

**Ontario Energy
Board**
P.O. Box 2319
27th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**Commission de l'énergie
de l'Ontario**
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY E-MAIL

January 13, 2012

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

Dear Ms. Walli:

**Re: Enersource Hydro Mississauga Inc.
2012 IRM3 Distribution Rate Application
Board Staff Interrogatories
Board File No.: EB-2011-0100**

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

In addition please advise Enersource Hydro Mississauga Inc. that responses to interrogatories are due by January 27, 2012.

Yours truly,

Original Signed By

Georgette Vlahos
Analyst – Applications & Regulatory Audit

Encl.

**Enersource Hydro Mississauga Inc.
EB-2011-0100**

Board Staff Interrogatories

RTSR Workform

Interrogatory #1

Ref: A portion of the RTSR Workform, Tab 4

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW
Residential	kWh	1,586,325,915	
General Service Less Than 50 kW	kWh	661,116,282	
Small Commercial and USL - per connection	kWh	11,516,322	
General Service 50 to 499 kW	kW	2,130,676,736	6,303,886
General Service 500 to 4,999 kW	kW	2,207,078,156	5,084,891
Large Use > 5000 kW	kW	1,072,366,029	1,831,545
Street Lighting	kW	39,595,309	111,465

Board staff has been unable to verify the figures entered in the column “Non-Loss Adjusted Metered kWh” for the rate classes “General Service Less Than 50 kW” and “Small Commercial and USL – per connection” to Enersource’s RRR 2.1.5 filings.

- (A) If Enersource believes the figures entered are correct, please confirm, and provide evidence for these figures.
- (B) If the answer to (A) is no, please confirm, and Board staff will update the workform with the numbers reported in Enersource’s RRR 2.1.5 filings.

Interrogatory #2

Ref: A portion of the RTSR Workform, Tab 6

HYDRO ONE	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	192,729	\$2.24	\$ 431,713	192,856	\$0.50	\$ 96,427	192,856	\$1.39	\$ 268,070	\$ 364,496
February	198,390	\$2.24	\$ 444,394	198,702	\$0.50	\$ 99,155	198,702	\$1.39	\$ 276,196	\$ 375,351
March	185,060	\$2.24	\$ 414,534	185,863	\$0.50	\$ 93,516	185,863	\$1.39	\$ 258,350	\$ 351,866
April	187,223	\$2.28	\$ 426,358	188,048	\$0.51	\$ 96,454	188,048	\$1.40	\$ 263,267	\$ 359,722
May	236,934	\$2.65	\$ 627,875	238,592	\$0.56	\$ 132,948	238,592	\$1.50	\$ 357,888	\$ 490,836
June	212,669	\$2.65	\$ 563,573	214,369	\$0.55	\$ 117,882	214,369	\$1.50	\$ 321,554	\$ 439,435
July	218,062	\$2.65	\$ 577,864	222,858	\$0.55	\$ 122,556	222,858	\$1.50	\$ 334,287	\$ 456,843
August	198,281	\$2.65	\$ 525,445	212,201	\$0.54	\$ 115,386	212,201	\$1.50	\$ 318,302	\$ 433,688
September	212,494	\$2.65	\$ 563,109	217,077	\$0.55	\$ 119,411	217,077	\$1.50	\$ 325,616	\$ 445,027
October	187,867	\$2.65	\$ 497,848	191,337	\$0.55	\$ 104,691	191,337	\$1.50	\$ 287,006	\$ 391,697
November	186,032	\$2.65	\$ 492,985	191,586	\$0.54	\$ 104,069	191,586	\$1.50	\$ 287,379	\$ 391,448
December	178,248	\$2.65	\$ 472,357	178,248	\$0.53	\$ 94,723	178,248	\$1.50	\$ 267,372	\$ 362,095
Total	2,393,989	\$ 2.52	\$ 6,038,054	2,431,737	\$ 0.53	\$ 1,297,218	2,431,737	\$ 1.47	\$ 3,565,284	\$ 4,862,503

Board staff has been unable to verify the rates entered for “Line Connection” in the above portion of the RTSR Workform. Board staff notes that effective May 1, 2010, the Hydro One approved UTR was \$0.64.

- (A) If Enersource believes the above entries are correct, please confirm, and provide an explanation for the data.
- (B) If the answer to (A) is no, please confirm what the figures should be, and Board staff will make the necessary corrections to the model.

Rate Generator

Interrogatory #3

Ref: Rate Generator, Tab 6

Ref: Current Tariff of Rates and Charges, effective May 1, 2011

Board staff notes that for the rate classes “General Service 50 to 499 kW”, “General Service 500 to 4,999 kW”, “Large Use > 5000 kW” and “Street Lighting”, the units selected for all current rate riders entered on tab 6 (i.e. kWh) do not match Enersource’s current Tariff of Rates and Charges. Board staff notes that on Enersource’s current tariff sheet, the unit of measurement for each of the above rate classes is “kW”.

- (A) If Enersource believes the above entries are correct, please confirm, and provide an explanation for the data.
- (B) If the answer to (A) is no, please confirm that the units of measurement selected should be “kW” and Board staff will make the necessary corrections to the model.

Ref: A portion of the Rate Generator, Tab 10

Board staff has been unable to reconcile the figures entered for each rate class for “Distribution Revenue” to Enersource’s previous cost of service Settlement Agreement (EB-2007-0706).

- Account 1521 – Special Purpose Charge**

Ref: EB-2011-0100, Manager's Summary, Tab 6, Pages 1-2

- (A) Please confirm what amount Enersource paid in regards to the SPC Assessment and provide a copy of the original invoice.
- (B) Please confirm Enersource's beginning and ending billing dates to customers for the SPC Assessment.
- (C) Please complete the following table related to the SPC.

[illegible]

Smart Meter Funding Adder ("SMFA")

Interrogatory #6

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

Enersource documents that its delay in smart meter deployment is largely related to delays in getting 600 Volt meters that meet Measurement Canada standards and in testing these for compatibility with Enersource's collectors. Enersource also states that a limited number of Ontario distributors have 600 Volt meters. Enersource documents that it expects about \$950,000 in capital costs in 2012 for the conversion of 600 volt meters for affected customers.

- (A) How many customers with 600 volt meters does Enersource serve?
- (B) What is the capital cost per meter for these customers? Please explain what is driving these costs.
- (C) Please identify the customer class or classes involved and the number of affected customers in each class.

Lost Revenue Adjustment Mechanism ("LRAM")

Interrogatory #7

Ref: Tab 3 / LRAM/ pg. 1-10

Enersource has requested an LRAM recovery associated with 2005 to 2010 CDM programs for a total amount of \$856,957, including carrying charges, for the period January 1, 2010 to December 31, 2010.

- (A) Please confirm that Enersource has used final 2010 program evaluation results from the OPA to calculate its LRAM amount.
- (B) If Enersource did not use final 2010 program evaluation results from the OPA, please explain why and update the LRAM amount accordingly.
- (C) Please provide a table that shows the LRAM amounts Enersource has collected historically.
- (D) Please confirm that Enersource has not received any of the lost revenues requested in this application in the past. If Enersource has collected lost revenues related to programs applied for in this application, please discuss the appropriateness of this request.
- (E) Please identify the CDM savings that were proposed to be included in Enersource's last Board approved load forecast for CDM programs deployed from 2005-2008 inclusive.

(F) 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			
	2009	2010	2011	2012
2005	\$xxx	\$xxx	\$xxx	\$xxx
2006	\$xxx	\$xxx	\$xxx	\$xxx
2007	\$xxx	\$xxx	\$xxx	\$xxx
2008	\$xxx	\$xxx	\$xxx	\$xxx
2009	\$xxx	\$xxx	\$xxx	\$xxx
2010		\$xxx	\$xxx	\$xxx

Payments in Lieu of Taxes – PILS 1562

Interrogatory #8

Ref: Enersource_Attach J_2001 SIMPIL_20111111.XLS

Enersource did not file the 2001 SIMPIL model that has TAXREC 3 spreadsheet.

(A) Please file the revised 2001 SIMPIL and ensure that the pro-rations are correct.

Enersource has entered as additions on sheet TAXREC2 on the older version of the 2001 SIMPIL model the following items that appear on a re-assessment notice for the 2001 tax year that were disallowed by the Ministry of Finance [Tab5/ Sch. 6.1/pg 2]: miscellaneous expenses \$137,130; bad debt expense \$627,402; PST penalty \$5,240. Additions to income entered on sheets TAXREC and TAXREC2 true up to ratepayers. It is not clear from the evidence submitted if the adjustments are related to the non-taxable period prior to October 1, 2001. In Board staff's view, these items are components of net income or net loss and are not book-to-tax adjustments. Net income does not true up under the SIMPIL methodology.

(B) Please explain why these items should not be entered on TAXREC3 so that they do not true up to ratepayers.

Interrogatory #9

Ref: Attachment O-1562 Final Continuity Schedule Balance_20111125.xls

Enersource has shown amounts for PILs billed to customers in its continuity schedule. Calculations of the PILs amounts billed are determined by using the PILs rate slivers from the applications filed in 2002, 2004 and in 2005 and multiplying these rate slivers by actual billing determinants (customers, kW, kWh) for all customer classes including unmetered scattered load. This evidence has not been submitted.

- (A) Please file the active Excel workbook that shows these calculations of PILs billed to customers.

Interrogatory #10

Ref: Interest Expense

Interest Portion of True-up – 2001-2005 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 Enersource have interest expense related to liabilities other than debt that is disclosed as interest expense in its financial statements?
- (B) Did Enersource 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 Enersource include interest expense on customer security deposits in interest expense for purposes of the interest true-up calculation?
- (D) Did Enersource include interest income on customer security deposits in the disclosed amount of interest expense in its financial statements and tax returns?
- (E) Did Enersource include interest expense on IESO prudentials in interest expense?
- (F) Did Enersource include interest carrying charges on regulatory assets or liabilities in interest expense?
- (G) Did Enersource include the amortization of debt issue costs, debt discounts or debt premiums in interest expense? If the answer is yes, did Enersource also include the difference between the accounting and tax amortization amounts in the interest true-up calculations? Please explain.
- (H) Did Enersource deduct capitalized interest in deriving the interest expense disclosed in its financial statements? If the answer is yes, did Enersource add back the capitalized interest to the actual interest expense amount for purposes of the interest true-up calculations? Please explain.

- (I) Please provide Enersource'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 Enersource's interest expense and the amount associated with each type of interest.

Interrogatory #11

Ref: 1562 Disposition

- (A) Please confirm that the credit balance in PILs account 1562 that Enersource wishes to repay to its customers as at April 30, 2012 is \$1,184,236

Interrogatory #12

Ref: LCT Variance

- (A) Did Enersource include the repeal of the large corporations tax (LCT) in account 1562 for the period January 1, 2006 to April 30, 2006 in accordance with FAQ July 2007?
- (B) If the answer is no, did Enersource record the LCT amount related to this period in account 1592?
- (C) Has Enersource at any time since April 30, 2006 applied for disposition of account 1592? If so, did it include the LCT amount for the period January 1, to April 30, 2006 in the balance requested for disposition?

Interrogatory #13

Ref: Tax Years – Statute-barred

- (A) Please confirm that all tax years from 2001 to 2005 are now statute-barred.