



October 2, 2013

BY EMAIL/COURIER/RESS

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON
M4P 1E4

Dear Ms. Walli,

**RE: Whitby Hydro Electric Corporation
2014 IRM4 Distribution Rate Application
Board Staff Interrogatories
Board File No. EB-2013-0181**

As directed by the Board's Notice of Application and Hearing for this rate proceeding, Whitby Hydro Electric Corporation has provided responses to interrogatories from Board Staff. A copy has been filed electronically through the Board's RESS system and originals will follow via courier.

Respectfully submitted,

Original signed by

Susan Reffle
Vice President

Attach.

Whitby Hydro Electric Corporation EB-2013-0181

Board Staff Interrogatories

RTSR Model

Interrogatory #1

Ref: RTSR Model, Tab 4 – “RRR Data”

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	369,282,749		1.0454		386,048,186	-
General Service Less Than 50 kW	kWh	82,678,254		1.0454		86,431,847	-
General Service 50 to 4,999 kW	kW	412,454,610	972,124		58.15%	412,454,610	972,124
Unmetered Scattered Load	kWh	1,797,477		1.0454		1,879,082	-
Sentinel Lighting	kW	32,927	84		53.73%	32,927	84
Street Lighting	kW	9,166,303	24,583		51.11%	9,166,303	24,583

(A) Please confirm that the data entered in columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” are not adjusted by Whitby Hydro’s Board approved loss factor.

Response:

Whitby Hydro confirms that the data entered in columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” are not adjusted by Whitby Hydro’s Board approved loss factor.

Tax-Sharing Workform

Interrogatory #2

Ref: Tax-Sharing Workform, Tab 3 – “Re-Based Bill Det & Rates”

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	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	36,927	350,407,180		17.29	0.0142	
GSLT50	General Service Less Than 50 kW	Customer	kWh	1,909	75,150,446		19.91	0.0195	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	435	414,547,692	966,330	192.45		3.9405
USL	Unmetered Scattered Load	Connection	kWh	391	2,493,809		9.33	0.0304	
Sen	Sentinel Lighting	Light	kW	37	43,361	120	4.69		12.6951
SL	Street Lighting	Light	kW	11,478	9,090,771	24,361	1.52		6.0407

Board staff is unable to reconcile the data entered in columns D, E and F to Whitby Hydro's previous Board-approved Tariff of Rates and Charges (i.e. effective May 1, 2013).

(A) Please explain the figures entered in columns D, E and F.

Response:

Whitby Hydro inadvertently carried forward the January 2012 Service Charges and Distribution Volumetric Rates.

(B) If changes are required, please confirm the correct figures, and Board staff will update the model accordingly.

Response:

Whitby Hydro provides the correct figures below and asks Board Staff to update the model accordingly.

Rate Group	Rate Class	Fixed Metric	Vol Metric	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	17.43	0.0144	
GSLT50	General Service Less Than 50 kW	Customer	kWh	20.13	0.0197	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	194.53		3.9831
USL	Unmetered Scattered Load	Connection	kWh	9.43	0.0307	
Sen	Sentinel Lighting	Light	kW	5.36		14.5002
SL	Street Lighting	Light	kW	1.69		6.7147

Whitby Hydro notes that the updated Service Charges and Distribution Volumetric Rates do not affect the *Total Z-Factor Tax Change*. They do, however, have a very small impact on the allocation by rate class:

Original:

Rate Class	Total Revenue \$ by Rate Class A	Total Revenue % by Rate Class B = A / \$H	Total Z-Factor Tax Change\$ by Rate Class C = \$I * B
Residential	\$12,637,396	63.66%	-\$52,244
General Service Less Than 50 kW	\$1,921,532	9.68%	-\$7,944
General Service 50 to 4,999 kW	\$4,812,412	24.24%	-\$19,895
Unmetered Scattered Load	\$119,588	0.60%	-\$494
Sentinel Lighting	\$3,606	0.02%	-\$15
Street Lighting	\$356,516	1.80%	-\$1,474
	<u>\$19,851,050</u>	<u>100.00%</u>	<u>-\$82,066</u>

Revised:

Rate Class	Total Revenue \$ by Rate Class A	Total Revenue % by Rate Class B = A / \$H	Total Z-Factor Tax Change\$ by Rate Class C = \$I * B
Residential	\$12,769,515	63.54%	-\$52,145
General Service Less Than 50 kW	\$1,941,602	9.66%	-\$7,929
General Service 50 to 4,999 kW	\$4,864,436	24.20%	-\$19,864
Unmetered Scattered Load	\$120,805	0.60%	-\$493
Sentinel Lighting	\$4,120	0.02%	-\$17
Street Lighting	\$396,351	1.97%	-\$1,619
	<u>\$20,096,828</u>	<u>100.00%</u>	<u>-\$82,066</u>

In its 2014 Rate Application Whitby Hydro proposed that it be allowed to record the shared tax change amount of \$82,066 in account 1595 given that implementation of the calculated rate riders would not produce the intended results for Residential customers (the largest allocated class).

In the original application, the overall difference between the intended shared savings and the calculated disposition was 21%. The Residential class (which makes up a significant portion (64%) of the intended total shared tax savings) showed a variance of 33% between the calculated disposition and the intended shared savings. These numbers remain unchanged after the model was updated.

Original:

2014 Tax Sharing - Analysis of Tax Sharing to Distribute vs Projected Savings Generated By Rate Riders

	Billed kWh (A)	Billed kW (B)	Tax Chg Rate Rider/kWh (C)	Tax Chg Rate Rider/kWh (D)	Calculated Amount (E=A*C or B*D as applicable)	Total Z Factor Change\$ by Rate Class (F)*	Diff \$ (G=F-E)	Diff% (G/F)
Residential	350,407,180		-\$0.0001		-\$35,041	-\$52,244	\$17,203	-33%
GS<50 kW	75,150,446		-\$0.0001		-\$7,515	-\$7,944	\$429	-5%
GS>50 kW	414,547,692	966,330		-\$0.0206	-\$19,906	-\$19,895	-\$12	0%
USL	2,493,809		-\$0.0002		-\$499	-\$494	-\$4	1%
Sent. Lights	43,361	120		-\$0.1242	-\$15	-\$15	\$0	0%
Streetlights	9,090,771	24,361		-\$0.0605	-\$1,474	-\$1,474	\$0	0%
	851,733,259	990,811			-\$64,450	-\$82,066	\$17,616	-21%

*as per OEB's 2014 Tax Sharing Model v.1.1

Revised:

2014 Tax Sharing - Analysis of Tax Sharing to Distribute vs Projected Savings Generated By Rate Riders

	Billed kWh (A)	Billed kW (B)	Tax Chg Rate Rider/kWh (C)	Tax Chg Rate Rider/kWh (D)	Calculated Amount (E=A*C or B*D as applicable)	Total Z Factor Change\$ by Rate Class (F)*	Diff \$ (G=F-E)	Diff% (G/F)
Residential	350,407,180		-\$0.0001		-\$35,041	-\$52,145	\$17,104	-33%
GS<50 kW	75,150,446		-\$0.0001		-\$7,515	-\$7,929	\$414	-5%
GS>50 kW	414,547,692	966,330		-\$0.0206	-\$19,906	-\$19,864	-\$42	0%
USL	2,493,809		-\$0.0002		-\$499	-\$493	-\$5	1%
Sent. Lights	43,361	120		-\$0.1402	-\$17	-\$17	\$0	0%
Streetlights	9,090,771	24,361		-\$0.0664	-\$1,618	-\$1,619	\$1	0%
	851,733,259	990,811			-\$64,595	-\$82,066	\$17,471	-21%

*as per OEB's 2014 Tax Sharing Model v.1.1 revised for IRR#2

There are no significant changes to the outcomes based on the revised analysis. As a result, Whitby Hydro maintains that the proposal presented in the original application and the supporting arguments continue to be valid and reconfirms its request to record the tax sharing amount (\$82,066) in account 1595 for future disposition.

Rate Generator Model

Interrogatory #3

Ref: Rate Generator Model, Tab 6 – “Billing Det. For Def-Var”

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue ¹	1590 Recovery Share Proportion*
RESIDENTIAL	\$/kWh	350,407,180		24,528,503	0	6,458,704	42.00%
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	75,150,446		10,596,213	0	1,046,759	9.00%
GENERAL SERVICE 50 TO 4,999 KW	\$/kW	414,547,692	966,330	366,460,160	854,236	2,343,490	47.00%
UNMETERED SCATTERED LOAD	\$/kWh	2,493,809			0	44,457	
SENTINEL LIGHTING	\$/kW	43,361	120		0	1,393	
STREET LIGHTING	\$/kW	9,090,771	24,361	9,090,771	24,361	130,829	2.00%
microFIT							
Total		851,733,259	990,811	410,675,647	878,597	10,025,632	100.00%

Board staff is unable to reconcile the data entered in the column “Distribution Revenue” to Whitby Hydro’s previous cost of service application (EB-2009-0274).

(A) Please explain the figures entered in the column labelled "Distribution Revenue".

Response:

Whitby Hydro carried forward the Distribution Revenue numbers that were submitted with its original 2012 IRM Application. In the 2012 Application, Whitby Hydro had proposed to allocate the disposition of Account 1562 across rate classes on the basis of actual PLS recovery across classes. In the submission phase of the 2012 application process, Board Staff noted that the use of distribution revenue to allocate the balance of 1562 was established in the Combined Proceeding. Whitby agreed with Board staff and subsequently revised the Rate Generator Model.

(B) If changes are required, please confirm the correct figures, and Board staff will update the model accordingly.

Response:

Please find below the revised Distribution Revenue figures which were accepted in the 2012 proceedings and are the correct figures to be used in the 2014 rate generation model.

Whitby Hydro notes that as this application does not include a request to dispose of the 1562 balances, the revised Distribution Revenue numbers will not have any impact on the rates calculated and included for approval.

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue ¹
RESIDENTIAL	\$/kWh	350,407,180		24,528,503	0	12,484,708
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	75,150,446		10,596,213	0	1,886,505
GENERAL SERVICE 50 TO 4,999 KW	\$/kW	414,547,692	966,330	366,460,160	854,236	4,386,869
UNMETERED SCATTERED LOAD	\$/kWh	2,493,809			0	118,230
SENTINEL LIGHTING	\$/kW	43,361	120		0	3,106
STREET LIGHTING	\$/kW	9,090,771	24,361	9,090,771	24,361	317,008
microFIT						
Total		851,733,259	990,811	410,675,647	878,597	19,196,426