



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

January 15, 2013

Attention: Board Secretary

Re: Kenora Hydro Electric Corporation Ltd. (EB-2012-0141) 2013 IRM Application - Interrogatories

Dear Ms. Walli:

Attached please find Kenora Hydro's responses to the Board Staff Interrogatories as received by e-mail on January 14, 2013.

An electronic copy of the revised Model has been uploaded to the OEB Portal January 15, 2013.

Should you require additional information, please do not hesitate to contact us.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Robertson".

Janice Robertson
Manager of Finance & Regulatory Affairs
Kenora Hydro Electric Corporation Ltd.
Ph (807) 467-2014
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jrobertson@kenora.ca

RTSR Adjustment Work Form

1. Ref: A portion of Sheet 4. "RRR Data" is reproduced below.

a) Please confirm that the amounts entered into the columns "Non-Loss Adjusted Metered kWh" and "Non-Loss Adjusted Metered kW" has not been adjusted by Kenora Hydro's Board approved loss factor. Once confirmed, Board staff will make any necessary updates to the model.

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	38,295,451		1.0430		39,942,155	-
General Service Less Than 50 kW	kWh	23,641,469		1.0430		24,658,052	-
General Service 50 to 4,999 kW	kW	43,607,234	104,670		57.10%	43,607,234	104,670
Unmetered Scattered Load	kWh	150,582		1.0430		157,057	-
Street Lighting	kW	1,506,883	4,741		43.56%	1,506,883	4,741

RESPONSE:

Kenora Hydro confirms that the kWh values input into column "Non-Loss Adjusted Metered kWh" has **not** been adjusted by Kenora Hydro's loss factor.

Shared Tax Savings Model

2. Ref: A portion of Sheet 3 "Re-Based Bill Det & Rates" is reproduced below.

Last COS Re-based Year was in 2011							
Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	
RES	Residential	Customer	kWh	4,731	39,677,024		
GSLT50	General Service Less Than 50 kW	Customer	kWh	736	24,025,485		
GSGT50	General Service 50 to 999 kW	Customer	kW	70		112,043	
USL	Unmetered Scattered Load	Connection	kWh	30	145,633		
SL	Street Lighting	Connection	kW	532		5,775	

a) Board staff has been unable to confirm the amount entered in for the number of connections for the Street Lighting rate class with the Board approved amount from Kenora Hydro's 2011 cost of service proceeding (EB-2010-0135). Please provide

evidence supporting this amount. If this amount was entered in error, Board staff will make any necessary updates to the model.

RESPONSE:

Kenora Hydro agrees that the number of Streetlight connections as filed in the 2011 COS Rate Application was 550 and acknowledges that the Board will update this model accordingly.

3. Ref: A portion of Sheet 4 "Current Tariff Schedule" is reproduced below.

a) Please update this worksheet with service classification descriptions from Kenora Hydro's most current Board approved tariff of rates and charges for each rate class. If necessary, please re-file the rate generator model.

RESPONSE:

Wording from the most recently approved tariff has been "cut and pasted" into the revised model dated 2013-01-15. Due to limitations within the Model which the user cannot alter, the pasted descriptions will not display or print completely.

3 b) Please also confirm that Kenora Hydro received the Board's letter dated September 20, 2012, which determined that distributors shall reflect the updated province wide fixed monthly charge for all electricity distributors related to the microFIT General Service Classification as \$5.40 per month effective with the implementation of their 2013 cost of service based or incentive regulation based application. Once confirmed, Board staff will make the necessary changes to the model.

RESPONSE:

Kenora Hydro confirms that it has received the Board's letter dated September 20, 2012, indicating that the microFIT rate will be \$5.40 per month. This was an oversight and has been corrected in this revised Model dated 2013-01-15.

Lost Revenue Adjustment Mechanism Variance Account (“LRAMVA”) 1568

4. Ref: Page 4, Summary of Group 1 and Other Assets
 Appendix E, LRAM Calculation
 Guidelines for Electricity Distributor Conservation and Demand
 Management (EB-2012-0003), Section 13: LRAM

Kenora Hydro has requested disposition of its LRAMVA 1568 for the total amount of \$2,780, which includes \$40 in carrying charges, associated with final program results for 2011 CDM programs in 2011.

a) Please discuss Kenora Hydro’s reduced 2011 COS kWh as highlighted below and provide the supporting evidence of when these reductions were approved by the Board.

	2011 COS kWh Reduced	2011 COS kW Reduced	OPA CDM kWh or kW Results	Variance in kWh/kW
Residential	189,540	0	74,081	(115,459)
Under 50 kW	114,771	0	4,550	(110,221)
USL	697	0	0	(697)
GK Over 50 kW	208,285	535	0	(535)
Streetlight	8,707	27	0	(27)
	<u>522,000</u>	<u>562</u>	<u>78,631</u>	<u>(226,939)</u>

RESPONSE:

Per page 12 of the OEB’s Decision & Order EB-2010-0135, the CDM target incorporated into the forecast was 522,000 kWh.

The following is the page “Rate Energy Model” in the Kenora 2011 Load Forecast Model, used in the preparation of the 2011 COS application.

	Purchases	Modeled Purchases	Difference	% Difference	Loss Factor	Total Billed	Residential	GS<50	GS>50	SLR	USL
2002	115,297,495	115,354,568	57,073	0.0%							
2003	114,266,356	114,356,066	89,710	0.1%	1.0523	108,586,914	41,100,045	27,617,039	38,337,302	1,336,336	196,192
2004	113,286,087	113,452,528	166,441	0.1%	1.0624	106,636,936	40,452,663	26,357,730	37,978,906	1,666,347	181,290
2005	115,072,347	113,817,591	(1,254,756)	-1.1%	1.0639	108,163,750	40,542,811	29,046,734	36,630,187	1,733,816	210,202
2006	113,840,351	114,295,779	455,428	0.4%	1.0432	109,125,457	39,159,512	26,837,296	41,350,694	1,563,143	214,812
2007	116,260,451	116,347,408	86,957	0.1%	1.0448	111,276,423	39,142,088	26,504,159	43,467,433	1,947,932	214,812
2008	115,525,373	115,775,323	249,950	0.2%	1.0462	110,421,190	39,338,336	24,007,759	45,059,368	1,857,398	158,330
2009	112,986,368	113,135,565	149,197	0.1%	1.0380	108,849,700	39,909,017	23,638,260	43,454,274	1,690,689	157,460
2010		113,370,253				108,696,312					
2011		114,506,668				109,785,875					
Average					1.0430	1.0430					
				Current Approved Secondary L		2011 proposed					
Usage Per Customer											
2002											
2003							8,137	34,392	608,529	2,430	8,530
2004							8,073	33,196	622,605	3,030	7,882
2005							8,126	36,445	610,503	3,152	8,408
2006							7,787	34,319	677,880	2,842	7,672
2007							7,810	33,381	658,597	3,542	7,672
2008							8,228	32,797	682,718	3,377	5,655
2009							8,344	33,153	620,775	3,074	5,624
2010							8,379	32,951	622,840	3,197	5,246
2011							8,414	32,750	624,912	3,325	4,894
2002											
2003											
2004							0.9921	0.9652	1.0231	1.2470	0.9240
2005							1.0066	1.0979	0.9806	1.0405	1.0667
2006							0.9582	0.9417	1.1104	0.9016	0.9124
2007							1.0029	0.9727	0.9716	1.2462	1.0000
2008							1.0536	0.9825	1.0366	0.9535	0.7371
2009							1.0141	1.0108	0.9093	0.9102	0.9945
Used							1.0042	0.9939	1.0033	1.0400	0.9329
Geomean							1.0042	0.9939	1.0033	1.0400	0.9329
Non Weather Corrected Forecast											
2010						109,699,515	39,615,554	23,329,385	44,844,501	1,758,282	151,793
2011						109,629,854	39,806,944	24,104,155	43,743,848	1,828,577	146,330
Weather Corrected Forecast											
2010						106,696,312	39,234,223	23,104,821	44,447,193	1,758,282	151,793
2011						109,785,875	39,677,024	24,025,485	43,595,864	1,819,870	145,633
% Weather Sensitive							92.6%	92.6%	85.3%	0%	0%
2010						-1,003,203	36,694,979	21,609,474	38,232,363	0	0
2011						156,022	36,872,259	22,327,126	37,293,997	0	0
Allocation of Weather Sensitive Amount											
2010							-381,331	-224,564	-397,308	0	0
2011							59,619	36,101	60,301	0	0
				CDM TARGET	522000	522,000	189,540	114,771	208,285	8,707	697

Extensive analysis was given in the Reply Submission to the OEB Comments on Kenora Hydro's Draft Rate order, as filed by Kenora on June 21, 2011. Note specifically pages 5 through 10 in Kenora's submission. Page 8, which has been included below, details the allocation of the 522,000 kWh CDM targets as set by the OEB, by class, in the blue column, "Allocate CDM". These allocations have been used in this 2013 IRM Model to calculate the LRAM variance.

	Decision					
	Step One: Determine Total Billed Amount	Step Two: Determine Class kWh based on forecasted usage per customer and number of customers - Billed Non Weather Normalized	Step Three: Determine Weather Sensitive kWhs	Step Four: Allocate Difference between Billed Weather Normalized and Billed Non- Weather Normalized Forecast	Step Five Allocate CDM	Step Six: Total for kWh with conversion to kW for applicable classes
Predicted Weather Normalized kWh Purchases	114,506,668					
Loss Factor	1.0430					
Billed Weather Normalized kWh	109,785,875					
CDM	(522,000)					
Net Billed Weather Normalized kWh	109,263,875					
By Class						
Residential						
Usage per Customer		8,414		13	(40)	8,387
Customers		4,731		4,731	4,731	4,731
kWh		39,806,944		59,619	(189,540)	39,677,024
Weather Sensitive %			92.6%			
Weather Sensitive kWh			36,872,259			
GS<50						
Usage per Customer		32,750		49	(156)	32,643
Customers		736		736	736	736
kWh		24,104,155		36,101	(114,771)	24,025,485
Weather Sensitive %			92.6%			
Weather Sensitive kWh			22,327,126			
GS>50						
Usage per Customer		624,912		861	(2,976)	622,798
Customers		70		70	70	70
kWh		43,743,848		60,301	(208,285)	43,595,864
kW						112,043
Weather Sensitive %			85.3%			
Weather Sensitive kWh			37,293,997			
SLR						
Usage per Connection		3,325		0	(16)	3,309
Connections		550		550	550	550
kWh		1,828,577		0	(8,707)	1,819,870
kW						5,775
Weather Sensitive %			0.0%			
Weather Sensitive kWh			0			
USL						
Usage per Connection		4,894		0	(23)	4,871
Connections		30		30	30	30
kWh		146,330		0	(697)	145,633
Weather Sensitive %			0.0%			
Weather Sensitive kWh			0			
Total						
Usage per Customer/Connection		17,922		26	(85)	17,863
Customer/Connections		6,117		6,117	6,117	6,117
kWh		109,629,854		156,022	(522,000)	109,263,875
kW from applicable classes						117,818
Difference between Billed Weather Normalized kWh and Billed Non Weather Normalized kWh		156,022				
Weather Sensitive kWh			96,493,381			

4 b) Please discuss over what time period Kenora Hydro proposes to recover its LRAMVA amount.

RESPONSE:

The LRAM claim of \$(2,780) has been included in the Deferral and Variance rate rider calculation, and is thereby requested for repayment over the one year period beginning May 1, 2013, ending April 30, 2014.