



September 26, 2012

**BY EMAIL/COURIER/RESS**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON  
M4P 1E4

Dear Ms. Walli,

**RE: Whitby Hydro Electric Corporation  
Application for 2013 Electricity Distribution Rates (EB- 2012-0177)  
Interrogatory Response – Board Staff and Vulnerable Energy  
Consumers Coalition (VECC)**

As directed by the Board's Notice of Application and Hearing for this rate proceeding, Whitby Hydro Electric Corporation (Whitby Hydro) has provided responses to interrogatories from both Board Staff and VECC. Originals and an electronic copy (CD) will follow via courier. A copy has also been filed electronically through the Board's RESS system.

Whitby Hydro also confirms receipt of the letter sent September 20, 2012 regarding an update to the fixed monthly charge for microFIT generator service, and understands that Board Staff will update the appropriate models to reflect the new rate of \$5.40 per month effective with 2013 rate implementation.

Respectfully submitted,

*Original signed by*

Ramona Abi-Rashed  
Treasurer

cc: Mr. Michael Janigan (email)  
Ms. Shelley Grice (email)  
Ms. Georgette Vlahos (email)

**Whitby Hydro Electric Corporation  
EB-2012-0177**

**Board Staff Interrogatories**

**Revenue to Cost Ratio Adjustment Model**

**Interrogatory #1**

**Ref: Revenue to Cost Ratio Model, Tab 4 - "Removal of Rate Adders"**

Rate Class	Current Tariff Service Charge A	Current Tariff Distribution Volumetric Rate kWh B	Current Tariff Distribution Volumetric Rate kW C	Service Charge Rate Adders D	Distribution Volumetric kWh Rate Adders E	Distribution Volumetric kW Rate Adders F	Base Service Charge H = A - D	Base Distribution Volumetric Rate kWh I = B - E	Base Distribution Volumetric Rate kW J = C - F
Residential	17.29	0.0142	0.0000	0.00	0.0003	0.0000	17.29	0.0139	0.0000
General Service Less Than 50 kW	19.91	0.0195	0.0000	0.00	0.0003	0.0000	19.91	0.0192	0.0000
General Service 50 to 4,999 kW	192.45	0.0000	3.9405	0.00	0.0000	0.1085	192.45	0.0000	3.8320
Unmetered Scattered Load	9.33	0.0304	0.0000	0.00	0.0003	0.0000	9.33	0.0301	0.0000
Sentinel Lighting	4.69	0.0000	12.6951	0.00	0.0000	0.0857	4.69	0.0000	12.6094
Street Lighting	1.52	0.0000	6.0407	0.00	0.0000	0.0839	1.52	0.0000	5.9568

In its Manager's Summary, Whitby Hydro notes that it has removed the low voltage (LV) cost recovery portion of its volumetric rates. Board staff is unable to verify the LV Rate Adders (columns E and F) entered on Tab 4 of the model to Whitby Hydro's last cost of service application.

(A) Please provide evidence for the rate adders entered into columns E and F.

**Response**

Whitby Hydro has a portion of their distribution rates earmarked for LV cost recovery. These rates continue to be bundled into the approved volumetric distribution rates, but are identifiable so that they can be tracked and separated from the distribution rates/revenue designed to support the revenue requirement.

During the last cost of service application, the approved settlement agreement for 2011 rates identified the LV cost recovery portion of the distribution rates in Tables 8-11 and 8-12 (see below)

**Table 8-11: Settlement Calculation of 2011 LV Recovery Rates**

Customer Class Name		LV Charges Allocated	Forecast Volumes (kW or kWh)	2011 LV Recovery Rate
Residential		112,136	350,407,180	0.0003
General Service Less Than 50 kW		21,940	75,150,446	0.0003
General Service 50 to 4,999 kW		104,271	966,330	0.1079
Unmetered Scattered Load		728	2,493,809	0.0003
Sentinel Lighting		10	120	0.0852
Street Lighting		2,032	24,361	0.0834
TOTAL		241,117		

**Table 8-12: Settlement LV Rate Comparison**

Customer Class Name		2009 Board Approved Rates	2011 Proposed Rates	% Change
Residential	/kWh	0.0006	0.0003	-50.0%
General Service Less Than 50 kW	/kWh	0.0006	0.0003	-50.0%
General Service 50 to 4,999 kW	/kW	0.2297	0.1079	-53.0%
Unmetered Scattered Load	/kWh	0.0006	0.0003	-50.0%
Sentinel Lighting	/kW	0.2080	0.0852	-59.0%
Street Lighting	/kW	0.1820	0.0834	-54.2%

Whitby Hydro identified in both its 2012 and 2013 IRM3 application, that the use of the Board's Rate Generator model would result in having the Price Cap Index Adjustment applied to the total approved distribution rates (which include a portion for the LV Cost Recovery). The relevant sections can be found in the 2012 and 2013 IRM3 applications on page 7, lines 4-15 and page 6 lines 4-16 respectively.

On this basis, the following table serves to bridge the LV Cost Recovery rates from the last Cost of Service application to those removed from the volumetric rates in the Revenue-to-Cost Ratio Model, Tab 4 (columns referenced as E and F).

Portion of Approved Distribution Rates for LV Cost Recovery

	Unit	2011 Approved	2012 Price Cap Index	2012 Approved*
Residential	kWh	0.0003	0.58%	0.0003
GS<50 kW	kWh	0.0003	0.58%	0.0003
GS 50-4,999 kW	kW	0.1079	0.58%	0.1085
USL	kWh	0.0003	0.58%	0.0003
Sentinel Lights	kW	0.0852	0.58%	0.0857
Street Lighting	kW	0.0834	0.58%	0.0839

\* 2012 Approved rates match those found in columns  
E and F in Tab 4 of the Revenue to Cost Ratio model

Consistent with the approach that was used (and approved) in the 2012 IRM3 application, Whitby Hydro has removed the LV Cost Recovery portion as part of Tab 4 – Removal of Rate Adders section of the Revenue-to-Cost Ratio Model. The only difference for the 2013 IRM3 application, is that the rates removed (columns labelled E and F), have been adjusted for the 2012 Price Cap Index in order to properly reflect the LV Cost Recovery portion that is included in the approved 2012 volumetric distribution rates.

## RTSR Workform

### Interrogatory #3

Ref: RTSR Workform, Tab 4 – “RRR Data”

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	363,244,627		1.0454		379,735,933	-
General Service Less Than 50 kW	kWh	83,480,130		1.0454		87,270,128	-
General Service 50 to 4,999 kW	kW	415,161,370	966,066		58.90%	415,161,370	966,066
Unmetered Scattered Load	kWh	1,701,177		1.0454		1,778,410	-
Sentinel Lighting	kW	33,556	93		49.45%	33,556	93
Street Lighting	kW	9,103,489	24,509		50.91%	9,103,489	24,509

(A) Please confirm that the data entered in columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” are non-loss adjusted.

## Response

Whitby Hydro confirms that the information provided in the columns identified as “Non-Loss Adjusted” (see above) are in fact non-loss adjusted. As noted in the 2013 IRM3 application (page 9, lines 19-21), billing determinants will not match the RRR filing, as they have been adjusted to include unbilled data which provides a more accurate calculation for rate purposes.

**ONTARIO ENERGY BOARD**

**IN THE MATTER OF**

the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15 (Schedule B), as amended;

**AND IN THE MATTER OF** an Application by  
Whitby Hydro Electric Corporation for an order or orders  
approving or fixing just and reasonable  
distribution rates to be effective January 1, 2013.

**Information Requests of the Vulnerable Energy Consumers Coalition (VECC)**

Revenue-to-Cost Ratio Adjustments

**VECC Question # 1**

**Reference:** Application, Page 8, lines 30 to 32

Preamble: Whitby indicates that for the purpose of the revenue to cost ratio adjustment, the removal of the Low Voltage cost recovery portion of the volumetric rates has been incorporated in Sheet 4 of the OEB workform/model.

- a) Please explain why the Low Voltage cost recovery portion of the volumetric rates has been removed.

**Response**

Whitby Hydro has a portion of their distribution rates earmarked for LV cost recovery. The LV cost recovery portion is not intended to fund the revenue requirement nor is it intended to be part of the cost allocation and subsequent revenue-to-cost ratio equation. On this basis, Whitby Hydro believes that it was appropriate to remove the LV portion of the distribution rate out prior to calculating the required revenue-to-cost ratio adjustment and utilized Sheet 4 – Removal of Rate Adders (from the Board's Revenue-to-Cost Ratio Excel model) to do so.

Please see Board Staff IRR #1 for additional background and explanations.

- b) Please provide a reference for the rates shown in columns E & F on sheet 4 of the Workform: Whitby\_IRM3\_Revenue\_CostRatioAdj\_Workform\_xls\_20120803.

**Response**

Please see Board Staff IRR # 1.