

**Oshawa PUC Networks Inc.
2013 IRM Rate Application
Board Staff Interrogatories**

**1. Ref: 2012 IRM3 Tax Savings Work Form, page 5
Ref: Revenue Requirement Work Form EB-2011-0073**

Board Staff notes some discrepancies in the tax rates entered into the 2013 Tax Savings Work form.

- a) Please confirm that Oshawa's 2012 rates were set on the basis of a 20.16% tax rate.
- b) Please provide an explanation of the 2012 tax rate of 23.63% entered in the tax savings work form with the 2012 approved rate being 20.16%. If this is an error Board Staff will update your work form.



REVENUE REQUIREMENT WORK FORM

Version: 2.1

Name of LDC: Oshawa PUC Networks
File Number: EB-2011-0073
Rate Year: 2012

Taxes/PILs				
Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
<u>Determination of Taxable Income</u>				
1	Utility net income before taxes	\$3,141,852	\$3,045,203	\$3,045,203
2	Adjustments required to arrive at taxable utility income	\$455,587	(\$1,756,692)	\$455,587
3	Taxable income	<u>\$3,597,438</u>	<u>\$1,288,510</u>	<u>\$3,500,789</u>
<u>Calculation of Utility income Taxes</u>				
4	Income taxes	\$922,017	\$259,774	\$259,774
5	Capital taxes	\$ - (1)	\$ - (1)	\$ -
6	Total taxes	<u>\$922,017</u>	<u>\$259,774</u>	<u>\$259,774</u>
7	Gross-up of Income Taxes	<u>\$317,750</u>	<u>\$65,598</u>	<u>\$65,598</u>
8	Grossed-up Income Taxes	<u>\$1,239,766</u>	<u>\$325,371</u>	<u>\$325,371</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$1,239,766</u>	<u>\$325,371</u>	<u>\$325,371</u>
10	Other tax Credits	\$ -	\$ -	\$ -
<u>Tax Rates</u>				
11	Federal tax (%)	14.38%	11.53%	11.53%
12	Provincial tax (%)	11.25%	8.63%	8.63%
13	Total tax rate (%)	<u>25.63%</u>	<u>20.16%</u>	<u>20.16%</u>

2. Ref: 2012 IRM3 RTSR Work form, page 4

- a) Please confirm that the amounts entered into the columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” have not been adjusted by Oshawa’s Board-approved loss factor.

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	484,617,834		1.0487		508,218,723	-
General Service Less Than 50 kW	kWh	135,695,878		1.0487		142,304,267	-
General Service 50 to 999 kW	kW	161,366,304	414,036		53.42%	161,366,304	414,036
General Service 50 to 999 kW - Interval Metered	kW	198,168,071	453,034		59.95%	198,168,071	453,034
General Service 1,000 to 4,999 kW	kW	79,908,016	192,700		56.84%	79,908,016	192,700
Large Use	kW	37,740,699	83,704		61.80%	37,740,699	83,704
Unmetered Scattered Load	kWh	2,769,028		1.0487		2,903,880	-
Sentinel Lighting	kW	38,567	115		45.97%	38,567	115
Street Lighting	kW	10,214,450	27,715		50.51%	10,214,450	27,715

- b) Please confirm Sentinel Lighting and Street Lighting Non-Loss adjusted Metered kWh are correct, as they do not reconcile to RRR 2.1.5. If confirmed, please provide an explanation for the differences in the RRR data.

Non-Loss Adjusted Metered kWh	RTSR Work Form Data	2.1.5 RRR Data
Sentinel Lighting	38,567	-
Street Lighting	10,214,450	10,253,017
Total	10,253,017	10,253,017

3. Ref: 2012 IRM3 Rate Generator Version 2.1

Please update your 2012 IRM3 Rate Generator Model to version 2.3 located on the Board’s website at:

<http://www.ontarioenergyboard.ca/OEB/Industry/Regulatory%20Proceedings/Applications%20Before%20the%20Board/Electricity%20Distribution%20Rates/2013%20Electricity%20Distribution%20Rate%20Applications>

4. Ref: 2012 IRM3 Rate Generator Sheet 5 2013 Continuity Schedule Ref: Oshawa_Draft Rate Order_20111213.pdf

Board staff is not able to reconcile accounts 1586 Retail Transmission Connection Charge, 1588 Power excluding Global Adjustment and 1588 Power Sub Account Global Adjustment with Oshawa’s Draft Rate Order that was approved by the Board in Oshawa’s 2012 rate proceeding (see first table below). Please explain the omission of this data in columns “Principal Disposition during 2012 – instructed by Board” and “Interest Disposition during 2012 – instructed by Board” in the second table below. Please make any updates required to the continuity schedule.

Rate Riders Calculation

Deferral and Variance Accounts:	Disposition Amount	Allocator
WMSC - Account 1580	(1,195,583)	kWh
One-Time WMSC - Account 1582	63,623	kWh
Network - Account 1584	1,369,978	kWh
Connection - Account 1586	(153,887)	kWh
Power - Account 1588 (excl Global Adjustment)	49,496	kWh
Power - Account 1588 subAcct Global Adjustment	(468,212)	non RPP kWh
RARA - Account 1590	6,114	kWh
Subtotal - RSVA	(328,470)	

Account Descriptions	Principal Disposition during 2012 - instructed by Board	Interest Disposition during 2012 - instructed by Board	Closing Principal Balances as of Dec 31-11 Adjusted for Dispositions during 2012	Closing Interest Balances as of Dec 31-11 Adjusted for Dispositions during 2012
Group 1 Accounts				
LV Variance Account			0	0
1580 RSVA - Wholesale Market Service Charge	-1,178,621	- 16,962	-1,126,739	- 25,866
1584 RSVA - Retail Transmission Network Charge	1,355,700	14,278	1,285,242	39,858
1586 RSVA - Retail Transmission Connection Charge			- 875,077	- 20,027
1588 RSVA - Power (excluding Global Adjustment)			155,491	- 8,892
1588 RSVA - Power - Sub-account - Global Adjustment			- 45,787	- 18,622

5. Ref: Manager's Summary, Page 7-8 of 9, LRAM

Oshawa has requested an LRAM recovery for a total amount of \$281,835.83 for lost revenues incurred in 2010 and 2011 from CDM programs implemented between 2006 and 2010.

- Please confirm that Oshawa has used final 2010 program evaluation results from the OPA to calculate its LRAM amount.
- If Oshawa did not use final 2010 program evaluation results from the OPA, please explain why and update the LRAM amount accordingly.

- c) Please confirm that Oshawa has not received any of the lost revenues requested in this application in the past. If Oshawa has collected lost revenues related to programs applied for in this application, please discuss the appropriateness of this request.
- d) Please discuss why there are still remaining lost revenues from historical programs (i.e. 2006-2009) that Oshawa is seeking to recover at this time. Please reconcile this with the LRAM claim Oshawa received in its 2012 COS application (EB-2011-0073).
- 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. Please provide separate tables for each rate class. Use the table below as an example and continue for all the years LRAM is requested:

Program Years	Years that lost revenues took place					
	2006	2007	2008	2009	2010	2011
2006	\$xxx	\$xxx	\$xxx	\$xxx	\$xxx	\$xxx
2007		\$xxx	\$xxx	\$xxx	\$xxx	\$xxx
2008			\$xxx	\$xxx	\$xxx	\$xxx
2009				\$xxx	\$xxx	\$xxx
2010					\$xxx	\$xxx

- f) Please provide a table similar to the one above that shows the LRAM amounts Oshawa has collected in the past.
- g) Please discuss if Oshawa is applying for recovery of any carrying charges related to its LRAM amount.
- h) If Oshawa is applying for carrying charges, please provide a table that shows the monthly LRAM balances, the Board-approved carrying charge rate and the total carrying charges by month for the duration of this LRAM request to support your request for carrying charges. Use the table below as an example:

Year	Month	Monthly Lost Revenue	Closing Balance	Interest Rate	Interest \$