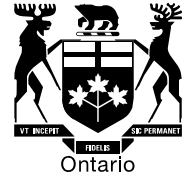


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**BY EMAIL**

December 12, 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: Renfrew Hydro Inc.  
2013 IRM3 Distribution Rate Application  
Board Staff Submission  
Board File No. EB-2012-0163**

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

As a reminder, Renfrew Hydro Inc.'s Reply Submission is due by January 14, 2012.

Yours truly,

*Original Signed By*

Daniel Kim  
Analyst, Applications & Regulatory Audit

Encl.



# **ONTARIO ENERGY BOARD**

## **STAFF SUBMISSION**

**2013 ELECTRICITY DISTRIBUTION RATES**

**Renfrew Hydro Inc.**

**EB-2012-0163**

**December 12, 2012**

**Board Staff Submission  
Renfrew Hydro Inc.  
2013 IRM3 Rate Application  
EB-2012-0163**

## **Introduction**

Renfrew Hydro Inc. (“Renfrew Hydro”) filed an application (the “Application”) with the Ontario Energy Board (the “Board”) on October 1, 2012 under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the distribution rates that Renfrew 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 Renfrew Hydro.

Board staff has no concerns with the data supporting the updated Retail Transmission Service Rates proposed by Renfrew Hydro. Pursuant to Guideline G-2008-0001, updated on June 28, 2012, Board staff notes that the Board will update the applicable data at the time of this Decision based on any available updated Uniform Transmission Rates.

Board staff makes submissions on the following matters:

- Group 1 Deferral and Variance Account Balances; and
- Revenue-to-Cost Ratio Adjustments.

## **Group 1 Deferral and Variance Account Balances**

Renfrew 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. Renfrew Hydro’s total Group 1 Deferral and Variance Account balances as of December 31, 2011 amount to a debit of \$29,147 which includes interest calculated to April 30, 2013. Based on the disposition threshold test calculation, the Group 1 Deferral and Variance Account balances equate to \$0.0003 per kWh which does not exceed the threshold, and as such, Renfrew Hydro did not request the

disposition of these account balances. Board staff notes that the principal Group 1 Account balances as of December 31, 2011 reconcile with the amounts reported as part of the Reporting and Record-keeping Requirements. Therefore, Board staff has no issues with Renfrew Hydro's proposal to defer the disposition of its Group 1 Account balances.

### **Revenue-to-Cost Ratio Adjustments**

In this Application, Renfrew Hydro adjusted the revenue-to-cost ratios for the Residential, General Service 50 to 4,999 kW, Street Lighting and the Unmetered Scattered Load rate classes. These adjustments were approved by the Board in Renfrew Hydro's 2010 cost of service proceeding (EB-2009-0146).

Board staff submits that the proposed revenue-to-cost ratio adjustments are in accordance with the Board's decision in Renfrew Hydro's 2010 cost of service proceeding.

- All of which is respectfully submitted –