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January 4, 2013

Ontario Energy Board
Attention: Kirsten Walli, Board Secretary
2300 Yonge Street
27th Floor
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Rideau St. Lawrence Distribution Inc.
2013 3rd Generation
Incentive Rate Mechanism Adjustment Application
Ontario Energy Board File Number EB-2012-0164
Response to Board Staff Interrogatories**

Please find accompanying this letter two (2) copies of RSL's responses to the interrogatories submitted to the Board in respect to the above- captioned matter.

We have enclosed a CD containing this electronic media. A PDF version of these responses will, coincidentally with this written submission, be filed on the Board's RESS Filing System.

Yours very truly,

A handwritten signature in blue ink, appearing to read 'John Walsh', is written over a faint, larger blue ink signature that is partially visible in the background.

John Walsh, President/CEO
Rideau St. Lawrence Distribution Inc.
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Board Staff Supplementary Interrogatories
Rideau St. Lawrence Distribution Inc.
EB-2012-0164

Question #1

Ref: Manager's Summary, Page 7 of 34, Deferral and Variance Account Rate Riders

Rideau notes that it is seeking final disposition of the balances in the Group 1 variance accounts with the exception of Account 1588 RSVA – Power (excluding Global Adjustment) and Account 1588 RSVA – Power – Sub-account – Global Adjustment. Rideau further notes that the balances in the two 1588 accounts is subject to a regulatory audit prior to final disposition, as outlined in its 2012 cost of service settlement agreement which was accepted by the Board.

- a) Please discuss the status of the audit of Account 1588 RSVA.
- b) Please discuss when Rideau expects to file for disposition of the amounts in these accounts.

Response:

- a) As noted in question 1 a), RSL agreed to defer the disposition of Accounts 1588 RSVA – Power (excluding Global Adjustment) and 1588 RSVA – Power – Sub-account – Global Adjustment during the approval of our 2012 Cost of Service Application. It was our understanding at the time that RSL would be contacted by Board Staff to review these accounts. We have not been contacted to date.
- b) RSL plans to request disposition of the 1588 amounts at the first opportunity following the Board Staff review of these accounts. RSL expects to file for disposition of these amounts in our 2014 IRM Application.

Question #2

Ref: A portion of the 2012 IRM3 RTSR Work form, Sheet 4 is reproduced below.

	Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
24								
25								
27	Residential	kWh	43,287,278		1.0797		46,737,274	-
28	General Service Less Than 50 kW	kWh	20,434,679		1.0797		22,063,323	-
29	General Service 50 to 4,999 kW	kW	38,800,538	117,906		45.10%	38,800,538	117,906
30	General Service 50 to 4,999 kW – Interval Metered	kW	4,230,670	12,856		45.10%	4,230,670	12,856
31	Unmetered Scattered Load	kWh	495,379		1.0797		534,861	-
32	Sentinel Lighting	kW	108,262	108		137.39%	108,262	108
33	Street Lighting	kW	1,453,874	3,941		50.56%	1,453,874	3,941
49								

- 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 Rideau’s Board-approved loss factor.

Response:

- a) RSL confirms that the amounts entered into the columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” have not been adjusted by the Board-approved loss factor.

Question #3

Ref: 2013 IRM Application, Appendix A, LRAM/LRAMVA Support Documents
Guidelines for Electricity Distributor Conservation and Demand
Management (EB-2012-0003), Section 13: LRAM

Rideau is seeking recovery of an LRAM amount of \$15,108.73 for lost revenues realized in 2011 from CDM programs implemented between 2006 and 2010.

- a) Please confirm the scope of Rideau’s LRAM request is only to recover persisting lost revenues realized in 2011 from CDM programs

implemented between 2006 and 2010. If this is not accurate, please discuss the scope of the LRAM request.

- b) Please confirm that Rideau has used final 2010 program evaluation results from the OPA to calculate its LRAM amount.
- c) If Rideau did not use final 2010 program evaluation results from the OPA, please explain why and update the LRAM amount accordingly.
- d) Please provide a table that shows the LRAM amounts Rideau has collected historically.
- e) Please confirm that Rideau has not received any of the lost revenues requested in this application in the past. If Rideau has collected lost revenues related to programs applied for in this application, please discuss the appropriateness of this request.
- f) Please provide a table that shows the LRAM amounts requested in this application by the year they are associated with and the year the lost revenues took place, divided by rate class within each year. Use the table below as an example and continue for all the years LRAM is requested:

Program Years (Divided by rate class)	Years that lost revenues took place
	2011
2006	\$xxx
2007	\$xxx
2008	\$xxx
2009	\$xxx
2010	\$xxx

- g) Please discuss if Rideau is applying for carrying charges on the LRAM amounts requested in this application.
- h) If Rideau is requesting carrying charges, please provide a table that shows the monthly LRAM balances, the Board-approved carrying charge rate and the total carrying charges by month for the duration of this LRAM request to support your request for carrying charges. Use the table below as an example:

Year	Month	Monthly Lost Revenue	Closing Balance	Interest Rate	Interest \$
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- i) Please provide proposed LRAM rate riders for all rate classes, separate from any LRAMVA amounts.

Response:

- a) Rideau confirms that the scope of the LRAM request is only to recover persisting lost revenues realized in 2011 from CDM programs implemented between 2006 and 2010.
- b) Rideau has used the final 2010 program evaluation results from the OPA to calculate its LRAM amount.

File: "2006-2010 Final OPA CDM Results. Rideau St. Lawrence Distribution Inc-update". Issued November 24,2011.

- c) Please see response to Q. #3(b).
- d) Rideau's LRAM historical approved amounts for recovery.

Rate Year Approved	Amount approved
2011	\$53,268.56
2012	\$15,542.58

- e) Rideau confirms that it has not received any of the lost revenues requested in this application in the past.
- f) The tables below show the LRAM amounts requested in this application by the year they are associated with and the customer class within each year.

GS < 50kW	
Program Year	Year Lost Revenue took place
2006	
2007	
2008	\$ 1.73
2009	\$ 2,205.81
2010	\$ 1,630.84

Residential	
Program Year	Year Lost Revenue took place
2006	\$ 844.42
2007	\$ 2,644.19
2008	\$ 3,023.31
2009	\$ 2,161.31
2010	\$ 1,760.60

GS > 50kW to 4,999kW	
Program Year	Year Lost Revenue took place
2006	
2007	
2008	\$ 229.27
2009	\$ 601.75
2010	\$ 5.50

- g)** Rideau is not applying for carrying charges on the LRAM amounts requested in this application.
- h)** Rideau is not applying for carrying charges.

i) LRAM Rate Rider Table:

LRAM Calculation				
2013 IRM Application				
Category	Residential	GS < 50 kW	GS > 50 kW	Total
2010 Persistence in 2011	10,433.83	3,838.38	836.52	15,108.73
Total LRAM	10,433.83	3,838.38	836.52	15,108.73
kWh in Load Forecast	44,584,446	19,806,495		
kW in Load Forecast			126,652	
Calculated Rate Rider	0.000234	0.000194	0.006605	

Question #4

Ref: 2013 IRM Application, Appendix A, LRAM/LRAMVA Support Documents
Guidelines for Electricity Distributor Conservation and Demand
Management (EB-2012-0003), Section 13: LRAM

Rideau has proposed to dispose of the balance of its LRAMVA in account 1568 of \$5,125.58. Section 13.4 of the CDM Guidelines state that distributors may apply for disposition of the balance in the LRAMVA on an annual basis as part of their IRM rate applications, if the balance is deemed significant by the applicant.

- a) Please provide evidence that supports the assumption that Rideau's LRAMVA amount is significant.
 - b) Please confirm that Rideau has used final 2011 program evaluation results from the OPA to calculate its LRAMVA amount.
 - c) Please confirm that Rideau's load forecast was not adjusted to account for CDM impacts in 2011.
 - d) Please provide proposed LRAMVA rate riders, separate from any LRAM amounts.
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Response:

- a) The LRAMVA is significant from a timing and intergenerational aspect. Rideau's view is that the amount that has accumulated in the LRAMVA has been calculated the same as the LRAM for years prior to 2011. Rideau's last cost of service application was 2012. Beginning with 2012 Rideau's load forecast has been adjusted for the effects of CDM. From 2012 going forward Rideau will record the variances to the load adjustments in the LRAMVA account. Rideau is proposing to deal with the amount in the LRAMVA – the 2011 balance – so that future disposition of the LRAMVA will follow a consistent approach based on the 2012 load forecast. Secondly, it is proposed to deal with the variance as close to the time as the variance is created to avoid intergenerational issues as much as is practical.
- b) Rideau confirms that it used the Report issued by the OPA on August 31, 2012 "2011 Final Annual Report Data_Rideau St. Lawrence Distribution Inc. xls" to calculate its LRAMVA amount.
- c) Rideau confirms that its' load forecast was not adjusted to account for CDM impacts in 2011. Rideau's last cost of service was for 2012 rates. Therefore Rideau's 2011 LRAMVA balance was not subject to any reductions to its load forecast or increase in rates to account for the reduction in load forecast in its 2011 rates.

d) LRAMVA Rate Rider Table:

LRAMVA Calculation				
2013 IRM Application				
Category	Residential	GS < 50 kW	GS > 50 kW	Total
Pre-2011 Programs Completed in 2010		1,763.66	20.19	1,783.85
2011 OPA Program Results	1,364.68	1,977.05		3,341.73
Total LRAM	1,364.68	3,740.71	20.19	5,125.58
kWh in Load Forecast	44,584,446	19,806,495		
kW in Load Forecast			126,652	
Calculated Rate Rider	0.000031	0.000189	0.000159	