

**Wasaga Distribution Inc.
2013 IRM Rate Application
Board Staff Interrogatories**

**1. Ref: 2013 IRM3 Tax Savings Work Form, Sheet 5
Ref: Revenue Requirement Work Form ("RRWF") EB-2011-0103**

Please confirm the dollar amount for Regulatory Taxable Income cell M36 should be \$385,143 as per the RRWF, row Taxable Income and column Per Board Decision. If confirmed Board staff will update your model, otherwise please explain the amount entered of \$351,117.

TAX SAVINGS WORK FORM

This worksheet calculates the tax sharing amount.

[UPDATE SHEET](#)

Step 1: Press the Update Button (this will clear all input cells and reveal your latest cost of service re-basing year).

Step 2: In the green input cells below, please enter the information related to the last Cost of Service Filing.

Summary - Sharing of Tax Change Forecast Amounts

For the 2012 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)

20000

1. Tax Related Amounts Forecast from Capital Tax Rate Changes

	2012	2013
Taxable Capital	\$ 12,762,842	\$ 12,762,842
Deduction from taxable capital up to \$15,000,000	\$ 15,000,000	\$ 15,000,000
Net Taxable Capital	-\$ 2,237,158	-\$ 2,237,158
Rate	0.000%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	\$ -	\$ -

2. Tax Related Amounts Forecast from Income Tax Rate Changes

	2012	2013
Regulatory Taxable Income	\$ 351,117	\$ 351,117
Corporate Tax Rate	15.50%	15.50%
Tax Impact	\$ 34,423	\$ 34,423
Grossed-up Tax Amount	\$ 40,737	\$ 40,737

Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ -	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 40,737	\$ 40,737
Total Tax Related Amounts	\$ 40,737	\$ 40,737
Incremental Tax Savings		\$ -
Sharing of Tax Savings (50%)		\$ -

REVENUE REQUIREMENT WORK FORM EB-2011-0103

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
<u>Determination of Taxable Income</u>				
1	Utility net income before taxes	\$472,818	\$465,588	\$465,588
2	Adjustments required to arrive at taxable utility income	(\$80,446)	(\$114,471)	(\$80,446)
3	Taxable income	<u>\$392,372</u>	<u>\$351,117</u>	<u>\$385,143</u>
<u>Calculation of Utility income Taxes</u>				
4	Income taxes	<u>\$60,818</u>	<u>\$34,423</u>	<u>\$34,423</u>
6	Total taxes	<u>\$60,818</u>	<u>\$34,423</u>	<u>\$34,423</u>
7	Gross-up of Income Taxes	<u>\$11,156</u>	<u>\$6,314</u>	<u>\$6,314</u>
8	Grossed-up Income Taxes	<u>\$71,974</u>	<u>\$40,737</u>	<u>\$40,737</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$71,974</u>	<u>\$40,737</u>	<u>\$40,737</u>
10	Other tax Credits	\$ -	(\$20,000)	(\$20,000)
<u>Tax Rates</u>				
11	Federal tax (%)	11.00%	11.00%	11.00%
12	Provincial tax (%)	4.50%	4.50%	4.50%
13	Total tax rate (%)	<u>15.50%</u>	<u>15.50%</u>	<u>15.50%</u>

2. Ref: 2013 IRM3 RTSR Work form, page 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 WDI’s Board-approved loss factor.

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor
Residential	kWh	81,939,538		1.0810
General Service Less Than 50 kW	kWh	16,444,170		1.0810
General Service 50 to 4,999 kW	kW	21,277,030	52,775	
Unmetered Scattered Load	kWh	308,021		1.0810
Street Lighting	kW	1,695,927	5,014	

3. Ref: Manager Summary Page 6 Deferral and Variance Account Rate Riders

WDI is requesting discontinuation of the Rate Riders for Deferral Variance Account Disposition (2011) – Effective until April 30, 2011, approved in its IRM2 application EB-2010-0143. In the process of completing the Deferral Variance account work form WDI incorrectly interpreted the filing information on Sheet A – 1.1 “LDC Information” and Cell D37 should have indicated “YES” while WDI improperly indicated “NO”. The Managers Summary states “The result of this error was the inclusion of Non-RPP rates for Global Adjustment across all rate classes which resulted in an over collection of the Recovery Account.”

- a) Please explain how WDI plans to correct this error?
- b) The Deferral Variance account work form from application EB-2010-0143 indicates only the Residential, General Service Less than 50 kW and General Service Greater 50 to 4,999 kW rate classes were affected by the inclusion of Non-RPP rates for the Global Adjustment, see table below. Please confirm this to be true, if not please explain how all rate classes are affected.

Name of LDC: Wasaga Distribution Inc.
File Number: EB-2010-0143
Effective Date: May 1, 2011

Calculation of Deferral Variance Recovery Rate Rider including Globa

Rate Rider Recovery Period - Years

Three

Rate Rider Effective To Date

April-30-14

Rate Class	Vol Metric	Billed kWh A	Billed kW B	Accounts Allocated by kWh C	Accounts Allocated by Non- RPP kWh D
Residential	kWh	67,145,248	0	(402,674)	352,196
General Service Less Than 50 kW	kWh	12,946,028	0	(77,638)	43,409
General Service 50 to 4,999 kW	kW	15,477,900	25,515	(92,822)	342,370
Unmetered Scattered Load	kWh	167,496	0	(1,004)	0
Street Lighting	kW	1,543,827	4,610	(9,258)	0
		<u>97,280,499</u>	<u>30,125</u>	<u>(583,397)</u>	<u>737,974</u>