

**Hearst Power Distribution Company Limited (“Hearst Power”)
2013 IRM Rate Application
EB-2012-0131
Board Staff Interrogatories**

RTSR Adjustment Work Form

1. Ref: A portion of Sheet 4 “RRR Data” is reproduced below.

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor
Residential	kWh	24,683,731		1.0460
General Service Less Than 50 kW	kWh	11,733,931		1.0460
General Service 50 to 1,499 kW	kW	21,393,658	61,594	
Intermediate With Self Generation	kW	19,894,788	63,248	
Sentinel Lighting	kW	19,503	72	
Street Lighting	kW	1,009,531	3,089	

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 Hearst Power’s Board-approved loss factor.

2013 IRM Rate Generator

2. Ref: A portion of Sheet 3 “Rate Class Selection” from the Rate Generator is reproduced below

	Rate Class Classification
1	Residential
2	General Service Less Than 50 kW
3	General Service 50 to 1,499 kW
4	General Service 1,500 to 4,999 kW
5	Sentinel Lighting
6	Street Lighting
7	MicroFit

a) Board staff notes that the rate class classification for “General Service 1,500 to 4,999 kW” does not match CHE’s current Tariff of Rates and Charges. Staff believes the correct rate class classification is “Intermediate Users”. If this is an error, Board staff will make the necessary correction.

3. *Ref: A portion of the Street Lighting rate class Sheet 4 “Current Tariff Schedule” is reproduced below*

Street Lighting Service Classification		
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2013	\$/kW	(3.1322)
Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2015	\$/kW	(0.9151)

- a) Board staff has been unable to confirm the “Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2013 - \$(3.1322)” for the Street Lighting rate class with Hearst Power’s last Board-approved Tariff of Rates and Charges. Board staff believes the correct rate is “Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2013 - \$(3.1332)”. Please confirm and, if necessary, Board staff will make the change to the model.

4. Ref: A portion of Sheet 5 "2013 Continuity Schedule" is reproduced below

		2.1.7 RRR	
Account Descriptions	Account Number	As of Dec 31-11	Variance RRR vs. 2011 Balance (Principal + Interest)
Group 1 Accounts			
LV Variance Account	1550	36,647	0
RSVA - Wholesale Market Service Charge	1580	(184,729)	(0)
RSVA - Retail Transmission Network Charge	1584	(14,798)	(1)
RSVA - Retail Transmission Connection Charge	1586	(178,228)	0
RSVA - Power (excluding Global Adjustment)	1588	(295,832)	146,536
RSVA - Power - Sub-account - Global Adjustment	1588		(202,262)
Recovery of Regulatory Asset Balances	1590	(993)	108,733
Disposition and Recovery/Refund of Regulatory Balances (2008) ⁵	1595		0
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁵	1595		0
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁵	1595		0
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		(637,933)	53,007
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		(637,933)	255,269
RSVA - Power - Sub-account - Global Adjustment	1588	0	(202,262)
Deferred Payments in Lieu of Taxes	1562		0
Total of Group 1 and Account 1562		(637,933)	53,007
Special Purpose Charge Assessment Variance Account⁴	1521		0
LRAM Variance Account	1568		0
Total including Accounts 1562, 1521 and 1568		(637,933)	53,007

- a) Board staff notes that Account 1588 "RSVA – Power Sub-account – Global Adjustment" shows a variance of \$(202,262). Please provide an explanation for the variance.
- b) Board staff notes that Account 1590 "Recovery of Regulatory Asset Balances" shows a variance of \$108,733. Please provide an explanation for the variance.
- c) Board staff notes that Hearst Power did not enter any amounts for "Disposition and Recovery/Refund of Regulatory Balances" (Account 1595) in the "2.1.7 RRR" (Column CG).

Board staff notes that the corresponding amount reported by Hearst Power in the audited 2.1.7 trial balance is \$(715,324). If this is an error, Board staff will make the relevant correction.

5. Ref: A portion of Sheet 5 "2013 Continuity Schedule" is reproduced below
Ref: 2012 IRM Decision and Order EB-2011-0171, page 9

Board staff notes that Hearst Power did not enter any amounts approved in the 2012 IRM application (EB-2011-0171) for disposition of Group 1 Accounts (Columns BZ and CA).

Account Descriptions		2012			
		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	1550			34,885	1,763
RSVA - Wholesale Market Service Charge	1580			(176,331)	(8,398)
RSVA - Retail Transmission Network Charge	1584			(13,927)	(871)
RSVA - Retail Transmission Connection Charge	1586			(169,261)	(8,967)
RSVA - Power (excluding Global Adjustment)	1588			(356,200)	(86,168)
RSVA - Power - Sub-account - Global Adjustment	1588			205,822	(3,560)
Recovery of Regulatory Asset Balances	1590			(106,741)	(2,985)
Disposition and Recovery/Refund of Regulatory Balances (2008) ⁵	1595			0	0
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁵	1595			0	0
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁵	1595			0	0
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		0	0	(581,753)	(109,187)
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		0	0	(787,575)	(105,627)
RSVA - Power - Sub-account - Global Adjustment	1588	0	0	205,822	(3,560)
Deferred Payments in Lieu of Taxes	1562			0	0
Total of Group 1 and Account 1562		0	0	(581,753)	(109,187)
Special Purpose Charge Assessment Variance Account⁴	1521			0	0
LRAM Variance Account	1568			0	0
Total including Accounts 1562, 1521 and 1568		0	0	(581,753)	(109,187)

a) If this is an error, please provide the missing information and Board staff will make the necessary corrections.

6. A portion of Sheet 6 "Billing Det. for Def-Var" is reproduced below

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue ¹
Residential	\$/kWh	25,225,707		1,577,596	0	684,802
General Service Less Than 50 kW	\$/kWh	11,529,904		1,116,135	0	180,814
General Service 50 to 1,499 kW	\$/kW	17,814,537	49,410	16,326,499	45,283	190,767
General Service 1,500 to 4,999 kW	\$/kW	18,248,907	59,337	18,248,907	59,337	84,088
Sentinel Lighting	\$/kW	20,027	57		0	1,075
Street Lighting	\$/kW	1,008,852	3,092	1,088,852	3,337	66,336
MicroFit						
Total		73,847,934	111,896	38,357,989	107,957	1,207,882

- a) Board staff is unable to reconcile the Metered kWh (Column C), Metered kW (Column D) figures Hearst Power provided with the reported amounts in Hearst Power's 2.1.5 RRR (as at December 31, 2011) or with those in the 2010 cost of service decision (EB-2009-0266) for all customer classes.

Please provide supporting evidence and justification for the following figures for all rate classes.

7. A portion of Sheet 11 "Proposed Rates" is reproduced below

RESIDENTIAL SERVICE CLASSIFICATION		
MONTHLY RATES AND CHARGES - Delivery Component		
Rate Rider for Deferral/Variance Account Disposition (2013) - effective until May 01, 2014	\$/kWh	(0.0107)
Rate Rider for Global Adjustment Sub-Account Disposition (2013) - effective until May 01, 2014 Applicable only for Non-RPP Customers	\$/kWh	0.0054

In the Manager's Summary, Heart Power notes that the disposition of the balances of qualifying Group 1 variance and deferral accounts as at December 31, 2011 is by means of rate riders effective for one year ending April 30, 2014 (page 2 of 3). Board staff notes that on Sheet 11 of the Rate Generator, the rate riders for Deferral/Variance Account Disposition (2013) and for Global Adjustment Sub-Account Disposition (2013) for all rate classes show effective until May 1, 2014. If this is an error, Board staff will make the necessary corrections.

2013 IRM3 Tax Sharing Model

8. A portion of Sheet 3 “Re-Based Bill Det and Rates” is reproduced below

Last COS Re-based Year was in 2010						
Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C
RES	Residential	Customer	kWh	2,322	26,267,362	
GSLT50	General Service Less Than 50 kW	Customer	kWh	391	12,405,535	
GSGT50	General Service 50 to 1,499 kW	Customer	kW	38		53,176
GSGT50	Intermediate With Self Generation	Customer	kW	3		59,721
Sen	Street Lighting	Connection	kW	10		72
SL	Street Lighting	Connection	kW	922		3,084

- a) Board staff has been unable to reconcile the figure entered into the column “B” for the residential class with the Board-approved load forecast from Heart Power’s last cost of service application (EB-2009-0266). Board staff believes that the figure is “26,627,362”. Please provide evidence supporting this amount. If this is an error, Board staff will make the necessary change to the model.