

Horizon Utilities Corporation EB-2013-0137

Board Staff Interrogatories

Tax-Sharing Workform

Interrogatory #1

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 | 214,658 | 1,539,676,985 | | 14.53 | 0.0143 | |
| GSLT50 | General Service Less Than 50 kW | Customer | kWh | 17,931 | 537,886,860 | | 32.35 | 0.0084 | |
| GSGT50 | General Service 50 to 4,999 kW | Customer | kW | 2,279 | 1,745,006,174 | 4,758,680 | 294.96 | | 2.0459 |
| LU | Large Use > 5000 kW | Customer | kW | 12 | 538,081,868 | 2,500,000 | 22,773.42 | | 1.3436 |
| USL | Unmetered Scattered Load | Connection | kWh | 52,388 | 40,006,298 | | 9.16 | 0.0142 | |
| Sen | Sentinel Lighting | Connection | kW | 3,228 | 12,541,586 | 1,421 | 4.45 | | 12.2103 |
| SL | Street Lighting | Connection | kW | 501 | 502,459 | 111,295 | 2.32 | | 6.1961 |
| SB | Stand-By | Connection | kW | | | 199,012 | | | 2.4952 |

Board staff believes the figures entered in columns A, B and C for Horizon Utilities’ Unmetered Scattered Load, Sentinel Lighting and Street Lighting rate classes have been transposed. Board staff believes that the figures, which reconcile to Horizon Utilities’ previous cost of service Draft Rate Order (EB-2010-0131), should be as follows:

| Rate Class | Re-based Billed Customers or Connections | Re-based Billed kWh | Re-based Billed kW |
|-----------------------------|--|------------------------|-----------------------|
| Unmetered Scattered Load | 3,228 | 12,541,586 | |
| Sentinel Lighting | 501 | 502,459 | 1,421 |
| Street Lighting | 52,388 | 40,006,298 | 111,295 |

- (A) If Horizon Utilities agrees, please confirm, and Board staff will make the necessary adjustments to the workform.
(B) If the answer to (A) is no, please provide evidence for the figures entered.

Board staff is also unable to reconcile the data entered in columns D, E and F to Horizon Utilities’ current Board-approved Tariff of Rates and Charges (i.e. effective January 1, 2013).

- (C) Please provide evidence for the figures entered in columns D, E and F.

(D) If changes are required, please confirm, and Board staff will update the model with the rates as found in Horizon Utilities' current Tariff of Rates and Charges.

Interrogatory #2

Ref: Tax-Sharing Workform, Tab 5 – “Z-Factor Tax Changes”

Summary - Sharing of Tax Change Forecast Amounts

| | | | | |
|---|-------------|-------------|-------------|----------------|
| For the 41481 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #) | | | | \$ 414,250 |
| 1. Tax Related Amounts Forecast from Capital Tax Rate Changes | 2008 | 2009 | 2010 | 2011 |
| Taxable Capital | | | | \$ 369,052,367 |
| Deduction from taxable capital up to \$15,000,000 | | | | \$ 15,000,000 |
| Net Taxable Capital | | | | \$ 354,052,367 |
| Rate | | | | |
| Ontario Capital Tax (Deductible, not grossed-up) | | | | |

Board staff is unable to reconcile the \$414,250 amount entered for tax credits from the previous cost of service tax calculation.

- (A) Please provide evidence from Horizon Utilities' previous cost of service rate proceeding for the figure entered.
- (B) If changes are required, please confirm, and Board staff will make the necessary adjustment to the workform.

RTSR Model

Interrogatory #3

Ref: RTSR Model, Tab 3 – “Rate Classes”

| | | | |
|---------------------------------|-----|-----------|-----------|
| Residential | kWh | \$ 0.0070 | \$ 0.0053 |
| General Service Less Than 50 kW | kWh | \$ 0.0061 | \$ 0.0048 |
| General Service 50 to 4,999 kW | kW | \$ 2.4273 | \$ 1.9016 |
| Large Use > 5000 kW | kW | \$ 2.7728 | \$ 2.1852 |
| Unmetered Scattered Load | kWh | \$ 0.0062 | \$ 0.0049 |
| Stand-By | kW | | |
| Sentinel Lighting | kW | \$ 2.0170 | \$ 1.5302 |
| Street Lighting | kW | \$ 1.9109 | \$ 1.4919 |

Horizon Utilities has listed Large Use > 5000 kW on tab 3 of the RTSR Model. In Horizon Utilities' current Tariff of Rates and Charges, it lists the rate class as Large Use.

Please confirm if this is an error. If so, Board staff will make the necessary adjustments to the model.

Interrogatory #4
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 | 1,660,619,626 | | 1.0407 | | 1,728,206,845 | - |
| General Service Less Than 50 kW | kWh | 590,670,916 | | 1.0407 | | 614,711,222 | - |
| General Service 50 to 4,999 kW | kW | 1,840,367,888 | 5,410,653 | | 46.62% | 1,840,367,888 | 5,410,653 |
| Large Use > 5000 kW | kW | 599,769,067 | 2,502,409 | | 32.85% | 599,769,067 | 2,502,409 |
| Unmetered Scattered Load | kWh | 12,319,857 | | 1.0407 | | 12,821,275 | - |
| Stand-By | kW | | | | | - | - |
| Sentinel Lighting | kW | 500,444 | 1,401 | | 48.96% | 500,444 | 1,401 |
| Street Lighting | kW | 39,307,021 | 109,877 | | 49.03% | 39,307,021 | 109,877 |

Please confirm that the data entered in columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” are not adjusted by Horizon Utilities’ Board approved loss factor.

Interrogatory #5
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 | 1,660,619,626 | | 1.0407 | | 1,728,206,845 | - |
| General Service Less Than 50 kW | kWh | 590,670,916 | | 1.0407 | | 614,711,222 | - |
| General Service 50 to 4,999 kW | kW | 1,840,367,888 | 5,410,653 | | 46.62% | 1,840,367,888 | 5,410,653 |
| Large Use > 5000 kW | kW | 599,769,067 | 2,502,409 | | 32.85% | 599,769,067 | 2,502,409 |
| Unmetered Scattered Load | kWh | 12,319,857 | | 1.0407 | | 12,821,275 | - |
| Stand-By | kW | | | | | - | - |
| Sentinel Lighting | kW | 500,444 | 1,401 | | 48.96% | 500,444 | 1,401 |
| Street Lighting | kW | 39,307,021 | 109,877 | | 49.03% | 39,307,021 | 109,877 |

Board staff is unable to reconcile the figure entered for the Large Use rate class in the column “Non-Loss Adjusted Metered kWh” to Horizon Utilities’ most recent RRR 2.1.5 filing. Board staff believes the figure should be 1,373,125,985 kWh.

- (A) If Horizon Utilities agrees, please confirm, and Board staff will make the necessary corrections to the model.
(B) If the answer to (A) is no, please provide evidence for the figure entered.

Rate Generator Model

Interrogatory #6
Ref: Rate Generator Model, Tab 10 – “Other Charges & LF”

Request for other billing information

\$ 30.00

Board staff notes that under the “Customer Administration” section of Horizon Utilities’ proposed Tariff of Rates and Charges, the line item from the currently approved Tariff of Rates and Charges labelled as “Special meter reads” appears to be labelled “Request for other billing information”.

- (A) If Horizon Utilities agrees, and also agrees that this is in error, please confirm and Board staff will update the model with the information as currently found in Horizon Utilities’ Board-approved Tariff of Rates and Charges.
- (B) If the answer to (A) is no to either part, please provide Horizon Utilities’ rationale.