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**BY E-MAIL**

January 20, 2012

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

Dear Ms. Walli:

**Re: Middlesex Power Distribution Corp. – Main  
2012 IRM3 Distribution Rate Application  
Board Staff Interrogatories  
Board File No. EB-2011-0148**

In accordance with the Notice of Application and Hearing, please find attached Board Staff Interrogatories in the above proceeding. Please forward the following to Middlesex Power Distribution Corp. – Main and to all other registered parties to this proceeding.

In addition please advise Middlesex Power Distribution Corp. – Main that responses to interrogatories are due by February 3, 2012.

Yours truly,

*Original signed by*

Daniel Kim  
Analyst – Applications & Regulatory Audit

Encl.

## Board Staff Interrogatories

### 2012 IRM3 Electricity Distribution Rates Middlesex Power Distribution Corp. – Main (MPDC – Main) EB-2011-0148

#### 2012 IRM3 Rate Generator

1. Ref: A portion of Sheet “15. Proposed RTSR-Network” of the model is reproduced below.

Rate Description	Unit	Current Amount	% Adjustment	Proposed Amount
<b>Residential</b>				
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00640	1.563%	0.00650
<b>General Service Less Than 50 kW</b>				
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00590	1.695%	0.00600
<b>General Service 50 to 4,999 kW</b>				
Retail Transmission Rate – Network Service Rate	\$/kW	2.34710	2.109%	2.39660
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.60570	2.111%	2.66070
<b>Large Use</b>				
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.76030	2.112%	2.81860
<b>Unmetered Scattered Load</b>				
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00590	1.695%	0.00600
<b>Sentinel Lighting</b>				
Retail Transmission Rate – Network Service Rate	\$/kW	1.77900	2.114%	1.81660
<b>Street Lighting</b>				
Retail Transmission Rate – Network Service Rate	\$/kW	1.76980	2.113%	1.80720

Please confirm that the Large Use network service rate should *not* be interval metered. If the reported rate was selected in error, Board staff will make the necessary correction.

## Deferral and Variance Accounts

### 2. Ref: Manager's Summary, Page 4 & 5

MPDC – Main confirms that its 2009 and 2010 Group 1 Deferral and Variance account balances meet the Board's preset disposition threshold of \$0.001/kWh (debit or credit). The total amount, including carrying charges to April 30, 2012, proposed for disposition is a credit balance of \$254,014, which includes the credit balance of \$8,128 in Account 1521 Special Purpose Charge. MPDC – Main proposes to dispose of these account balances over a one year period.

MPDC – Main has included the balance in Account 1588 Global Adjustment sub-account in its preset disposition threshold calculation.

MPDC – Main determined that it had inadvertently not followed the prescribed methodology for the RSVA Power component of Account 1588. MPDC – Main has initiated an internal review to determine the 2009 and 2010 balances attributable to the RSVA Power component of Account 1588 are in accordance with Article 220 of the Board's Accounting Procedures Handbook. In order to allow sufficient time to complete the reconciliations and analysis associated with the review, and to maintain MPDC – Main's procedural timeframe, MPDC – Main proposes to dispose of the 2009 and 2010 RSVA Power balances as part of its 2013 IRM application.

Board staff notes that the preset disposition threshold methodology proposed by MPDC – Main is not consistent with the EDDVAR Report. In the EDDVAR Report, the Board established a preset disposition threshold of \$0.001/kWh during the IRM plan term for **all** Group 1 account balances combined.

- a) Please confirm that MPDC – Main's preset disposition threshold calculation does not include the 1588 RSVA Power (excluding the Global Adjustment sub-account) balance.
- b) It is not typical Board practice to dispose only of the Global Adjustment sub-account portion of Account 1588. What assurances can MPDC – Main provide that there are no issues with the 1588 RSVA Power – Global Adjustment sub-account balance?
- c) Please confirm that the objective of internal review should be to be in compliance with Article 490, not only Article 220, of the Accounting Procedures Handbook.
- d) Does MPDC – Main have any issue to defer the disposition of Account 1588 to its 2013 cost of service application?

- e) Please recalculate one preset disposition threshold for all Group 1 Deferral and Variance account balances for all service areas (Main, Dutton and Newbury) combined.

### Lost Revenue Adjustment Mechanism (LRAM) Recovery

#### 3. Manager's Summary, Page 5 & 6

MPDC – Main has requested an LRAM recovery associated with 2006 to 2010 CDM programs for a total amount of \$29,950.

- a) Please confirm that MPDC – Main has used final 2010 program evaluation results from the OPA to calculate its LRAM amount.
- b) If MPDC – Main 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 MPDC – Main has collected historically.
- d) Please confirm that MPDC – Main has not received any of the lost revenues requested in this application in the past. If MPDC – Main 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 included in MPDC – Main's last Board approved load forecast.
- 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, by rate class within each year. Use the table below as an example and continue for all the years LRAM is requested:

Program Years (By rate class)	Years that lost revenues took place			
	2009	2010	2011	2012
2006	\$xxx	\$xxx	\$xxx	\$xxx
2007	\$xxx	\$xxx	\$xxx	\$xxx
2008	\$xxx	\$xxx	\$xxx	\$xxx
2009	\$xxx	\$xxx	\$xxx	\$xxx
2010		\$xxx	\$xxx	\$xxx