			
Low Voltage Service Rate	\$/kWh	0.00020	April 30, 2013
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	\$/kWh	0.00250	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2010)	\$/kWh	(0.00150)	April 30, 2013
Rate Rider for Deferral/Variance Account Disposition (2011)	\$/kWh	(0.00380)	April 30, 2012
Rate Rider for Tax Change	\$/kWh	(0.00020)	April 30, 2012
Rate Rider for Recovery of Incremental Capital Costs	\$/kWh	0.00180	April 30, 2013
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers	\$/kWh	(0.00010)	April 30, 2013
Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery Rate Rider (2011)	\$/kWh	0.00030	April 30, 2014

Board staff notes that for all rate classes, a sunset date of April 30, 2013 has been entered for the Low Voltage Service Rate. On Oakville's current Tariff of Rates and Charges, the Low Voltage Service Rate is a standard on-going charge which does not have a sunset date.

(A) Please provide evidence which supports the low voltage service rate sunset date of April 30, 2013 for all rate classes.

Interrogatory #8
Ref: A portion of the Rate Generator, Tab 10

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue ¹
Residential	\$/kWh	557,127,208	-	48,287,499	-	17,174,410
General Service Less Than 50 kW	\$/kWh	173,390,609	-	28,967,814	-	4,451,203
General Service 50 to 999 kW	\$/kW	594,844,951	1,670,520	513,729,320	1,442,721	7,261,045
General Service Greater Than 1,000 kW	\$/kW	147,132,426	353,675	152,654,485	366,949	1,357,198
Unmetered Scattered Load	\$/kWh	3,881,044	-	30,249	-	136,242
Sentinel Lighting	\$/kW	135,511	389	140,597	404	17,809
Street Lighting	\$/kW	11,730,313	33,349	-	-	738,744
Total		1,488,242,062	2,057,933	743,809,964	1,810,073	31,136,651

Board staff has been unable to reconcile the figures entered for each rate class in the column "Distribution Revenue" to Oakville's previous CoS draft Rate Order (EB-2009-0271).

(A) Please provide evidence supporting these figures or alternatively, Board staff will make the necessary changes using Oakville's most recent COS draft Rate Order.

ACCOUNT 1521 – SPECIAL PURPOSE CHARGE

Interrogatory #9
Ref: EB-2011-0189 Manager's Summary, Page 15

- (A) Please confirm what amount Oakville paid in regards to the SPC Assessment and provide a copy of the original invoice.
- (B) Please confirm Oakville's beginning and ending billing dates to customers for the SPC Assessment.
- (C) 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	Carrying Charges for 2012 (Jan 1 to April 30)	Total for Disposition (Principal & Interest)

Lost Revenue Adjustment Mechanism (“LRAM”)

Interrogatory #10

Ref: Manager’s Summary, pg. 5-13

Oakville has requested recovery of \$233,341, which includes \$4,031 in carrying charges, related to lost revenues from OPA CDM Programs delivered in 2009 and 2010.

- (A) Please confirm that the LRAM amounts Oakville has requested recovery of is only from programs delivered in 2009 and 2010.
- (B) If the requested LRAM amount includes lost revenues persisting from previous program years into 2009 and 2010, please provide a table that shows both the persisting lost revenues and new lost revenues, by year, for each program Oakville delivered.
- (C) Please confirm when Oakville’s last load forecast was approved by the Board.
- (D) Please identify the CDM savings that were included in Oakville’s last Board approved load forecast for CDM programs deployed from 2006 to 2010 inclusive.

Interrogatory #11

Ref: CDM Guidelines, March 28, 2008, Section 5.2

Section 5.2 of the CDM Guidelines state:

Lost revenues are only accruable until new rates (based on a new revenue requirement and load forecast) are set by the Board, as the savings would be assumed to be incorporated in the load forecast at that time.

- (A) Please reconcile your response to 1(b) with the excerpt from section 5.2 of the CDM Guidelines noted above.

Interrogatory #12

Ref: Manager's Summary, pg. 5

Oakville notes that section 3.4.2 of the Filing Requirements stated that if a distributor does not file for the recovery of LRAM or SSM amounts in its 2012 rate application, it will forgo the opportunity to recover LRAM or SSM for this legacy period of CDM activity.

Oakville goes on to state that it is its understanding that it will have an opportunity to submit a LRAM claim for lost revenues related to its 2009 and 2010 CDM activities in future applications.

- (A) Please reference the Board document that Oakville has relied upon in basing its decision to not file for LRAM or SSM recovery past 2010 and the rationale for this decision.
- (B) Please provide an updated LRAM amount that includes 2009 and 2010 program savings that persist until the effective date of Oakville's next cost of service rate order.

Payments in Lieu of Taxes – PILS 1562

Interrogatory #13

Ref: 2001 SIMPIL

Oakville has recorded the write down of a capital property of \$81,672 on sheet TAXREC2. This amount trues up to ratepayers.

- (A) What asset was written down?
- (B) Was the asset included in rate base?
- (C) Did Oakville continue earning a return on the related asset amount that was originally included in rate base until April 30, 2006?
- (D) Please explain why this tax item should true up to the ratepayer and not to the shareholder. Shareholder items are recorded on sheet TAXREC3.

Interrogatory #14

Ref: 2003 SIMPIL

In sheet Tax Reserves, Oakville has recorded an Energy Reserve – Contingent of \$100,000 and a Contingent Liability – PIL payment of \$1,500,000.

- (A) Please describe the nature of the energy reserve.

- (B) Is the energy reserve a regulatory liability that should be shown on TAXREC3?
- (C) The contingent liability for PIL payment appears to be a regulatory liability and should be recorded on TAXREC3. Please explain why Oakville recorded the amount of \$1,500,000 on sheet TAXREC2 which trues up to ratepayers.

Interrogatory #14

Ref: 2004 SIMPIL

In sheet Tax Reserves, Oakville has recorded an increase in the Energy Reserve – Contingent to \$673,586. The Contingent Liability – PIL payment of \$1,500,000 at the end of 2003 has been reduced to zero.

- (A) Please describe the nature of the energy reserve and the reason for the increase.
- (B) Is the energy reserve a regulatory liability that should be shown on TAXREC3?
- (C) The contingent liability for PIL payment appears to be a regulatory liability and should be recorded on TAXREC3. Please explain why Oakville recorded the amount of \$1,500,000 on sheet TAXREC2 which trues up to ratepayers.

Interrogatory #15

Ref: 2004 SIMPIL

Oakville filed two applications in the 2002 rate year. The first rate order was effective on March 1, 2002 and the second rate order on November 1, 2002. In the current IRM3 application, Oakville has filed two SIMPIL models for the 2002 rate year to reflect the Board's decisions. In the second application, Oakville reduced the rate base which consequently changed the maximum deemed interest from \$4,286,825 to \$4,178,533.

In 2004 SIMPIL sheet TAXCALC in the interest true-up section cells E199-206, Oakville has recorded maximum deemed interest as \$4,286,825 rather than the amount of \$4,178,533.

- (A) Please explain which deemed interest amount should be used in the 2004 SIMPIL true-up calculations.

Interrogatory #16

Ref: Excel workbook PILs Recoveries

- (A) Please explain how the number of customers for each class for 2002 through 2006 was calculated. The customer count changes significantly from month to month. Is it the number of customers who were billed in the month?
- (B) The charge kWhs in the residential class for the month of December 2003 are less than half of the volumes in November 2003 and yet the customer count appears to be consistent. The December 2003 volumes are significantly different than those shown for December 2002 and December 2004. The January 2004 volumes do not appear to be unreasonably high so as to explain a possible cut-off difference in December 2003. There are similar differences in other rate classes.
 - i. Please identify and include a discussion of PILs related to the 2003 year-end unbilled revenue accrual.
- (C) Please explain why the charge kW and volume charge for the GS <1000 kW and Large User rate classes was 0 for June 2003.
- (D) The 2005 worksheet that calculates PILs recoveries is formatted in a different manner than the 2004 worksheet. There are multiple rows for each month with the words "Old" and "New" next to positive and negative numbers.
 - i. Please identify and include a discussion of PILs related to the 2005 year-end unbilled revenue accrual.
- (E) Please explain how Oakville accounted for PILs related to the unbilled revenue accrual or to unbilled consumption at April 30, 2006.

Interrogatory #17

For the tax years 2001 to 2005:

- (A) Did Oakville have interest expense, excluding debt, that is disclosed as interest expense in its financial statements?
- (B) Did Oakville net interest income against interest expense in deriving the amount it shows as interest expense? If yes, please provide details to what the interest income relates.
- (C) Did Oakville include interest expense on customer security deposits in interest expense?
- (D) Did Oakville include interest income on customer security deposits in interest expense?

- (E) Did Oakville include interest expense on IESO prudentials in interest expense?
- (F) Did Oakville include interest carrying charges on regulatory assets or liabilities in interest expense?
- (G) Did Oakville include the amortization of debt issue costs, debt discounts or debt premiums in interest expense?
- (H) Did Oakville deduct capitalized interest in deriving the interest expense disclosed in its financial statements?
- (I) Please provide Oakville's views on which types of interest income and interest expense should be included in the excess interest true-up calculations.
- (J) Please provide a table for the years 2001 to 2005 that shows all of the components of Oakville's interest expense and the amount associated with each type of interest.