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**BY E-MAIL**

January 10, 2012

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

Dear Ms. Walli:

**Re: PUC Distribution Inc.  
2012 IRM3 Distribution Rate Application  
Board Staff Interrogatories  
Board File No. EB-2011-0101**

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

In addition please advise PUC Distribution Inc. that responses to interrogatories are due by January 27, 2012.

Yours truly,

*Original Signed By*

Suresh Advani

Encl.

**PUC Distribution Inc.  
2012 Electricity Distribution Rates  
EB-2011-0101  
Board Staff Interrogatories**

**1. Taxable Capital**

Ref: Shared Tax Savings Model

A portion of Sheet "3. Re-Based Bill & Rates" from the Shared Tax Savings Model is reproduced below.

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	Rate ReBal Base Service Charge D
RES	Residential	Customer	kWh	28,875	352,377,221		8.73
GSLT50	General Service Less Than 50 kW	Customer	kWh	3,294	96,197,960		14.87
GSGT50	General Service 50 to 4,999 kW	Customer	kW	426	265,745,829	675,865	145.46
USL	Unmetered Scattered Load	Customer	kWh	26	755,305		11.06
Sen	Sentinel Lighting	Connection	kW	436	273,329	759	2.55
SL	Street Lighting	Connection	kW	8,753	7,051,649	21,709	2.56

- a) Board Staff notes that the service charge shown in column D for the USL rate class is \$11.06 versus the monthly service charge of \$11.03 provided in the Tariff of Rates and Charges effective May 1, 2011.

If this is an error, Board staff will make the relevant correction.

## 2. Non-Loss Adjusted Metered kW

Ref: RTSR Model

A portion of Sheet "4. RRR Data" from the RTSR Model is reproduced below.

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW
Residential	kWh	326,493,714	
General Service Less Than 50 kW	kWh	91,377,364	
General Service 50 to 4,999 kW	kW	187,786,951	635,104
General Service 50 to 4,999 kW – Interval Metered	kW	69,249,869	235,449
Unmetered Scattered Load	kWh	837,229	
Sentinel Lighting	kW	258,147	714
Street Lighting	kW	7,754,588	23,264

- a) Board Staff notes with respect to the General Service 50 to 4,999 kW rate class (including Interval Metered), the total kW amount provided in the 2.1.5 RRR is 635,104 kW. This contrasts with a total of 870,553 kW (635,104 plus 235,449) shown in "Non-Loss Adjusted Metered kW" column above.

If this is an error, Board staff will make the relevant correction.

### 3. Uniform Transmission Rates

Ref: RTSR Model

A portion of Sheet "5. UTRs and Sub-Transmission" from the RTSR Model is reproduced below.

Uniform Transmission Rates	Unit	Effective January 1, 2010
Rate Description		Rate
Network Service Rate	kW	\$ 2.97
Line Connection Service Rate	kW	\$ 0.73
Transformation Connection Service Rate	kW	\$ 1.71

A portion of Sheet "6. Historical Wholesale" from the RTSR Model is reproduced below.

IESO	Network		
Month	Units Billed	Rate	Amount
January	135,481	\$2.99	\$ 405,684
February	129,450	\$2.99	\$ 387,647
March	109,694	\$2.99	\$ 328,467
April	92,973	\$2.99	\$ 278,422
May	95,190	\$2.99	\$ 284,755
June	86,355	\$2.99	\$ 258,455
July	96,786	\$2.99	\$ 289,673
August	99,346	\$2.99	\$ 297,341
September	90,635	\$2.99	\$ 271,276
October	95,111	\$3.00	\$ 284,897
November	113,960	\$2.99	\$ 341,033
December	140,679	\$2.99	\$ 421,015

- a) Board Staff notes that the Network rate shown in Sheet 6 is \$2.99 vs \$2.97 in Sheet 5.

If this is an error, Board staff will make the relevant corrections.

**4. Account 1521 – Special Purpose Charge (“SPC”)**

Ref: Manager’s Summary, Page 4.

- a) Please confirm PUC Distribution’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)

## 5. LRAM Claims

Ref: IndEco Strategic Consulting Inc. LRAM Support, Oct. 24, 2011

PUC Distribution has requested an LRAM recovery associated with 2005 to 2010 CDM programs for a total amount of \$623,790 that includes carrying charges of \$28,832.

PUC Distribution has also requested a SSM recovery associated with 2005 to 2008 Third Tranche CDM programs for a total amount of \$53,663.

- a) Please confirm that PUC Distribution used final 2010 program evaluation results from the OPA to calculate its LRAM amount.
- b) If PUC Distribution did not use final 2010 program evaluation results from the OPA, please explain why and update the LRAM amount accordingly.
- c) Please discuss PUC Distribution's prior LRAM applications and the amounts it has recovered to date.
- d) Please confirm that PUC Distribution has not received any of the lost revenues requested in this application in the past. If PUC Distribution has collected lost revenues related to programs applied for in this application, please discuss the appropriateness of this request.
- e) Please provide a table that shows the LRAM amounts requested in this application by the year they are associated with and the year the lost revenues took place, divided by rate class within each year. Use the table below as an example and continue for all the years LRAM is requested:

Program Years (Divided by rate class)	Years that lost revenues took place			
	2005	2006	2007	2008
2006	\$xxx	\$xxx	\$xxx	\$xxx
2007	\$xxx	\$xxx	\$xxx	\$xxx
2008	\$xxx	\$xxx	\$xxx	\$xxx
2009		\$xxx	\$xxx	\$xxx
2010			\$xxx	\$xxx

**6. Amounts Billed to Customers/PILS**

Unmetered scattered load (“USL”) is listed as one of the components of the billing and recovery in the Excel spreadsheet. However, while the PILs rate slivers for USL have been entered, no billing determinants have been entered. In the Board’s decisions for 2002, 2004 and 2005 the approved rates for USL were identified as being the same as GS<50kW rates which have associated PILs rate slivers.

Please explain why PUC did not calculate PILs dollars recovered from the USL class in the calculations of recoveries from customers.

**7. Interest Expense/PILS**

Ref: Interest Portion of True-up – 2001 to 2005 SIMPIL - TAXCALC

When the actual interest expense, as reflected in the financial statements and tax returns, exceeds the maximum deemed interest amount approved by the Board, the excess amount is subject to a claw-back penalty and is shown in sheet TAXCALC as an extra deduction in the true-up calculations.

For the tax years 2001 to 2005:

- a) Did PUC have interest expense related to liabilities other than debt that is disclosed as interest expense in its financial statements?
- b) Did PUC net interest income against interest expense in deriving the amount it shows as interest expense in its financial statements and tax returns? If yes, please provide details to what the interest income relates.
- c) Did PUC include interest expense on customer security deposits in interest expense for purposes of the interest true-up calculation?
- d) Did PUC include interest income on customer security deposits in the disclosed amount of interest expense in its financial statements and tax returns?
- e) Did PUC include interest expense on IESO prudentials in interest expense?
- f) Did PUC include interest carrying charges on regulatory assets or liabilities in interest expense?
- g) Did PUC include the amortization of debt issue costs, debt discounts or debt premiums in interest expense? If the answer is yes, did PUC also include the difference between the accounting and tax amortization amounts in the interest true-up calculations? Please explain.
- h) Did PUC deduct capitalized interest in deriving the interest expense disclosed in its financial statements? If the answer is yes, did PUC add back the capitalized interest to the actual interest expense amount for purposes of the interest true-up calculations? Please explain.
- i) Please provide PUC 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 PUC's interest expense and the amount associated with each type of interest.