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BY E-MAIL

December 3, 2012

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

Dear Ms. Walli:

**Re: Norfolk Power Distribution Inc. ("Norfolk Power")
Application for 2013 Distribution Rates
Board Staff Interrogatories
Board File Number: EB-2012-0151**

In accordance with the Notice of Application and Hearing, please find attached Board Staff Interrogatories in the above proceeding.

As a reminder, Norfolk Power's responses to interrogatories are due by December 17, 2012.

Yours truly,

Original Signed By

Marc Abramovitz
Advisor – Applications & Regulatory Audit

Encl.

**Norfolk Power Distribution Inc.
2013 IRM Rate Application
Board Staff Interrogatories**

1. Ref: 2013 IRM3 Tax Savings Work Form, Sheet #5

**Ref: Norfolk Power's response to comments on Draft Rate Order (DRO),
Page 14 (EB-2011-0272, March 19, 2011)**

Board Staff notes that the regulatory taxable income and resulting tax impact entered on Sheet #5 of the 2013 IRM3 Tax Savings Work Form is \$1,402,440 and \$237,744 respectively. These are not identical with the amounts approved by the Board in Norfolk Power's 2012 Cost of Service case(EB-2011-0272 of \$1,259,998 and \$292,320 respectively).

Below is a copy of page 14 of Norfolk Power's response to comments on its draft rate order (EB-2011-0272, March 19, 2011).

2012 Capital Taxes			2012 PILs Schedule			2012 Total Taxes	
Description	OCT	LCT	Description	Source or Input	Tax Payable	Description	Tax Payable
Total Rate Base	59,453,947	59,453,947	Accounting Income	10' Rev Def	2,439,200	Total PILs	270,320
Exemption	-15,000,000	0	Tax Adj to Accounting Income	10' Rev Def	(1,179,201)	Net Capital Tax Payable	-
Deemed Taxable Capital	44,453,947	59,453,947	Taxable Income		1,259,998	PILs including Capital Taxes	270,320
Rate	0.000%	0.000%	Combined Income Tax Rate	PILs Rates	23.200%		
Gross Tax Payable	0	0	Total Income Taxes		292,320		
Surtax	0	0	Investment Tax Credits				
Net Capital Tax Payable	0	0	Apprentice Tax Credits		22,000		
			Other Tax Credits				
			Total PILs		270,320		

- a) Please confirm the correct 2012 regulatory taxable income.
- b) If this amount differs from the 2012 Board approved amount, please provide an explanation reconciling the difference.

Note: If needed, please update the tax sharing workform.

2. Ref: 2013 IRM3 RTSR Work form, Sheet #4

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 Norfolk Power'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	145,220,158	-			145,220,158	-
General Service Less Than 50 kW	kWh	60,083,400	-			60,083,400	-
General Service 50 to 4,999 kW	kW	160,134,862	339,114		64.72%	160,134,862	339,114
Unmetered Scattered Load	kWh	475,017	-			475,017	-
Sentinel Lighting	kW	313,766	870		49.43%	313,766	870
Street Lighting	kW	3,084,838	9,350		45.22%	3,084,838	9,350
Embedded Distributor	kWh	-	-			-	-

3. Ref: 2013 IRM3 RTSR Work form, Sheet #4

Ref: Appendix D of Norfolk Power's Proposed Settlement Agreement,
Page 52 (EB-2011-0272, February 2, 2012)

Appendix D of the proposed settlement agreement displays a 2012 weather normalized load forecast for the General Service 50 to 4,999 kW class of 130,806,348 kWh.

Please reconcile the difference between the non-loss adjusted metered kWh for the General Service 50 to 4,999 kW class entered on Sheet 4 of the RTSR model and the approved 2012 forecast.

4. Ref: Manager's Summary, Page 8 – Embedded Distributor

In its 2012 COS Application (EB-2011-0272) Norfolk requested, and was approved for Retail Transmission Service Rates for its Embedded Distributor class. The five customers within this class have five primary meter points ("PMEs"), each owned by Hydro One. Norfolk stated in the current application that subsequent to the approval of the 2012 rate application, Hydro One clarified with Norfolk that because Norfolk does not own the assets upstream of these PMEs, Norfolk is not charged a transmission rate and therefore should not be charging Hydro One RTSR rates. Norfolk therefore requested approval to remove the RTSR rates from the Board Approved Embedded Distributor Tariff of Rates and Charges.

- a) Please provide an email or letter from Hydro One verifying the description of the situation.
- b) Please confirm that Norfolk Power's wholesale invoice from the IESO does not include network and connection transmission charges for its embedded distributor class.
- c) Please confirm that Norfolk Power does not anticipate any new embedded distributors or PMEs in the future.

- d) How does Norfolk Power propose to deal with the disposition of Account 1584 and Account 1586 balances for the Embedded Distributor class?

5. Ref: 2013 IRM3 Rate Generator Model, Sheet #8

On sheet #8 of the IRM rate generator model, a credit balance of \$88,370 was allocated to the Embedded Distributor class. However, no rate rider was calculated for that class because Norfolk Power entered a billing determinant (billed kWh) that did not match the selected unit (\$/kW – cell b23 on sheet #6).

- a) Please explain if Norfolk Power meant not to allocate any of the Group 1 balance to the Embedded Distributors class.
- b) If this was a typographical error, please select the correct unit on sheet #6, cell b23.

6. Ref: Manager's Summary, Pages 11-12, LRAM

Norfolk Power has requested an LRAM recovery over a one-year period beginning May 1, 2013. Norfolk Power is requesting approval of an LRAM amount of \$95,375, which includes \$2,669 in carrying charges, for lost revenues incurred in 2011 from CDM programs implemented between 2005 and 2010.

- a) Please provide a table that clearly shows the lost revenues requested in this application by the year they are associated with for programs implemented between 2005 and 2010. Please provide separate tables for each rate class. Use the table below as an example.

Program Years	Years that lost revenues took place
	2011
2005	\$xxx
2006	\$xxx
2007	\$xxx
2008	\$xxx
2009	\$xxx
2010	\$xxx

7. Ref: Manager's Summary, Pages 12-13, Account 1568 - LRAMVA
Ref: IndEco Consulting Inc. Third Party Review, Page 10, Table 6

Norfolk Power has requested an LRAMVA recovery over a one-year period, beginning May 1, 2013. Norfolk Power is requesting approval of an LRAMVA amount of \$15,691, which includes \$439 in carrying charges, for lost revenues incurred in 2011 from CDM programs implemented in 2011.

- a) Please confirm that Norfolk Power has relied on the final 2011 net savings results from the OPA when calculating its LRAMVA amount.
- b) If Norfolk Power has not relied on the final 2011 net savings results, please discuss what supporting documentation it has used.
- c) Please confirm that Norfolk Power's 2008 Board-approved load forecast was not adjusted to account for CDM effects. If the 2008 load forecast was adjusted for CDM effects, please identify and explain the adjustments that were made.
- d) Board staff was unable to confirm the 2011 net energy savings for the GS<50 kW rate class programs 2011 Pre-2011 HPNC in 2011 (970 kWh) and 2011 Pre-2011 ERIP in 2011 (33,113 kWh). Board staff was also unable to confirm the net demand savings for the GS 50-4999 kW rate class programs 2011 Pre-2011 ERIP in 2011 (241 kW) and 2011 EERI Industrial (169 kW). Please provide supporting evidence for these programs' net savings figures.

Table 6 – Net energy savings and demand savings by rate class for programs associated with LRAMVA claim

Rate class	Program	Units	2010	2011	2012	kWh total	kW-mo total
Residential	2011 Appliance Exchange	kWh	0	2,667	0	2,667	
	2011 Appliance Retirement	kWh	0	82,647	0	82,647	
	2011 Bi-Annual Retailer Event	kWh	0	102,715	0	102,715	
	2011 Conservation Instant Coupon	kWh	0	68,005	0	68,005	
	2011 HVAC Incentives	kWh	0	170,611	0	170,611	
	2011 Residential New Construction	kWh	0	743	0	743	
Residential total			0	427,388	0	427,388	
GS <50 kW	2011 Direct Install Lighting	kWh	0	302,840	0	302,840	
	2011 EERI C&I	kWh	0	69,107	0	69,107	
	2011 Pre-2011 HPNC in 2011	kWh	0	970	0	970	
	2011 Pre-2011 ERIP in 2011	kWh	0	33,113	0	33,113	
GS < 50 kW total			0	406,030	0	406,030	
GS 50 - 4999 kW	2011 Pre-2011 ERIP in 2011	kW-mo	0	241	0		241
	2011 EERI Industrial	kW-mo	0	169	0		169
GS 50 - 4999 kW total			0	410	0		410
Portfolio total						833,418	410