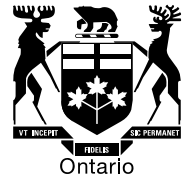


**Ontario Energy  
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**BY EMAIL**

December 6, 2012

Ontario Energy Board  
P.O. Box 2319  
27th Floor  
2300 Yonge Street  
Toronto ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Oakville Hydro Electricity Distribution Inc.  
2013 IRM3 Distribution Rate Application  
Board Staff Submission  
Board File No. EB-2012-0154**

In accordance with the Notice of Application and Written Hearing, please find attached the Board Staff Submission in the above proceeding. This document is being forwarded to Oakville Hydro Electricity Distribution Inc. and to all other registered parties to this proceeding.

Yours truly,

*Original Signed By*

Georgette Vlahos  
Analyst, Applications & Regulatory Audit

Encl.



# **ONTARIO ENERGY BOARD**

## **STAFF SUBMISSION**

**2013 ELECTRICITY DISTRIBUTION RATES**

**Oakville Hydro Electricity Distribution Inc.**

**EB-2012-0154**

**December 6, 2012**

**Board Staff Submission  
Oakville Hydro Electricity Distribution Inc.  
2013 IRM3 Rate Application  
EB-2012-0154**

## **Introduction**

Oakville Hydro Electricity Distribution Inc. (“Oakville Hydro”) filed an application (the “Application”) with the Ontario Energy Board (the “Board”) on October 1, 2012, seeking approval for changes to the distribution rates that Oakville Hydro charges for electricity distribution, to be effective May 1, 2013. The Application is based on the 2013 3<sup>rd</sup> Generation Incentive Regulation Mechanism (“IRM”).

The purpose of this document is to provide the Board with the submissions of Board staff based on its review of the evidence submitted by Oakville Hydro.

In the interrogatory phase, Board staff identified certain discrepancies in the data entered in the models filed by Oakville Hydro. In response to Board staff interrogatories, requesting confirmation that these discrepancies were errors or an explanation supporting the validity of the original data filed with the Application, Oakville Hydro confirmed there were errors in some of the models filed and provided the corrected data. Board staff will make the necessary corrections to Oakville Hydro’s models at the time of the Board’s Decision on the Application.

The Tax-Savings Workform reflects the Revenue Requirement Work Form from the Board’s cost of service decision in EB-2009-0271. Board staff has no concerns with the workform as filed.

In its interrogatories, Board staff noted that Oakville Hydro had incorrectly entered the Hydro One Sub-Transmission Line Connection rate. In response to Board staff interrogatories, Oakville Hydro agreed and requested staff to make the relevant corrections to the Workform<sup>1</sup>. Staff has no concerns with the corrected data supporting the updated Retail Transmission Service Rates proposed by Oakville Hydro. Pursuant to Guideline G-2008-0001, updated on June 28, 2012, Board staff notes that the Board

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<sup>1</sup> EB-2012-0154, Oakville Hydro IRRs, Page 3

will update the applicable data at the time of this Decision based on any available updated Uniform Transmission Rates.

Oakville Hydro completed the Deferral and Variance Account continuity schedule included in the 2013 IRM Rate Generator Model at Tab 5 for its Group 1 Deferral and Variance Accounts. Oakville Hydro's total Group 1 Deferral and Variance Account balances as of December 31, 2011 amount to a debit of \$2,750,713 which includes interest calculated to April 30, 2013. Based on the threshold test calculation, the Group 1 Deferral and Variance Account balances equate to a \$0.0018 per kWh which exceeds the threshold, and as such, Oakville Hydro requested disposition of these account balances over a one year period.

Board staff has reviewed Oakville Hydro's Group 1 Deferral and Variance Account balances and notes that the principal balances as of December 31, 2011 reconcile with the balances reported as part of the *Reporting and Record-keeping Requirements*. Also, the preset disposition threshold has been exceeded. Accordingly, Board staff has no issue with Oakville Hydro's request to dispose of its 2011 Deferral and Variance Account balances over the requested one year period.

All of which is respectfully submitted