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BY E-MAIL

November 2, 2012

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

Dear Ms. Walli:

**Re: Niagara-on-the-Lake Hydro Inc.
2013 IRM Distribution Rate Application
Board Staff Interrogatories
Board File No. EB-2012-0063**

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

In addition please advise Niagara-on-the-Lake Hydro Inc. that responses to interrogatories are due by November 28, 2012.

Yours truly,

Original Signed By

Suresh Advani

Encl.

**Niagara-on-the-Lake Hydro Inc.
2013 Electricity Distribution Rates
EB-2012-0063
Board Staff Interrogatories**

1. Rural Rate Protection Charge ("RRPC")

Ref: Rate Generator Model

A portion of Sheet "4. Current Tariff Schedule" from the Rate Generator Model is reproduced below.

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate

\$/kWh	0.0052
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Rural Rate Protection Charge - effective until April 30, 2012

\$/kWh	0.0011
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Rural Rate Protection Charge - effective on and after May 1, 2012

\$/kWh	0.0011
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Standard Supply Service - Administrative Charge (if applicable)

\$	0.25
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Board staff notes that the Board's Decision (EB-2011-0405)¹ dated December 21, 2011 stated that effective May 1, 2012 the Rural Rate Protection Charge would be reduced to \$0.11/kWh from its previous value of \$0.13/kWh.

If the value provided in the Rate Generator Model is an error, Board staff will make the relevant correction.

¹ http://www.ontarioenergyboard.ca/OEB/Documents/Decisions/dec_rateorder_rrrp_20111221.pdf

2. Account 1595 – off-setting amounts

Ref: Rate Generator Model

Ref: 2010 IRM Decision (EB-2009-0237)², page 11

A portion of Sheet “5. 2013 Continuity Schedule” from the Rate Generator Model is reproduced below.

		BE	BF	BG	BH	BI	BJ	BK	BL
		2010							
Account Descriptions	Account Number	Board-Approved Disposition during 2010	Adjustments during 2010 - other ¹	Closing Principal Balance as of Dec-31-10	Opening Interest Amounts as of Jan-1-10	Interest Jan-1 to Dec-31-10	Board-Approved Disposition during 2010	Adjustments during 2010 - other ²	Closing Interest Amounts as of Dec-31-10
Group 1 Accounts									
LV Variance Account	1550			0	0				0
RSVA - Wholesale Market Service Charge	1580			(357,948)	(20,702)	18,468			(2,234)
RSVA - Retail Transmission Network Charge	1584			(55,768)	11,658	(12,095)			(437)
RSVA - Retail Transmission Connection Charge	1586			(105,217)	(35,499)	34,623			(876)
RSVA - Power (excluding Global Adjustment)	1588			18,650	15,741	(21,381)			(5,639)
RSVA - Power - Sub-account - Global Adjustment	1588			(38,974)	(155)	(448)			(603)
Recovery of Regulatory Asset Balances	1590			0	(23,382)		(23,382)		0
Disposition and Recovery/Refund of Regulatory Balances (2008) ⁵	1595			0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁵	1595			0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁵	1595	(223,580)		(85,514)	0	(98,865)	(48,926)		(49,939)
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		(223,580)	0	(624,772)	(52,339)	(79,697)	(72,308)	0	(59,728)
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		(223,580)	0	(585,798)	(52,184)	(79,249)	(72,308)	0	(59,125)
RSVA - Power - Sub-account - Global Adjustment	1588	0	0	(38,974)	(155)	(448)	0	0	(603)
Deferred Payments in Lieu of Taxes	1562			0	0				0
Total of Group 1 and Account 1562		(223,580)	0	(624,772)	(52,339)	(79,697)	(72,308)	0	(59,728)
Special Purpose Charge Assessment Variance Account ⁴	1521			0					0
LRAM Variance Account	1568			0					0
Total including Accounts 1562, 1521 and 1568		(223,580)	0	(624,772)	(52,339)	(79,697)	(72,308)	0	(59,728)

Board staff notes that in Niagara-on-the-Lake Hydro's 2010 IRM Decision, the Board ordered the Disposition of the December 31, 2008 Group 1 account balances plus projected carrying charges to April 30, 2010. Board staff notes that off-setting amounts to the transfer to Account 1595 in columns BE and BJ in the Rate Generator Model are missing for Accounts 1580, 1584, 1586 and 1588.

- Please explain why the amounts are missing.
- If necessary, please correct the continuity schedule in the Rate Generator Model.

² http://www.ontarioenergyboard.ca/OEB/Documents/2010EDR/dec_order_NOTL_20100331.pdf

3. Account 1595 - variance

Ref: Rate Generator Model

A portion of Sheet "5. 2013 Continuity Schedule" from the Rate Generator Model is reproduced below.

		Projected Interest on Dec-31-11 Balances			2.1.7 RRR	
Account Descriptions	Account Number	Projected Interest from Jan 1, 2012 to December 31, 2012 on Dec 31 -11 balance adjusted for disposition during 2012 ¹	Projected Interest from January 1, 2013 to April 30, 2013 on Dec 31 -11 balance adjusted for disposition during 2012 ²	Total Claim	As of Dec 31-11	Variance RRR vs. 2011 Balance (Principal + Interest)
Group 1 Accounts						
LV Variance Account	1550	0	0	0	0	0
RSVA - Wholesale Market Service Charge	1580	(8,301)	(2,767)	(583,054)	(571,986)	0
RSVA - Retail Transmission Network Charge	1584	189	63	12,750	12,498	0
RSVA - Retail Transmission Connection Charge	1586	(1,076)	(359)	(75,974)	(74,539)	0
RSVA - Power (excluding Global Adjustment)	1588	8,186	2,729	571,952	561,037	(0)
RSVA - Power - Sub-account - Global Adjustment	1588	6,222	2,074	433,645	425,349	0
Recovery of Regulatory Asset Balances	1590	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2008) ⁵	1595	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁵	1595	0	0	0	54,152	54,152
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁵	1595	(335)	(112)	(26,246)	(23,227)	2,572
Group 1 Sub Total (including Account 1588 - Global Adjustment)		4,885	1,628	333,073	383,285	56,725
Group 1 Sub Total (excluding Account 1588 - Global Adjustment)		(1,338)	(446)	(100,572)	(42,064)	56,724
RSVA - Power - Sub-account - Global Adjustment	1588	6,222	2,074	433,645	425,349	0
Deferred Payments in Lieu of Taxes	1562	0	0	0	316,682	316,682
Total of Group 1 and Account 1562		4,885	1,628	333,073	699,967	373,406
Special Purpose Charge Assessment Variance Account ⁴	1521			0	(2,809)	(2,809)
LRAM Variance Account	1568	0	0	0		0
Total including Accounts 1562, 1521 and 1568		4,885	1,628	333,073	697,158	370,597

Board staff notes that the Variance (last column) indicated for Account 1595 is a net amount of \$56,724 (\$54,152 + \$2,572).

- Please reconcile and explain the variance.
- If necessary, please correct the continuity schedule in the Rate Generator Model.

4. Non-Loss Adjusted Metered Billed kWh and 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	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
Residential	kWh	67,755,761		1.0463		70,892,853	-
General Service Less Than 50 kW	kWh	34,155,077		1.0463		35,736,457	-
General Service 50 to 4,999 kW	kW	37,483,321	99,613		51.57%	37,483,321	99,613
General Service 50 to 4,999 kW – Interval Metered	kW	43,067,064	92,294		63.96%	43,067,064	92,294
Unmetered Scattered Load	kWh	219,039		1.0463		229,181	-
Street Lighting	kW	1,152,321	1,291		122.34%	1,152,321	1,291

- 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 NOTL’s Board-approved loss factor.