



January 16, 2013

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: 2013 ELECTRICITY DISTRIBUTION RATE APPLICATION FOR ALGOMA POWER  
INC. ("API") – EB-2012-0104  
INTERROGATORY RESPONSES**

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Please find accompanying this letter two (2) copies of API's responses to the interrogatories submitted to the Board by Board Staff. In addition, electronic copies of the EXCEL and PDF format files requested in the interrogatories accompany the interrogatories.

PDF and XLS versions of these responses will, coincidentally with this written submission, be filed via the Board's Regulatory Electronic Submission System.

If you have any questions in connection with the above matter, please do not hesitate to contact the undersigned at (905) 994-3634.

Yours truly,

*Original signed by:*

Douglas R. Bradbury  
Director, Regulatory Affairs

Enclosures



## **RTSR Workform**

### **1. Ref: 2013 IRM3 RTSR Work form, sheet 4**

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 EPLC’s (should read API’s) Board-approved loss factor.

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#### **Response:**

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



## **RTSR Workform**

### **2. Ref: 2013 IRM3 RTSR Work form, sheet 4**

Board staff notes that API's RRR filings for 2010 and 2011 do not include billed kW for the Streetlighting class, although API's RTSRs for this rate class are billed on the basis of kW. Board staff is unable to verify the accuracy of the billing determinant for this rate class.

- a) Please confirm the billed kW for the Streetlighting rate class.
- b) Please explain why API has not provided this information in its RRR filings.

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### **Response:**

- a) API confirms that the amount recorded on Sheet 4 of the 2013 IRM3 RTSR Workform is correct.
- b) API's variable distribution revenue for the Street Lighting class is billed on the basis of kWh and as a result API reports its distribution sales volumes for the Street Lighting class as kWh.



## Deferral and Variance Accounts

### 3. Ref: Manager's Summary, page 13

Ref: Schedule G, Deferral and Variance Account Disposition

Ref: EB-2011-0152 Decision and Order, pages 12, 13

Board staff notes that API has calculated the threshold test separately for disposition of its Account 1588 and its other Group 1 accounts. In its EB-2011-0152 Decision and Order, the Board explicitly reminded API that the EDDVAR Report requires that the threshold calculation apply to all balances. The Board also expressed concerns in its Decision regarding the timing of API's proposed modifications to its billing system, which were to have been completed by January 1, 2013.

- a) Please provide a threshold calculation for all Group 1 balances, including Account 1588.
- b) Please provide a status update on the modifications to API's billing system to allow it to separately identify non-RPP customers for disposition of the Global Adjustment sub-account.

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### Response:

- a) The following provides a threshold calculation for all Group 1 balances, including Account 1588.

1580	Wholesale Market Service Charge	-\$215,471
1584	Retail Transmission Network Charge	\$91,194
1586	Retail Transmission Connection Charge	\$1,597
1588	Power excluding Global Adjustment	\$210,871
1588	Sub-account Global Adjustment	\$84,590
1590	Recovery of Regulatory Asset Balances	<u>-\$204,834</u>
	Balance	<u>-\$32,053</u>
	Total Energy (kWh)	189,349,547
	Threshold Test (\$ per kWh)	-\$0.0002
	Prescribed Threshold Level, Debit or Credit(\$ per kWh)	\$0.001

An updated threshold test is presented below with account balance changes arising from these interrogatories, in particular, Board Staff Interrogatories No. 4 and No.6. The revised excel spreadsheets showing the account continuities and rate rider calculations accompany these interrogatory responses as detailed in the specific interrogatory response.

1580	Wholesale Market Service Charge	-\$215,471
1584	Retail Transmission Network Charge	\$91,194
1586	Retail Transmission Connection Charge	\$1,597
1588	Power excluding Global Adjustment	-\$220,003
1588	Sub-account Global Adjustment	\$775,801
1590	Recovery of Regulatory Asset Balances	<u>-\$204,834</u>
	Balance	<u><u>\$228,285</u></u>
	Total Energy (kWh)	189,349,547
	Threshold Test (\$ per kWh)	\$0.0012

- b) The modifications to API's billing system to allow it to separately identify non-RPP customers for disposition of the Global Adjustment sub-account were completed in November 2012.



## **Deferral and Variance Accounts**

**4. Ref: Schedule F, Deferral and Variance Account Continuity Tables**  
**Ref: Schedule G, Deferral and Variance Account Disposition**  
**Ref: EB-2011-0152 Decision and Order, page 14**

In its EB-2011-0152 Decision, the Board directed API to file an application to dispose of its Global Adjustment sub-account balance by June 1, 2012. Board staff has been unable to find a record of API filing such an application to date. Board staff notes that API has included balances in its continuity table for “2012 Principal and Interest Disposition during 2012 – Instructed by the Board” that correspond with the balances approved by the Board in EB-2011-0152 for future disposition. API has removed these amounts from the principal and interest balances for which it requests disposition in this proceeding.

- a) Please provide the date and docket number for API’s application for disposition of its 2010 principal balance with interest projected to December 31, 2011 for its Account 1588.
  - b) If no such application has been made, please explain the entries in API’s continuity table for Account 1588 in 2012.
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### **Response:**

- a) API has not submitted for disposition of the Global Adjustment sub-account during 2012. API has prepared a revised deferral and variance account continuity schedule, along with revised rate rider calculation worksheets, to reflect the removal of balances recorded in the 2012 columns. API has also removed the amounts recorded in the Global Adjustment sub-account for ‘Board Approved Dispositions during 2011,’ as these amounts were not approved per EB-2010-0400/EB-2009-0278.
- b) Please see comments provided in a) above. A revised deferral and variance account continuity schedule has been provided, which removes the entries for the Global Adjustment account in 2012 as well as removed the entries for ‘Board Approved Dispositions during 2011.’



## **Deferral and Variance Accounts**

### **5. Ref: Schedule F, Deferral and Variance Account Continuity Tables Ref: Schedule G, Deferral and Variance Account Disposition**

Board staff notes that API's continuity table includes a balance of \$3,019,168 (including principal and interest) for the 1595 sub-account for Disposition of 2009 regulatory balances. Activity in this account begins with a transaction in 2011, but there are no further adjustments for 2012, other than the calculation of interest on the outstanding balance in 2011 and 2012. API has not included this balance in its rate rider calculations to dispose of its Group 1 balances. Board staff refers API to note 5 of the continuity table, which states:

Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund) period has been completed. If the recovery (or refund) period has not been completed, do not include the respective balance in Account 1595 for disposition at this time.

- a) Please clarify if it is API's intent to recover this outstanding balance.
  - b) If so, please explain which of API's current rate riders for deferral and variance account disposition is related to the balance in the 1595 sub account.
  - c) Please explain why there are no adjustments for Board-approved disposition in either 2011 or 2012.
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### **Response:**

- a) API does not intend to recover this outstanding balance. Rate riders which relate to Board decision EB-2010-0400/EB-2009-0278 are included in this sub-account, with effective dates that extend beyond December 31, 2011.
- b) The deferral and variance account disposition rate riders for all rate classes is effective until May 31, 2013, while an additional deferral and variance account disposition rate rider for the seasonal class customers is effective until November 30, 2015.
- c) Please refer to comments provided in a) and b) above.



## **Deferral and Variance Accounts**

### **6. Ref: Schedule F, Deferral and Variance Account Continuity Tables**

Board staff notes that API's continuity tables show a net variance of \$553,264 between the 2011 balances as shown and the 2011 RRR balances provided to the Board. Board staff notes that certain corrections were made to the balances of API's Group 1 accounts in its Motion to Vary the Board's Decision on API's 2012 IRM application.

- a) Please explain the variances shown in the continuity tables.
  - b) Has API made any corrections to its 2011 RRR balances as a result of the adjustments made to its Group 1 Balances in EB-2011-0152?
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### **Response:**

- a) The variances shown in the continuity schedule originally submitted relate to the 2011 fixed priced and global adjustment true-up calculations submitted in 2012. These have been reported in the 'Other Adjustments during Q4 2011' column in the continuity schedule. In API's revised continuity schedule provided as part of the interrogatories, API has also made an additional (\$424,632) adjustment to Power, and \$393,468 adjustment to Global Adjustment, and reported these amounts in the Q3 2011 Adjustments column. These relate to the portion of additional corrections in API's Motion to Vary the Board's Decision on API's 2012 IRM application, that were calculated and remitted to the IESO via former Form 1598 reporting in Jan 2012 (adjustments already remitted to IESO in December 2011 are reflected in the Transactions during 2011 column).
- b) API has not re-filed its 2011 RRR balances as a result of the adjustments made to Group 1 balances in EB-2011-0152.



## Smart Meter Cost Recovery

### 7. Ref: Smart Meter Funding and Cost Recovery, page 2

Page 2 of API's Smart Meter Cost Recovery evidence lists examples of operational benefits to be gained through smart meter implementation.

- a) Is API able to quantify the savings resulting from the operational efficiencies listed?
  - b) Has API reflected these savings in its application? If so, please indicate the cost details and where they have been included.
  - c) Has API identified any further areas of operational benefits and efficiencies beyond the examples provided?
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#### Response:

- a) It is not possible to quantify all of the savings resulting from the operational efficiencies listed in the application. We can quantify actual meter reading costs. Meter reading costs occurred in 2012 totalled \$416,684 compared to 2011 costs of \$457,913.
- b) As the savings cannot be quantified (see (a) above) they have not been specifically reflected in the application.
- c) One further area of operational benefits and efficiencies beyond the examples provided in original application is that API uses the Smart Meter technology during and after hours to confirm power flow to the customer's meter prior to dispatching crews. Since API's service area is large, using the Smart Meter technologies results in savings due to reduced call-outs for the operations group.

Another area of operational benefits and efficiencies is that upon receiving complaints of high/low voltage from customers, API is now using voltage history from Smart Meters to determine whether there is in fact a problem on API's system, and to come up with the most effective/efficient solution where problems

are confirmed. API's previous practice was to send a crew out to the customer's location to measure voltage and possibly install a voltage recording meter if it was suspected that the problem might be sporadic. API would then have to retrieve the recording meter after several days/weeks to download and analyze the data. If a voltage issue was confirmed, API would often have to install additional meters at other locations in the area to determine if the issue was specific to the individual customer or was more widespread. With Smart Meters, API can now retrieve extensive voltage history from any meter at a very high resolution. This allows API to determine immediately whether the customer's high/low voltage observation was in fact observed at the meter, allowing API to determine whether there is an issue with API'S plant, or with the customer's plant/equipment. Where the issue appears to be on API's system, examining the voltage history from other meters in the area allows API to determine the likely cause and implement the most effective and efficient solution in a timely manner.



**8. Ref: Smart Meter Funding and Cost Recovery, page 23**

API's evidence at page 23 indicates that it has included only incremental smart meter OM&A costs, less any cost savings resulting from the implementation of the smart meter program.

- a) Please describe the savings included in the application, as well as the amounts and years in which they occurred.

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**Response:**

- a) Cost Savings are:

- Approximately \$5k per year in licensing costs for Itron handheld devices previously used for manual meter reading – the last year in which these costs were incurred was 2009.
- Approximately \$5.5k per year in costs associated with operating a power line carrier AMR system East of Sault Ste. Marie - the last year in which these costs were incurred was 2009.
- One of API's 3 CSR's was not replaced upon retirement June 1, 2010.



**9. Ref: Smart Meter Funding and Cost Recovery, page 7**

At page 7 of the evidence, API states that it is forecasting that the combined FNP/FRP count will be reduced from the initial estimate of 35 installations to 30 or less.

a) What is the final FNP/FNR count?

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**Response:**

a) The FNP/FRP count as of December 31, 2012 is 15 FNP's and 8 FRP's. API plans to install one additional FRP and one additional FNP early in 2013 to improve performance for two groups of poorly communicating meters.



**10. Ref: Smart Meter Funding and Cost Recovery, page 7**

API states that it supplied electricity to TBB, FRP and FNP sites, thereby obtaining a discount from Sensus on monthly maintenance fees.

- a) Please provide the volume and cost of the electricity supplied to the sites.
- b) Please explain how API recovered the cost of the electricity supplied.
- c) Please provide the total discount on monthly maintenance fees received.

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**Response:**

- a) The typical monthly volume and cost of electricity for each type of equipment is summarized in the table below.

<b>Equipment</b>	<b>Monthly kWh</b>	<b>Cost of Electricity (@ 7.4¢/kWh)</b>
Outdoor TGB	250	\$20.10
Indoor TGB	90	\$7.24
FNP (non-metered)	11	\$0.88
FRP (non-metered)	11	\$0.88

- b) Accounts were created for each site and bills were issued to Algoma Power Inc. as the customer on these accounts.
- c) API received a discount of \$25 per TGB site per month from Sensus.



**11. Ref: Smart Meter Funding and Cost Recovery, page 11**

API states that SAP development costs were shared among CNPI, API, GPI and WPI.

- a) Please provide the total SAP development costs to implement TOU billing.
  - b) How have these costs been allocated among the four LDC's?
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**Response:**

- a) Total SAP development costs shared, which included MDM/R and TOU related development costs (costs are not easily separated given that they were accumulated in the same series of accounts in SAP), was \$694,914.
- b) The costs have been allocated among the four LDC's using number of customers as a basis for allocation.





**12. Ref: Smart Meter Funding and Cost Recovery, page 18**

API states that its SAP CIS implementation is anticipated to be complete by November 2012 and that API will be ready to implement TOU billing by January 2013. Board staff notes that API's current exemption (through EB-2012-0339) will expire December 31, 2012.

- a) Please provide a status update of the SAP CIS implementation and API's expected commencement of TOU billing.
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**Response:**

- a) API completed SAP CIS implementation in November 2012, and is on target to commence TOU billing for consumption effective January 1, 2013.



**13. Ref: Smart Meter Funding and Cost Recovery, page 22**

API states that its cumulative audited smart meter capital costs as at December 31, 2011 were \$4,272,096, and that an additional \$227,700 was forecast to be incurred in 2012.

a) Please provide the actual capital costs incurred to date in 2012.

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**Response:**

- a) The actual costs incurred in 2012 were \$149,356, therefore resulting in a revised actual cumulative total smart meter capital costs totalling \$4,421,452 as at December 31, 2012. An additional \$37,000 is forecasted to be spent in 2013 (see additional response provided in Board Q9), which relates to one additional FRP and one additional FNP being installed.



**14. Ref: Smart Meter Model Sheet 3**  
**Ref: EB-2007-0744 Draft Rate Order**

API has entered aggregate corporate income tax rates for 2008, 2009 and 2010 of 33.50%, 33.00% and 31.00% respectively in its smart meter model. In its cost of service decision, EB-2007-0744, the Board approved a corporate tax rate of 36.12% underlying API's 2007 rates. These rates remained in effect until the Board's Decision in EB-2009-0278, effective December 1, 2010.

- a) Please explain the corporate tax rates of 33.50%, 33.00% and 31.00% entered into the model for 2008, 2009 and 2010.
  - b) Please prepare a new smart meter model incorporating a tax rate of 36.12% for 2008, 2009 and 2010. Please include any other changes to the model resulting from API's responses to interrogatories.
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**Response:**

- a) The tax rates of 33.50%, 33.00%, and 31.00% for 2008, 2009 and 2010 are the actual legislated income tax rates (combined Federal and Provincial) in effect for Algoma Power Inc. for these years.
- b) Revised as requested.



**15. Ref: Smart Meter Model Sheet 3**  
**Ref: EB-2007-0744 Decision and Order, page 20**

In its Decision and Order setting GLPL's 2007 rates, the Board approved a capital structure of 50% debt and 50% equity. The Board also approved a long term debt rate of 6.1% and a return on equity of 8.57%. GLPL proposed no short term debt for 2007. This approved capital structure and rate of return remained in effect until the Board's Decision in EB-2009-0278, which approved rates for API for 2011, effective December 1, 2010. Board staff notes that API has entered a capital structure and rate of return for the years 2007, 2008, 2009 and 2010 which are inconsistent with those approved in EB-2007-0744.

- a) Please confirm the capital structure of 50% debt and 50% equity and the long term debt rate of 6.1% and a return on equity of 8.57% for 2007.
  - b) Please confirm that this capital structure and rate of return remained in effect until the Board's Decision in EB-2009-0278.
  - c) Please explain the capital structure and rate of return entered into API's smart meter model for the years 2007 to 2010, inclusive.
  - d) Please prepare a new smart meter model incorporating the approved capital structure and rate of return for 2007, 2008, 2009, and 2010. Please include any other changes to the model resulting from API's responses to interrogatories.
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**Response:**

- a) Confirmed
- b) Confirmed
- c) The capital structure and rate of return have been revised as per a) and b) above.
- d) The rate of return on equity and long term debt rate have been revised as per a) and b) above. The capital structure for 2007 has been revised to 50% debt and 50% equity. We are unable to revise the capital structure to 50% debt and 50%

equity as requested as these cells are protected and do not allow us to make this change.



**16. Ref: Smart Meter Model Sheet 8B**

In the Smart Meter Model filed by API, the utility has relied upon sheet 8B to calculate the interest on OM&A and depreciation/amortization expenses. Sheet 8B calculates the interest based on the average annual balance of deferred OM&A and depreciation/amortization expenses based on the annual amounts input elsewhere in the model.

The more accurate and preferred method for calculating the interest on OM&A and depreciation/amortization expense is to input the monthly amounts from the sub-account details of Account 1556, using sheet 8A of the model. This approach is analogous to the calculation of interest on SMFA revenues on sheet 8 of the model.

- a) Please re-file the smart meter model using the monthly OM&A and depreciation/amortization expense data from Account 1556 records. API should also take into account any revisions necessary, including those resulting from its responses to interrogatories, as required.
  - b) If this is not possible, please explain.
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**Response:**

- a) The model has been revised using Sheet 8A to calculate the interest.
- b) We have made the change in 16 a) above.



**17. Ref: Smart Meter Model, Version 2.21, Sheet 2 – Smart Meter Costs**

- a) Please provide further description of the capital costs of \$19,914 for 2007 and \$33,572 shown under '1.5.3 Professional Fees' on row 86 of sheet 2.
- b) Please provide further description of the capital costs for each year shown under '1.5.5 Program Management' on row 88 of sheet 2.
- c) Please provide further description of the OM&A costs of \$99,059 shown under '2.2.1 Maintenance' for the Advanced Metering Regional Collector shown on row 122 of sheet 2.

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**Response:**

- a) All of the 2007 costs and \$26,127 of the 2008 costs in this category are in relation to consulting services provided by Util-Assist, an Ontario firm specializing in metering solutions. The services performed by Util-Assist are described in detail on Page 4 of the "Smart Meter Funding and Cost Recovery" section of API's Application and Evidence. The remaining \$7,445 in 2008 relates to legal fees incurred in 2008.

b) '1.5.5 - Program Management' included API's internal and contracted labour costs related to a variety of activities. The table below shows major activities applicable to each year.

Major Project Management Activities	2007	2008	2009	2010	2011	2012
Form D9 group and engage Util-Assist	X					
Produce detailed meter inventories and maps	X	X				
Develop project plans and budgets	X	X				
Meetings with D9 group, other LDC's, Ministry, vendors	X	X	X	X		
API lead for development of D9 Vendor Information Package and AMI System Scoring/Evaluation Model	X					
API lead for D9 Installation Service Vendor RFP process		X				
API lead for London Hydro RFP Process		X				
API lead for Ontario LDC contract negotiations with Sensus		X	X			
API-specific contract negotiations with Sensus, Olameter and Harris			X			
API lead for Operational Data Store RFP process		X	X			
API lead on Ontario Smart Meter/TOU customer education efforts		X	X			
Work with Sensus on propagation analysis and TGB/FNP/FRP site selection		X	X			
Negotiate tower rental, land use and access agreements for TGB sites			X	X		
Develop TGB installation contract			X			
Coordinate and manage installation of 8 TGB's			X	X	X	
Develop API-specific configurations for Sensus meters		X	X			
Procure and arrange storage for meters and TGB/FNP/FRP's			X	X		
Coordinate meter exchanges performed by API crews			X	X	X	
Coordinate CIS system upgrades to accommodate mass meter exchange				X		
Coordinate CIS to ODS integration				X		
Coordinate and manage contractor meter exchanges				X		
Manage meter disposal contractor and processes			X	X		
Manage repair of customer meter bases damaged during exchanges			X	X	X	
Coordinate and manage upgrading of non-standard meter installations and exchanges of poly-phase, transformer-rated meters				X	X	
Coordinate initial "network tuning"				X	X	
Review TGB coverage and read success to optimize FNP/FRP installation plan				X	X	X
Coordinate installation of FNP/FRP's and further network tuning				X	X	X
API lead for Ontario Sensus Security Audit					X	X

- c) These costs are related to monthly TGB maintenance costs incurred in 2010. These costs cover Industry Canada licensing, tower space rental, backhaul communications, power and general operational and maintenance services provided by Sensus such as continuous remote monitoring, semi-annual preventative maintenance and trouble-ticket generation.



**18. Ref: Smart Meter Model, Version 2.21, Sheet 8 – Carrying Charges**

Algoma has proposed an effective date of January 1, 2013 for new rates, including the SMDR and SMIRR. On sheet 8 of the Smart Meter Model, Algoma has input the prescribed interest rate of 1.47% for all months of 2013. This will calculate interest on the SMFA revenue principal throughout 2013, even though the amounts are proposed to be disposed of as an offset to the deferred smart meter revenue requirement, with the residual being recovered through the SMDR. Carrying charges should thus not apply past December 31, 2012.

- a) Please explain why Algoma has input the prescribed interest rate of 1.47% past December 31, 2012.

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**Response:**

- a) API recognizes that on sheet 8 of the Smart Meter model, the 1.47% should not have been input for all months of 2013. However, in reference to API's response provided to VECC Q10, the SMDR and SMIRR were calculated correctly in Schedules 2 and 3, respectively as they excluded the 2013 interest in sheet 8 noted per above. In API's original application, the net revenue requirement for the SMDR and SMIRR is correctly calculated at \$1,740,361 and \$733,567, respectively.

Revised Schedules 1, 2 and 3 have been provided as part of API's response to the interrogatories, and the prescribed interest rate of 1.47% for all months of 2013 have been removed from the model.





**19. Ref: Smart Meter Application – Cost Allocation**

- a) Please provide updated class-specific SMDRs and SMIRRs reflecting any changes or updates made as a result of Algoma's responses to interrogatories.
- b) Please provide an updated Smart Meter Model Version 2.21 reflecting any updates or changes as a result of responses to interrogatories. The Smart Meter Model should be filed in working Microsoft Excel format.
- c) Please provide updates of Schedules 2 and 3 of Algoma's Smart Meter Application. These tables should be provided in working Microsoft Excel format if available.

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**Response:**

- a) API is currently waiting for Board Staff to provide API with an updated Smart Meter model that reflects the correct cost of capital parameters per Board Q15, as the current version has cells within the worksheet that cannot be modified to reflect the changes requested as part of these interrogatories. Once the updated model is provided, API will prepare updated SMDRs and SMIRRs for submission to the OEB.
- b) Please refer to a) above. API will prepare updated Smart Meter model Version 2.21 for submission to the OEB once the updated Smart Meter model is received from Board Staff.
- c) Please refer to a) above. API will prepare updated Schedules 2 and 3 for submission to the OEB once the updated Smart Meter model is received from Board Staff.



## Rate Design Module

### 20. Ref: Rate Model, Forecast Data Sheet Ref: Rate Model, Allocated Revenues

Board staff notes certain small discrepancies between the customer numbers in the approved load forecast and the numbers that have been used to calculate revenues for 2011, 2012 and 2013. Specifically:

	Forecast Data	Revenue Calculations
R1	8049	8039
R2	48	48
Seasonal	3665	3660
Street Lighting	32	1052

- a) Please explain these discrepancies.
  - b) Please make any corrections required to the rate model.
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### Response:

- a) The numbers referenced above under the heading "Forecast Data" are the approved forecasted year end customer counts. The Allocated Revenues tab, referenced above under the heading "Revenue Calculations" are the average number of customers or in the case of Street Lighting the average number of connections for 2011 on which rates are based. These values are confirmed in the API 2011 Cost of Service Application, EB-2009-0278, at Exhibit 8, Tab 1, Schedule 2 in the 2011 Allocated Revenues tab.
- b) No corrections are required.



## Rate Design Module

### 21. Ref: Schedule C, page 32

Board staff notes that API has proposed distribution rates that include the allocation of the Smart Meter Net Deferred Revenue Requirement and 2013 Smart Meter Revenue Requirement and has calculated RRRP funding amounts accordingly.

- a) Please provide a calculation of 2013 revenue requirement, 2013 rates and RRRP funding which does not include the Smart Meter Net Deferred Revenue Requirement or 2013 Smart Meter Revenue Requirement.
  - b) Please provide a calculation of 2013 revenue requirement, 2013 rates and RRRP funding which does not include the Smart Meter Net Deferred Revenue Requirement, but does include the 2013 Smart Meter Revenue Requirement.
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### Response:

- a) Please refer to model provided, API\_APPL\_IRM\_RateDesignModule\_IR21a.
- b) Please refer to model provided, API\_APPL\_IRM\_RateDesignModule\_IR21b.