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BY EMAIL

February 6, 2013

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: Wellington North Power Inc.
2013 IRM3 Distribution Rate Application
Board Staff Submission
Board File No. EB-2012-0174**

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

As a reminder, Wellington North Power Inc.'s Reply Submission is due by February 20, 2013.

Yours truly,

Original Signed By

Daniel Kim
Analyst, Applications & Regulatory Audit

Encl.



ONTARIO ENERGY BOARD

STAFF SUBMISSION

2013 ELECTRICITY DISTRIBUTION RATES

Wellington North Power Inc.

EB-2012-0174

February 6, 2013

**Board Staff Submission
Wellington North Power Inc.
2013 IRM3 Rate Application
EB-2012-0174**

Introduction

Wellington North Power Inc. (“WNPI”) filed an application (the “Application”) with the Ontario Energy Board (the “Board”) on November 19, 2012 under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the distribution rates that WNPI charges for electricity distribution, to be effective May 1, 2013. The Application is based on the 2013 3rd 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 WNPI.

Board staff has no concerns with the data supporting the updated Retail Transmission Service Rates (“RTSR”) proposed by WNPI. Pursuant to Guideline G-2008-0001, updated on June 28, 2012, Board staff notes that the Board will update the RTSR Adjustment Work Form with the updated Uniform Transmission Rates effective January 1, 2013.

Board staff makes submissions on WNPI’s Group 1 Deferral and Variance Account Balances.

WNPI 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. WNPI’s total Group 1 Deferral and Variance Account balances as of December 31, 2011 amount to a debit of \$47,056 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 \$0.0005 per kWh which does not exceed the threshold of \$0.001, and as such, WNPI did not request the disposition of these account balances.

WNPI noted in its manager’s summary that there were variances in Account 1588 Power excluding the Global Adjustment and Account 1588 Global Adjustment sub-

account between the audited financial statements and WNPI's Reporting and Record-keeping Requirements for the year ending December 31, 2011. WNPI provided an explanation for these differences and noted that corrective measures were made in 2012 to redress these balances.

While these differences are unfortunate, Board staff is satisfied that WNPI has taken measures going forward to correct the balances in Account 1588 Power, excluding the Global Adjustment sub-account, and Account 1588 Global Adjustment sub-account as of December 31, 2011. Board staff notes the importance of doing so since these balances are disposed to different groups of customers, that is to all customers and non-RPP customers respectively.

- All of which is respectfully submitted –