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March 9, 2007

Ms. K. Walli
Ontario Energy Board
P. O. Box 2319
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4

RE: EB-2007-0523

Dear Ms. Walli,

Please find enclosed Enersource Hydro Mississauga Inc.'s responses to Board staff's clarifying questions in the above named proceeding.

Sincerely,

A handwritten signature in cursive script, appearing to read 'K. Litt'.

K. Litt
Manager, Rates and Regulatory

cc. R. Herman, COO Enersource Hydro Mississauga Inc.

1. Question

Sheet 2, 2006 Rate Classes lists Enersource's proposed Service and Rate Classifications. There is no Standby Power rate class included, even though one is included in Enersource's existing Tariff of Rates and Charges. Please clarify whether or not this class was omitted in error and, if not, please provide a full explanation for its omission.

1. Response

Enersource does not charge any customer for Standby service at the approved \$2.60/kW.

Enersource provides Standby service to two customers pursuant to Interim Orders. These Interim Orders authorize Enersource to charge for Standby service based on the gross metered load of each customer and to apply the authorized distribution rates of the applicable customer class. One interim order applies to Integrated Gas Recovery Services, who are charged the distribution rates authorized for the General Service 50 – 499 kW customer class, and the other applies to the Greater Toronto Airports Authority, who are charged the distribution rates authorized for the Large User customer class. Through the 2007 EDR application, OEB file number EB-2007-0523, Enersource seeks Board authorized changes to the prevailing distribution rates.

2. Question

Sheet 3, 2006 Board-Approved Tariff of Rates and Charges includes service classification descriptions. There are some wording discrepancies between these descriptions on Sheet 3 and the existing Tariff of Rates and Charges. For each of these discrepancies, please state whether or not they were made in error and, if not, please provide an explanation for the proposed change:

- a. For "Small Commercial and USL," the wording "includes about 350 existing metered customers" has been replaced with "includes existing metered customers,"
- b. For "GS 50-499 kW", the wording "Note that for the application of the Retail Transmission Rate – Network Service Rate and the Retail Transmission Rate – Line and Transformation Connection Service Rate the following sub-classifications apply: General Service 50 to 499 kW non-interval metered General Service 50 to 499 kW interval metered" that appeared in the 2006 rate schedule does not appear in the proposed 2007 Tariff.
- c. As noted in (a), the Standby Power rate is not included, nor is its description.

2. Response

- a. Since filing its 2006 EDR application Enersource recognized that the Small Commercial customer class description was incorrect and planned to remedy this inaccuracy through its next rates application, i.e. this 2007 EDR application.
- b. These descriptions were omitted because the Retail Transmission Service rates are identical. The proposed change also aligns the description of the rates charged this customer class with the description of other customer classes' rates.
- c. Enersource is indifferent to the continuation or elimination of the Standby service rate of \$2.60/kW. Enersource does not charge any customer for Standby service at the approved \$2.60/kW rate. Enersource provides Standby service to two customers pursuant to Interim Orders.

3. Question

Sheet 3, 2006 Board-Approved Tariff of Rates and Charges, for the Small Commercial and USL does not include "Service Charge for Unmetered Scattered Load account (per connection)" of \$13.98, which is included in the approved 2006 Tariff of Rates and Charges. Enersource discusses this matter in Tab 2, Page 4 of 6 of its Manager's Summary, which is not clear as to what Enersource's proposal is. Please clarify this matter, specifically stating why Enersource has not included this tariff on Sheet 3 and how Enersource is proposing that the Board should treat this tariff in setting 2007 rates and why.

3. Response

Enersource proposes that unmetered customers not be charged a Smart Meter rate adder. This is stated at Tab2/p 4-5:

"... the tariff sheet that is produced by the model will need to be manually amended to ensure that the Unmetered Scattered Load customers do not attract responsibility for the Smart Meter rate adder."

Please note that the OEB's 2007 EDR Model provides bill impact estimates for a maximum of 6 customer classes.

Bill impacts for the following customer classes would have been estimated in the event that Enersource presented the Small Commercial unmetered rates as a distinct customer class on Sheet 3 of the 2007 EDR Model:

- Residential;
- Small Commercial metered;
- Small Commercial unmetered;
- General Service <50 kW;
- General Service 50 – 499 kW; and
- General Service 500 – 4,999 kW

Under this presentation bill impacts would not have been estimated for the following customer classes:

- Large User; or
- Street Lighting.

Because Enersource modeled the rates of the metered Small Commercial customer class, rather than the metered and unmetered Small Commercial rates individually, the 2007 EDR Model estimated bill impacts for the Large User customer class and provided sufficient information to estimate the bill impact to unmetered Small Commercial customers. Enersource noted at

Tab2/p4 that it under this approach (i.e., specifying the rates applicable to the metered Small Commercial class only) an adjustment to the Service Charge for the Small Commercial class, as set out at Worksheet 10. 2007 Tariff Sheet of the 2007 EDR Model, will be necessary.

4. Question

Sheet 3, 2006 Board-Approved Tariff of Rates and Charges, incorporates a number of differences in the descriptions of Specific Service Charges from those contained in the existing Tariff of Rates and Charges. For each of the following items, please either confirm that the referenced wording in the existing Tariff is still correct, or if not, please provide an explanation:

- a. Two customer administration charges, both described as "Credit reference/credit check (plus credit agency costs)" one in the amount of \$15.00 and the second in the amount of \$25.00 are included. The existing Tariff of Rates and Charges states that the second of these charges is for General Service customers.
- b. Two "Account set up charge/change of occupancy charge (plus credit agency costs if applicable)" one in the amount of \$30 and the second in the amount of \$20 are included. The existing Tariff of Rates and Charges states that the second of these charges is for Residential customers.
- c. A charge described as "Meter dispute charge plus Measurement Canada fees (if meter found correct) in the amount of \$40 is included, while the existing Tariff has a charge described as "Interval Meter request change" in the amount of \$40. Please also confirm that these are the same charges, or whether the existing charge is being dropped and a new one proposed.
- d. Please confirm that both the Transformer Allowance for Ownership and the Primary Metering Allowance for Transformer Losses respectively shown as \$0.40 and \$1.00 should be shown as negative amounts.

4. Response

Enersource proposes that the Specific Service charges authorized by the Board in EB-2006-0109 continue in the 2007 rate year. Sheet 3 of the OEB's 2007 EDR Model is preprogrammed with pull down menus that permit a limited number of Specific Service Charge descriptions. Enersource was not able to over-write, edit or change these descriptions in any way. As a result Enersource matched, to the extent possible, the description provided by the pre-programmed menu with the description of the approved charge.

- a. If it was possible to edit the menu then the appropriate descriptions would be:

Credit reference/credit check	
(plus credit agency costs)	\$15.00
Credit reference/credit check	
(plus credit agency costs – General Service)	\$25.00

- b. If it was possible to edit the menu then the appropriate descriptions would be:

Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$30.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable – Residential)	\$20.00

- c. Enersource is currently authorized to apply both charge types and proposes to continue to do so. The authorization is as follows:

Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$10.00
Interval Meter request change	\$40.00

These Specific Service Charges are not the same. Enersource does not propose to eliminate either Specific Service Charge and is not proposing the creation of a new Specific Service Charge.

Sheet 3 of the 2007 EDR Model proposes the following:

Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$10.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$40.00

This presentation was made because of the limitations of the pre-programmed drop down menu. If it was possible to edit the menu then the appropriate descriptions would be:

Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$10.00
Interval Meter request change	\$40.00

- d. Enersource confirms that the "Transformer Allowance for Ownership" and the "Primary Metering Allowance for Transformer Losses" should be shown as negative amounts, specifically:

Transformer Allowance for Ownership	\$(0.40)/kW
Primary Metering Allowance for Transformer Losses	(1.00)%

5. Question

Sheet 6, Conservation and Demand Management Adjustment, please provide the supporting calculations for the \$0.0010 CDM Rate Adder, as outlined in the instructions on the sheet.

5. Response

As described at EB-2007-0523/Tab2/p2 Enersource removed the CDM Rate Adder estimated by the 2006 Electricity Distribution Rates Model Worksheet 8-3 CDM. Further support for this adjustment is provided below:

Total Second Generation CDM budget:	\$	1,525,000
2004 weighted average residential energy deliveries:		1,561,994,785
Computed \$/kWh:		0.00097632
\$/kWh rounded to 4 decimal places:	\$	0.0010/kWh

6. Question

2007 EDR Smart Meter Rate Calculation Model, Sheet 3, LDC Assumptions and Data. The 2006 EDR model (Sheet 7-1) utilized a figure of 178,048 for the Total Metered Customers sum. The 2007 EDR model uses a figure of 175,110 for the Total Metered Customers sum. Please explain why Enersource used the figure of 175,110.

6. Response

The difference between the cited numbers, being 2,938, is attributable to the Small Commercial customer class. In 2004 this customer class included 425 customers who took delivery of electricity at 3,158 connections. A reconciliation of the above cited data is provided below.

2004 Connections, net of Street Lights	178,048
Deduct: 2004 Small Commercial Connections	3,158
Add Back: 2004 Metered Small Commercial Customers	425
<u>Deduct: 2004 Unmetered Small Commercial Customers</u>	<u>205</u>
2004 Total Metered Customers	<u>175,110</u>