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BY E-MAIL

December 5, 2012

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

Dear Ms. Walli:

**Re: Cambridge and North Dumfries Hydro Inc.
2013 IRM Distribution Rate Application
Board Staff Interrogatories
Board File No. EB-2012-0111**

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

In addition please advise Cambridge and North Dumfries Hydro Inc. that responses to interrogatories are due by January 14, 2013.

Yours truly,

Original Signed By

Suresh Advani

Encl.

**Cambridge and North Dumfries Hydro Inc.
2013 Electricity Distribution Rates
EB-2012-0111
Board Staff Interrogatories**

1. Regulatory Component

Ref: Rate Generator Model

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

Embedded Distributor Service Classification

MONTHLY RATES AND CHARGES - Regulatory Component

| | | |
|---|--------|--------|
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge - effective until April 30, 2012 | \$/kWh | 0.0013 |
| Rural Rate Protection Charge - effective on and after May 1, 2012 | \$/kWh | 0.0011 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

Board staff notes that the Regulatory Component of Monthly Rates and Charges, i.e. Wholesale Market Service Rate, Rural Rate Protection Charge and Standard Supply Service Administrative Charge do not apply to the Embedded Distributor Service Classification. Board staff further notes that this is reflected in Cambridge and North Dumfries Hydro’s (“CND”) current tariff¹.

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

¹

http://www.rds.ontarioenergyboard.ca/webdrawer/webdrawer.dll/webdrawer/rec/359979/view/final_rate_or_der_CambridgeNorthDumfries_20120823.PDF

2. Rate Riders for Deferral/Variance Account Disposition (2013) and Global Adjustment Sub-Account Disposition (2013)

Ref: Rate Generator Model

A portion of Sheet “11. Proposed Rates” from the Rate Generator Model is reproduced below.

Rate Rider for Deferral/Variance Account Disposition (2013) - effective until May 01, 2014

Rate Rider for Global Adjustment Sub-Account Disposition (2013) - effective until May 01, 2014

A portion of Sheet “13. Final Tariff Schedule” from the Rate Generator Model is reproduced below.

Rate Rider for Deferral/Variance Account Disposition (2013) - effective until May 01, 2014

Rate Rider for Global Adjustment Sub-Account Disposition (2013) - effective until May 01, 2014

A portion of Sheet “8. Calculation of Def-Var RR” from the Rate Generator Model is reproduced below.

Please indicate the Rate Rider Recovery Period (in years)

1

Board staff notes that the “Effective until” date for the “Rate Rider for Deferral/Variance Account Disposition (2013)” and “Rate Rider for Global Adjustment Sub-Account Disposition (2013)” for all rate classifications is shown as May 01, 2014.

Board staff further notes that a disposition period of one year effective from May 1, 2013 will be effective until April 30, 2014.

- a. If the input into the Rate Generator model is an error, Board staff will make the necessary corrections.

3. Group 1 Accounts

Ref: Rate Generator Model

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

| 2011 | | | | | | | | | | | | | 2012 | | | | Projected Interest on Dec-31-11 Balances | | Total Claim |
|---|--|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|---|--|-----------------------------|--|-----------------------------------|---|---|--|---|--|--|---|-------------|
| Opening Principal Amount as of Jan 1/11 | Transactions (Credit) during 2011 excluding interest and adjustments * | Board Approved Disposition during 2011 | Okkas * Adjustments during Q1 2011 | Okkas * Adjustments during Q2 2011 | Okkas * Adjustments during Q3 2011 | Okkas * Adjustments during Q4 2011 | Closing Principal Balance as of Dec-31-11 | Opening Interest Amount as of Jan 1/11 | Interest Jan 1 to Dec-31-11 | Board Approved Disposition during 2011 | Adjustments during 2011 - other * | Closing Interest Amount as of Dec-31-11 | Principal Disposition during 2012 instructed by Board | Interest Disposition during 2012 instructed by Board | Closing Principal Balance as of Dec 31-11 Adjusted for Dispositions | Closing Interest Balance as of Dec 31-11 Adjusted for Dispositions | Projected Interest from Jan 1, 2012 to December 31, 2012 on Dec 31-11 balance adjusted for disposition during 2012 * | Projected Interest from January 1, 2013 to April 30, 2013 on Dec 31-11 balance adjusted for disposition during 2012 * | |
| 42,059 | 87,200 | | | | | | 127,886 | 14,548 | 1,322 | | | 13,214 | | | 127,886 | 13,214 | 1,863 | | 132,811 |
| (2,251,043) | (743,073) | | | | | | (2,763,897) | 33,536 | 181,722 | | | (13,988) | | | (2,763,897) | (13,974) | 181,820 | | (2,896,051) |
| 1,381,050 | 1,330,362 | | | | | | 2,462,040 | 15,544 | 23,739 | | | 45,242 | | | 2,462,040 | 45,242 | 26,332 | | 2,543,614 |
| 126,490 | 576,436 | | | | | | 673,264 | 23,240 | 1,263 | | | 30,703 | | | 673,264 | 30,703 | 3,937 | | 718,624 |
| (241,912) | 100,894 | | | | | | (141,018) | 46,362 | 13,799 | | | 42,561 | | | (141,018) | 42,561 | (2,073) | | (100,528) |
| (476,254) | 3,954,564 | | | | | | 3,076,310 | (30,576) | 50,187 | | | 19,546 | | | 3,076,310 | 19,546 | 45,222 | | 3,141,088 |
| 0 | | | | | | | 0 | 0 | 0 | | | 0 | | | 0 | 0 | 0 | | 0 |
| 0 | | | | | | | 0 | 0 | 0 | | | 0 | | | 0 | 0 | 0 | | 0 |
| 0 | | | | | | | 0 | 0 | 0 | | | 0 | | | 0 | 0 | 0 | | 0 |
| 0 | | | | | | | 0 | 0 | 0 | | | 0 | | | 0 | 0 | 0 | | 0 |
| (1,177,018) | 4,613,876 | 0 | 0 | 0 | 0 | 0 | 3,436,858 | 89,637 | 32,900 | 0 | 0 | 121,817 | 0 | 0 | 3,436,858 | 121,817 | 50,521 | 0 | 3,609,195 |
| (659,757) | 1,059,252 | 0 | 0 | 0 | 0 | 0 | 360,495 | 120,236 | (19,027) | 0 | 0 | 462,209 | 0 | 0 | 360,495 | 462,209 | 5,239 | 0 | 468,003 |
| (476,254) | 3,954,564 | 0 | 0 | 0 | 0 | 0 | 3,076,310 | (30,576) | 50,187 | 0 | 0 | 19,546 | 0 | 0 | 3,076,310 | 19,546 | 45,222 | 0 | 3,141,088 |
| 76,207 | | | | | | | 76,207 | 229,222 | 1,120 | 0 | 0 | 230,342 | 76,207 | 230,776 | 0 | 177 | 373 | 0 | 0 |
| (1,930,846) | 4,613,876 | 0 | 0 | 0 | 0 | 0 | 3,513,032 | 378,379 | 33,280 | 0 | 0 | 362,159 | 76,207 | 230,776 | 3,436,858 | 121,634 | 50,894 | 0 | 3,609,195 |
| 179,665 | (260,936) | | | | | | 89,729 | 1,346 | (206) | | | 1,145 | 89,720 | 739 | 0 | 40 | (400) | 0 | 0 |
| 0 | | | | | | | 0 | 0 | 0 | | | 0 | | | 0 | 0 | 0 | 0 | 0 |
| 0 | | | | | | | 0 | 0 | 0 | | | 0 | | | 0 | 0 | 0 | 0 | 0 |
| (151,159) | 4,352,880 | 0 | 0 | 0 | 0 | 0 | 3,431,741 | 320,285 | 33,074 | 0 | 0 | 363,339 | (5,063) | 231,454 | 3,436,854 | 121,889 | 50,474 | 0 | 3,609,193 |

Board staff notes that on page 8 of CND's 2011 IRM Decision (EB-2010-0068)², the Board directed the disposition of December 31, 2009 Group 1 account balances plus projected carrying charges to April 30, 2011. Board staff further notes that columns BO and BW. i.e. "Board Approved Disposition during 2011" related respectively to principal and interest in the continuity schedule do not reflect the Board's decision.

- a. Please explain this discrepancy and update the evidence where required.

² http://www.ontarioenergyboard.ca/OEB/ Documents/2011EDR/dec_order_Cambridge-NorthDumfries_20110328.pdf

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.

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| 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 | 401,509,896 | | 1.0286 | | 412,993,079 | - |
| General Service Less Than 50 kW | kWh | 166,898,747 | | 1.0286 | | 171,672,051 | - |
| General Service 50 to 999 kW | kW | 462,251,411 | 1,363,932 | | 46.45% | 462,251,411 | 1,363,932 |
| General Service 1,000 to 4,999 kW | kW | 264,299,008 | 594,349 | | 60.95% | 264,299,008 | 594,349 |
| Large Use | kW | 193,617,710 | 429,511 | | 61.79% | 193,617,710 | 429,511 |
| Unmetered Scattered Load | kWh | 2,001,390 | | 1.0286 | | 2,058,630 | |
| Street Lighting | kW | 10,011,985 | 28,184 | | 48.69% | 10,011,985 | 28,184 |
| Embedded Distributor | kW | | 92,217 | | 0.00% | - | 92,217 |

- 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 CND’s Board-approved loss factor.

Board staff notes that “Non-Loss Adjusted Metered kWh” provided for the Street Lighting rate class is 10,011,985 kWh. Board staff further notes that the value reported by CND in the RRR 2.1.5 is 10,044,985 kWh.

- b. If the input into the RTSR model is an error, Board staff will make the necessary correction.