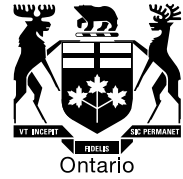


**Ontario Energy
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BY E-MAIL

October 25, 2012

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

Dear Ms. Walli:

**Re: Entegrus Powerlines Inc.
2013 IRM3 Rate Application
Board Staff Interrogatories
Board File No. EB-2012-0119**

In accordance with the procedure documented in the Notice of Application and Hearing, please find attached Board staff's interrogatories in the above proceeding with respect to Entegrus Powerlines Inc.'s 2013 IRM3 Rate Application.

Yours truly,

Stephen Vetsis
Analyst – Applications & Regulatory Audit

Encl.

**Board Staff Interrogatories
2013 IRM3 Rate Application
Entegrus Powerlines Inc. ("Entegrus")
EB-2012-0119**

Chatham-Kent

2013 IRM Rate Generator Model

Board Staff Interrogatory No. 1

Ref: Section 2.2, Manager's Summary, Application – Page 9

Ref: Chatham-Kent 2013 IRM Rate Generator Model – Sheet 5

Ref: Exhibit 9, Tab 1, Schedule 1, Application, EB-2009-0261 – Page 7

On page 9 of the Manager's Summary for the Application, Entegrus states:

In EB-2009-0261, the former CKH was approved to dispose of a refund of \$1,620,158 to all customers Group 1 Account balances in the form of a rate rider commencing May 1, 2010 and expiring April 30, 2011. Upon expiration of this rider on April 30, 2011, a residual balance of \$179,318 due from customers remained. This amount has been included in this Application on line 33 of tab "5. 2013 Continuity Schedule."

The table from page 7 of Exhibit 9, Tab 1, Schedule 1 of BCP's 2010 cost of service application (EB-2009-0261) is reproduced below.

Account Description	Account Number	Closing Principal Balance as of Dec-31-08	Closing Interest Amounts as of Dec-31-08	Total Principle and Interest
RSVA - Wholesale Market Service Charge	1580	(1,837,213.8)	(65,471.5)	(1,902,685.4)
RSVA - One-time Wholesale Market Service	1582	50,162.0	8,284.1	58,446.1
RSVA - Retail Transmission Network Charge	1584	482,989.8	24,628.6	507,618.4
RSVA - Retail Transmission Connection Charge	1586	(1,124,316.1)	(99,366.5)	(1,223,682.7)
RSVA - Power (including Global Adjustment)	1588	1,134,049.9	63,905.8	1,197,955.7
Sub-Totals		(1,294,328.3)	(68,019.5)	(1,362,347.8)
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	86,973.5	9,087.7	96,061.2
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	230,244.5	24,396.7	254,641.3
Other Regulatory Assets - Sub-Account - Other	1508	\$ -	\$ -	\$ -
Other Regulatory Assets - Sub-Account - Other	1508	547,970.5	9,497.5	557,468.0
Other Regulatory Assets - Sub-Account - Other	1508	16,954.9	1,176.0	18,130.9
Retail Cost Variance Account - Retail	1518	(152,680.9)	(9,127.2)	(161,808.0)
Misc. Deferred Debits	1525	27,418.1	1,274.1	28,692.1
Retail Cost Variance Account - STR	1548	102,572.6	7,653.1	110,225.8
LV Variance Account	1550	(209,999.2)	23,715.2	(186,284.0)
Qualifying Transition Costs	1570	13,100.0	1,140.7	14,240.7
Extra-Ordinary Event Costs	1572	93,462.8	8,138.3	101,601.0
Deferred Rate Impact Amounts	1574	\$ -	\$ -	\$ -
Recovery of Regulatory Asset Balances	1590	80,690.2	53,863.6	134,553.8
Other Deferred Credits	2425	\$ -	\$ -	\$ -
Sub-Totals		836,707.0	130,815.7	967,522.6
Total Regulatory Assets		(457,621.3)	62,796.2	(394,825.1)

Sheet 5 of the 2013 IRM Rate Generator Model states:

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2013 DVA schedule below will be the balance sheet date as per your G/L for which you received approval. For example, if in the 2012 EDR process (CoS or IRM) you received approved for the December 31, 2010 balances, the starting point for your entries below should be the adjustment column BF for principal and column BK for interest.

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

		2010									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-10	Transactions Debit / (Credit) during 2010 excluding interest and adjustments ²	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	(218,351)	(47,169)			(265,520)	(183)	(2,625)			(2,808)
RSVA - Wholesale Market Service Charge	1580	(185,431)	(760,794)			(947,225)	2,387	(6,994)			(4,607)
RSVA - Retail Transmission Network Charge	1584	10,715	244,593			255,307	(594)	1,773			1,189
RSVA - Retail Transmission Connection Charge	1586	73,011	177,099			250,110	2,795	(407)			2,308
RSVA - Power (excluding Global Adjustment)	1588	(347,795)	619,286			584,501	1,784	5,655			7,439
RSVA - Power - Sub-account - Global Adjustment	1588	638,953	(115,438)			583,515	2,281	2,133			4,414
Recovery of Regulatory Asset Balances	1590	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2008) ⁵	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁵	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁵	1595	0				0	0				0
			(526,118)			(526,118)					0
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		343,111	(408,541)	0	0	(65,429)	8,480	(545)	0	0	7,935
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		(355,841)	(233,103)	0	0	(848,945)	6,199	(2,678)	0	0	3,521
RSVA - Power - Sub-account - Global Adjustment	1588	638,953	(115,438)	0	0	583,515	2,281	2,133	0	0	4,414
Deferred Payments in Lieu of Taxes	1562	0				0	0				0
Total of Group 1 and Account 1562		343,111	(408,541)	0	0	(65,429)	8,480	(545)	0	0	7,935
Special Purpose Charge Assessment Variance Account⁴	1521					0					0
LRAM Variance Account	1568					0					0
Total including Accounts 1562, 1521 and 1568		343,111	(408,541)	0	0	(65,429)	8,480	(545)	0	0	7,935

Additionally, a section 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	(39,569)	0
RSVA - Wholesale Market Service Charge	1580	(1,597,699)	0
RSVA - Retail Transmission Network Charge	1584	585,186	0
RSVA - Retail Transmission Connection Charge	1586	679,005	0
RSVA - Power (excluding Global Adjustment)	1588	120,041	0
RSVA - Power - Sub-account - Global Adjustment	1588	1,372,402	(0)
Recovery of Regulatory Asset Balances	1590	0	0
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	(109,894)	(289,212)

Board staff is unable to reconcile the continuity schedule provided for account 1595 with the amounts approved for disposition by the Board in Chatham-Kent's last cost of service application. Board staff also notes that the continuity schedule provided for account 1595 for the Chatham-Kent service area shows a credit variance of \$289,212 when compared to the December 31, 2011 balance provided in Entegrus' 2.1.7 RRR filing.

- a) Please provide evidence in support of the overall \$1,620,128 refund to customers approved by the Board in Chatham-Kent's last cost of service application.
- b) Please provide an updated continuity schedule that appropriately reflects the Board approved transfer of deferral and variance account balances to account 1595 from Chatham-Kent's last cost of service application.
- c) Please reconcile the \$289,212 variance shown between the December 31, 2011 balance of account 1595 shown continuity schedule provided and the balance reported in Chatham-Kent's RRR 2.1.7 filing.

Board Staff Interrogatory No. 2

Ref: Chatham-Kent 2013 IRM Rate Generator Model – Sheet 6

Ref: Exhibit 9, Tab 1, Schedule 3, Application, EB-2009-0261 – Page 2

A section of Sheet 6 “Billing Det. for Def-Var” from Chatham-Kent's 2013 IRM Rate Generator Model is reproduced below.

Rate Class	Unit	Metered kWh	Metered kWh	Billed kWh for Non-RPP Customers	Estimated kWh for Non-RPP Customers	Distribution Revenue ¹	1590 Recovery Share Proportion*	1595 Recovery Share Proportion (2008) ²	1595 Recovery Share Proportion (2009) ²	1595 Recovery Share Proportion (2010) ²
17 Residential	\$/kWh	235,820,564		35,058,209	0	8,180,032				19.34%
18 General Service Less Than 50 kW	\$/kWh	96,444,412		13,446,492	0	2,322,407				12.80%
19 General Service 50 to 999 kW	\$/kWh	237,594,548	666,408	176,596,353	495,320	2,269,153				37.59%
20 General Service Intermediate 1,000 To 4,999 kW	\$/kWh	114,379,257	290,985	114,379,257	290,985	1,419,372				22.25%
21 Intermediate With Self Generation	\$/kWh	28,996,883	68,609	28,996,883	68,609	212,106				6.43%
22 Unmetered Scattered Load	\$/kWh	902,912			0	21,699				0.20%
23 Standby Power	\$/kWh				0					
24 Sentinel Lighting	\$/kWh	311,048	861	95,746	265	23,075				0.02%
25 Street Lighting	\$/kWh	6,592,773	19,516	6,592,773	19,516	212,174				1.38%
26 Microfit										
Total		721,042,597	1,046,579	575,165,713	874,695	14,660,018	0.00%	0.00%	0.00%	100.00%
										Balance as per Sheet 11
										Variance

The table on page 2 of Exhibit 9, Tab1, Schedule 3 of Chatham-Kent's 2010 cost of service application (EB-2009-0261) shows the allocation of deferral and account balances approved by the Board for disposition.

Board staff is unable to reconcile the percentages provided in the “1595 Recovery Share Proportion (2010)” column of Sheet 6 of the 2013 IRM Rate Generator Model for the Chatham-Kent service territory with the Board approved balances from Chatham-Kent's 2010 Cost of Service application.

- a) Please provide a description of the methodology used to derive these recovery shares.

Strathroy, Mount Brydges and Town of Parkhill (“SMP”)

2013 IRM Rate Generator Model

Board Staff Interrogatory No. 3

Ref: Section 2.2, Manager's Summary, Application – Page 9

Ref: SMP 2013 IRM Rate Generator Model – Sheet 5

Sheet 5 of the 2013 IRM Rate Generator Model states:

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2013 DVA schedule below will be the balance sheet date as per your G/L for which you received approved. For example, if in the 2012 EDR process (CoS or IRM) you received approved for the December 31, 2010 balances, the starting point for your entries below should be the adjustment column BF for principal and column BK for interest.

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

Account Descriptions	Account Number	2010										#
		Closing Interest Amount as of Dec-31-09	Opening Principal Amount as of Jan-1-10	Transactions Debit / Credit During 2010 excluding interest and adjustments ¹	Board-Approved Disposition during 2010	Adjustments during 2010 - other ²	Closing Principal Balance as of Dec-31-10	Opening Interest Amount as of Jan-1-10	Interest Jan-1 to Dec-31-10	Board-Approved Disposition during 2010	Adjustments during 2010 - other ²	Closing Interest Amount as of Dec-31-10
Group 1 Accounts												
LV Variance Account	1550	(36)	(29,870)	(15,753)			(36,423)	(36)	(281)			(291)
RSVA - Wholesale Market Service Charge	1500	(157)	(40,877)	(204,573)			(253,450)	(157)	(1,824)			(1,981)
RSVA - Retail Transmission Network Charge	1504	(114)	17,616	85,093			102,710	(114)	141			26
RSVA - Retail Transmission Connection Charge	1506	(27)	22,524	87,383			109,408	(27)	191			165
RSVA - Power (excluding Global Adjustment)	1558	203	(3,895)	43,024			39,139	203	977			1,205
RSVA - Power - Sub-account - Global Adjustment	1588	574	92,686	27,358			120,023	574	179			753
Recovery of Regulatory Asset Balances	1590	0	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2008) ³	1595	0	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2009) ³	1595	0	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2010) ³	1595	0	0	(102,416)			(102,416)	0				0
Group 1 Sub-Total (including Account 1588 - Global Adjustment)	538	58,874	(79,884)	0	0	0	(21,010)	538	202	0	0	740
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)	(36)	(33,791)	(107,242)	0	0	0	(141,033)	(36)	23	0	0	(13)
RSVA - Power - Sub-account - Global Adjustment	1588	574	92,686	27,358	0	0	120,023	574	179	0	0	753
Deferred Payments in Lieu of Taxes	1562	0	0				0	0				0
Total of Group 1 and Account 1562	538	58,874	(79,884)	0	0	0	(21,010)	538	202	0	0	740
Special Purpose Charge Assessment Variance Account ⁴	1521						0					0
LRAM Variance Account	1568						0					0
Total including Accounts 1562, 1521 and 1568	538	58,874	(79,884)	0	0	0	(21,010)	538	202	0	0	740

Additionally, a section of Sheet 5 “2013 Continuity Schedule” is reproduced below.

Account Descriptions	Account Number	Interest on Dec-31-11 Balances		2.1.7 RRR	
		Projected Interest from January 1, 2013 to April 30, 2013 on Dec 31 -11 balance adjusted for disposition during 2012 ¹	Total Claim	As of Dec 31-11	Variance RRR vs. 2011 Balance (Principal + Interest)
Group 1 Accounts					
LV Variance Account	1550	(9)	(1,947)	(39,341)	(0)
RSVA - Wholesale Market Service Charge	1580	(942)	(195,642)	(451,479)	0
RSVA - Retail Transmission Network Charge	1584	(17)	(3,289)	101,523	0
RSVA - Retail Transmission Connection Charge	1586	239	50,147	160,900	(0)
RSVA - Power (excluding Global Adjustment)	1588	625	132,601	130,099	0
RSVA - Power - Sub-account - Global Adjustment	1588	981	209,920	205,997	0
Recovery of Regulatory Asset Balances	1590		0		0
Disposition and Recovery/Refund of Regulatory Balances (2008) ³	1595		0		0
Disposition and Recovery/Refund of Regulatory Balances (2009) ³	1595		0		0
Disposition and Recovery/Refund of Regulatory Balances (2010) ³	1595		34,149	58,981	24,832
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		877	225,938	166,679	24,832
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		(104)	16,018	(39,318)	24,832
RSVA - Power - Sub-account - Global Adjustment	1588	981	209,920	205,997	0
Deferred Payments in Lieu of Taxes	1562	0	0		0
Total of Group 1 and Account 1562		877	225,938	166,679	24,832
Special Purpose Charge Assessment Variance Account ⁴	1521	0	0		0
LRAM Variance Account	1568	0	0		0
Total including Accounts 1562, 1521 and 1568		877	225,938	166,679	24,832

Board staff is unable to reconcile the continuity schedule provided for account 1595 with the amounts approved for disposition by the Board in Middlesex Main's

2010 IRM application. Board staff also notes that the continuity schedule provided for account 1595 for the SMP service area shows a debit variance of \$24,832 when compared to the December 31, 2011 balance provided in Middlesex's 2.1.7 RRR filing.

- a) Please provide an updated continuity schedule that appropriately reflects the Board approved transfer of deferral and variance account balances to account 1595 from Middlesex Main's 2010 IRM application.
- b) Please reconcile the \$24,832 variance shown between the December 31, 2011 balance of account 1595 shown continuity schedule provided and the balance reported in Middlesex Main's RRR 2.1.7 filing.

Board Staff Interrogatory No. 4

Ref: SMP 2013 IRM Rate Generator Model – Sheet 6

Ref: Response to Board Staff Interrogatories, EB-2009-0202 – Page 27

A section of Sheet 6 “Billing Det. for Def-Var” from SMP’s 2013 IRM Rate Generator Model 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	1590 Recovery Share Proportion*	1595 Recovery Share Proportion (2008) ²	1595 Recovery Share Proportion (2009) ²	1595 Recovery Share Proportion (2010) ²
Residential	\$/kWh	57,560,954		10,381,922	0	1,994,797				30.56%
General Service Less Than 50 kW	\$/kWh	17,572,286		2,537,466	0	243,792				10.85%
General Service 50 to 4,999 kW	\$/kW	93,983,144	235,544	87,970,884	220,476	307,253				46.55%
Large Use	\$/kW	34,298,990	63,836	34,298,990	63,836	9,335				11.46%
Unmetered Scattered Load	\$/kWh	936,500		63,837	0	7,216				
Sentinel Lighting	\$/kW	41,908	117	8,860	25	218				0.03%
Street Lighting	\$/kW	1,458,104	4,316	1,458,104	4,316	5,887				0.75%
Microfit										
Total		205,231,886	303,833	136,720,063	288,673	2,568,438	0.00%	0.00%	0.00%	100.00%

Balance as per Sheet 5
Variance

The table showing the allocation of deferral and account balances from Middlesex Main's 2010 IRM application (EB-2009-0202) is reproduced below.

Calculation of Regulatory Asset Recovery Rate Rider

Rate Rider Recovery Period - Years

One

Rate Rider Effective To Date

April 30, 2011

Rate Class	Vol Metric	Billed kWh A	Billed kW B	kWh C	Non-RPP D	1590 E	1595 F	Total G = C + D + E + F	Rate Rider kWh H = G / A (kWh) or H = G / B (kW)
Residential	kWh	57,013,718	0	(183,026)	25,704	(8,705)	0	(166,027)	(0.00291)
General Service Less Than 50 kW	kWh	20,650,087	0	(66,291)	7,342	(2,240)	0	(61,189)	(0.00296)
General Service 50 to 4,999 kW	kW	89,348,572	244,554	(286,827)	160,575	(7,162)	0	(133,434)	(0.54562)
Large Use	kW	22,647,906	51,576	(72,704)	40,702	315	0	(31,687)	(0.61438)
Unmetered Scattered Load	kWh	0	0	0	0	0	0	0	0.00000
Sentinel Lighting	kW	42,320	118	(136)	0	(24)	0	(160)	(1.35670)
Street Lighting	kW	1,452,618	4,316	(4,663)	0	(71)	0	(4,735)	(1.09700)
		191,155,221	300,564	(613,647)	234,323	(17,908)	0	(397,231)	

Board staff is unable to reconcile the data provided in the 1595 Recovery Share Proportion (2010) column of Sheet 6 of the 2013 IRM Rate Generator Model for the SMP service territory with the Board approved balances from Middlesex Main's 2010 IRM application.

- a) Please provide a description of the methodology used to derive these recovery shares.

Village of Dutton

2013 IRM Rate Generator Model

Board Staff Interrogatory No. 5

Ref: Dutton 2013 IRM Rate Generator - Sheet 4

A section of Sheet 4 “Current Tariff Schedule” from the 2013 IRM Rate Generator Model filed for the Dutton service area is reproduced below.

MONTHLY RATES AND CHARGES - Delivery Component (If applicable, Effective Date MUST be included in rate description)		
Service Charge	\$	12.96
Distribution Volumetric Rate	\$/kWh	0.0122
Low Voltage Service Rate	\$/kWh	0.0014
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – Effective until April 30, 2014 Applicable only for Non-RPP Customers	\$/kWh	0.0062
Rate Rider for Deferral/Variance Account Disposition (2011) – Effective until April 30, 2014	\$/kWh	0.0065
Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013	\$/kWh	0.0040

Entegrus’ current Board-approved tariff indicates that the Rate Rider for Deferral/Variance Account Disposition (2011) and Rate Rider for Global Adjustment Sub-Account Disposition (2012) for all applicable classes in the Dutton service area are effective until April 30, 2015. The 2013 IRM Rate Generator Model filed for the Dutton Service Board staff indicates that these rate riders are effective until April 30, 2014.

- a) Please confirm the indicated effective dates for these rate riders. If the data was entered in error, please indicate the error and Board staff will make the required changes to the model.

Board Staff Interrogatory No. 6

Ref: Dutton 2013 IRM Rate Generator - Sheet 6

Ref: RRR Reconciliation, Application – Attachment J

A section of Sheet 6 “Billing Det. for Def. Var.” from the 2013 IRM Rate Generator Model filed for the Dutton service area is reproduced below.

Rate Class	Unit	Metered kWh	Metered kW
16 Residential	\$/kWh	4,677,383	
18 General Service Less Than 50 kW	\$/kWh	3,394,405	
19 Sentinel Lighting	\$/kW	881	2
20 Street Lighting	\$/kW	115,944	343
21 MicroFit			
22			
23			
Total		8,188,613	345

The reconciliation table provided in attachment J shows 3,384,817 kWh as the billing determinant for the GS < 50 kW class in the Dutton service area.

- a) Please confirm the correct metered kWh for the GS < 50 kW class in the Dutton service area. If the data was entered in error, please indicate the error and Board staff will make the required changes to the model.

Application

Board Staff Interrogatory No. 7

Ref: RRR Reconciliation, Application - Attachment J

In attachment J, Entegrus has provided reconciliations of its RRR customer counts and billing determinants by service territory of the former Middlesex Power Distribution Corp. In each of the tables, Entegrus has provided data for the Unmetered Scattered Load class for the Dutton service area. The Unmetered Scattered Load class for the Dutton service area does not appear on Entegrus' current Board approved tariff of rates and charges.

- a) Please confirm whether or not Entegrus has any current customers in the Unmetered Scattered Load class in the Dutton service area. If the values in the tables found in attachment J were included for the Dutton service territory in error, please indicate to which service territory the data applies.