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VIA RESS & OVERNIGHT COURIER

October 21, 2013

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

Dear Ms. Walli:

Re: Enersource Hydro Mississauga Inc.
Application for Distribution Rates Effective January 1, 2014
Board File No. EB-2013-0124
Interrogatory Responses

Please find attached Enersource's responses to interrogatories in the above-captioned proceeding.

Two sets of hard copies of all the interrogatory responses will be sent to the Board in addition to filing this via RESS.

If you have any questions or concerns, please do not hesitate to contact me at (905) 283-4098.

Sincerely,

(Original signed by)

Gia M. DeJulio
Director, Regulatory Affairs

cc. Dan J. Pastoric, Executive Vice-President and Chief Operating Officer
All Intervenors EB-2013-0124 (Cover letter by email)

Enersource Hydro Mississauga Inc.
2014 IRM Rate Application
Response to Interrogatories

Interrogatory #1

Board Staff

Appendix H, Enersource Disposition Adjustment

1. Ref: Appendix H

Enersource has created a separate model that replicates the billing determinants, allocation and calculation of variance and deferral account rate riders for Group 1 disposition found in the Board's 2014 IRM Rate Generator Model, specifically worksheet 6 and 8. In this separate model, Enersource's total claim for disposition of its Group 1 Account balances is a debit of $10,611,807.

a) Please confirm that the Group 1 Account balances requested for disposition are a credit and not a debit.

b) Board staff requests Enersource to replicate the $10,611,807 using the continuity schedule on worksheet 5 of the Board's 2014 IRM Rate Generator Model, which is attached (please also refer to Board staff interrogatory 2a when completing the model).

Response:

a) Enersource confirms that the Group 1 Account balances requested for disposition are a credit, and thus, are proposed to be refunded back to customers in 2014.

b) Enersource has updated Worksheet 5 of Attachment D, the Board's 2014 Rate Generator Model, reflecting the Group 1 Account credit balance of $10,611,807 requested for disposition. This has been filed separately as a live Excel spreadsheet to accompany this response.

   Please see the response to Board Staff #2 for further discussion on the Attachment D filed with the original evidence.

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Interrogatory #2

Board Staff

2014 IRM Rate Generator

2. Ref: Portions of Sheet 5 "2014 Continuity Schedule" is reproduced below.

Screenshot 1

Projected Interest on Dec-31-12 Balances			2.1.7 RRR	
Projected Interest from Jan 1, 2013 to December 31, 2013 on Dec 31 -12 balance adjusted for disposition during 2013 [3]	Projected Interest from January 1, 2013 to April 30, 2013 on Dec 31 -12 balance adjusted for disposition during 2013 [3]	Total Claim	As of Dec 31-12	Variance RRR vs. 2012 Balance (Principal + Interest)
(28,489)		(1,882,112)	3,228,233	3,542,741
124,938		8,804,945	(17,758,098)	(18,478,259)
108,847		7,854,113	2,204,804	(5,850,332)
88,280		6,070,446	1,485,806	(4,959,881)
(50,754)		(3,601,442)	1,122,394	4,249,729
284,701		18,855,285	(728,413)	(21,223,741)
0		0		0
0		0		0
2,986		285,600	1,088	(282,814)
(9,739)		(850,983)	(2,968,724)	(2,315,480)
0		0		0
500,769	0	35,355,833	(13,400,930)	(45,317,617)
238,068	0	16,700,568	(12,672,517)	(24,093,878)
284,701	0	18,855,285	(728,413)	(21,223,741)
27,998	(2,916)	1,731,159		(1,708,080)
				0
528,765	(2,916)	37,088,993	(13,400,930)	(47,029,897)
		0		0
528,765	(2,916)	37,088,993	(13,400,930)	(47,029,897)

Screenshot 2

Account Descriptions	Account Number	2011 Closing Principal Balance as of Dec-31-11	2011 Closing Interest Amounts as of Dec-31-11
Group 1 Accounts			
LV Variance Account	1550		
RSVA - Wholesale Market Service Charge	1580		
RSVA - Retail Transmission Network Charge	1584		
RSVA - Retail Transmission Connection Charge	1586		
RSVA - Power (excluding Global Adjustment)	1588		
RSVA - Global Adjustment	1589		
Recovery of Regulatory Asset Balances	1590		
Disposition and Recovery/Refund of Regulatory Balances (2008)[4]	1595		
Disposition and Recovery/Refund of Regulatory Balances (2009)[4]	1595		
Disposition and Recovery/Refund of Regulatory Balances (2010)[4]	1595		
Disposition and Recovery/Refund of Regulatory Balances (2011)[4]	1595		
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		0	0
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		0	0
RSVA - Global Adjustment	1589	0	0
Deferred Payments in Lieu of Taxes	1562		
Total of Group 1 and Account 1562		0	0
Special Purpose Charge Assessment Variance Account[4]	1521		
LRAM Variance Account[4]	1568		
Total including Accounts 1562 and 1568		0	0

In the worksheet referenced above, the variances in Screenshot 1 between Enersource's 2.1.7 RRR figures and Enersource's total claim amounts appear to be as a result of Enesource not inputting in the closing principal and interest balances as of December 31, 2011 in Screenshot 2.

a) Board staff requests Enersource to update the attached 2014 Rate Generator Model, specifically worksheet 5, and input Enersource's closing principal and interest balances as of December 31, 2011 for all Group 1 Accounts that it is requesting to dispose.

b) If applicable, Board staff also requests Enersource to explain in detail the reason for any variances between Enersource's Group 1 Account balances and its 2.1.7 RRR figures.

c) Board staff requests that for the disposition of Account 1595, Enersource provide reference to and the amounts approved by the Board for disposition for the year ending 2008, 2009 and 2010.

Response:

a) Worksheet 5 of the 2014 Rate Generator Model has been revised with Enersource's closing principal and interest balances as of December 31, 2011 for all Group 1 Accounts that it is requesting to dispose. This has been provided as a live Excel worksheet to accompany this response.

Enersource apologizes for the presentation of Attachment D, the Board's 2014 Rate Generator Model, originally filed on August 16. For reasons unknown, during the final preparations of the various Excel models for filing with the Board, certain portions of Worksheet 5 on Attachment D, the Board's Rate Generator Model, were deleted. Specifically, as Board Staff discovered, Columns CQ and CR were missing closing principal and interest balances as of December 31, 2011, and some shifting of balances for Account 1595 occurred in rows 31 to 34. The revised Worksheet 5 provided with this response corrects these errors.

b) The difference between Enersource's 2.1.7 RRR figures and Enersource's total claim amounts as filed in the 2014 Rate Generator Model was due to the errors discussed above. Enersource confirms that the Group 1 Account Balances on the revised Worksheet 5 now match Enersource's section 2.1.7 RRR figures. Again, Enersource apologizes for this confusion and wishes to express its thanks to Board Staff for bringing this to our attention.

Enersource confirms that there was no impact to the proposed Tariff of Rates and Charges, nor the proposed Bill Impacts as a result of updating Worksheet 5 in the Rate Generator Model. This technical error only affected Worksheet 5 of Attachment D, the Board's Rate Generator Model, in the original pre-filed evidence.

c) In the revised Worksheet 5 of Attachment D, Enersource notes that a disposition balance for Account 1595 only exists in 2009. The 2009 disposition credit balance of $2.997 million is the residual balance remaining in Account 1595, which pertains to Enersource's application for the disposition of Group 1 Deferral and Variance Accounts in EB-2009-0405.

Enersource received approval from the Board in EB-2009-0405 on January 29, 2010 for the disposition of the following amounts ($):

Group 1 Accounts excluding 1588 Global Adjustment (refund)	($27,094,947)
Carrying Charge to January 31, 2010 (refund)	(1,913,119)
Net amount to be refunded to customers (refund)	($29,008,065)
1588 Global Adjustment (recovery)	$41,485,837
Carrying Charge to January 31, 2010 (recovery)	301,804
Net amount to be recovered from all non-RPP customers (recovery)	$41,787,641
Total Net Recovery	$12,779,576

The effective date of disposition was February 1, 2010 and the refund/recovery period was over two years, from February 1, 2010 to January 31, 2012.

As of February 1, 2012 Enersource had a residual credit/refund balance of $2.997 million which is comprised of the following ($ millions):

Group 1 Accounts excluding 1588 Global Adjustment (refund)	($3.327)
1588 Global Adjustment (recovery)	0.330
Net Refund	($2.997)

The net under-refund of $2.997 million is principally driven by the $3.327 million refund for Group 1 Accounts. This was primarily the result of lower rate riders due to higher projected consumption in the computation of the approved rates.

Enersource Hydro Mississauga Inc.
2014 IRM Rate Application
Response to Interrogatories

Interrogatory #1

Vulnerable Energy Consumers Coalition (VECC)

Reference 1: EB-2012-0033 Exhibit 2 Tab 2 Schedule 3, Appendix 1, Page 6, Table 1

	Total Number of Projects Connected	Total kW of Projects Connected
MicroFIT (<=10kW)	85	502.87
FIT (>10kW)	12	7350
TOTAL	**97**	**7852.87**

Table 1 – MicroFIT & FIT Projects Connected as of End of 2012Q1

Reference 2: EB-2013-0124 Tab 2, Page 10, Table 1

Table 1: Renewable Connections as of June 30, 2013

	Total Number of Projects Connected	Total kW of Projects Connected
MicroFIT (≤10 kW)	144	868
FIT (>10 kW)	22	4410
Total	166	5278

a) Please explain why the Total kW of Projects Connected as of the end of 2012Q1 (Reference 1) is greater than the Total kW of Projects Connected as of June 30, 2013 (Reference 2).

Response:

The table provided in EB-2012-0033 (Reference 1) incorrectly included two projects from the Renewable Energy Standard Offer Program (RESOP) and one Net Metering Load Displacement Generation project in the figures shown on the “FIT (>10kW)” line. Thus, the “Total kW of Projects Connected” (7,852.87) was over-stated (in Reference 1). The table provided as Reference 2 includes only microFIT and FIT projects that have been energized between 2010 and June 30, 2013.

Enersource Hydro Mississauga Inc.
2014 IRM Rate Application
Response to Interrogatories

Interrogatory #2

Vulnerable Energy Consumers Coalition (VECC)

Reference: EB-2013-0124 Tab 2, Pages 10-11

a) Please provide a table that sets out the number of applications, number of projects connected and total kW of projects connected by year for the years 2010 to 2014.

Response:

The requested information is provided in the table below.

	Actual			Forecast	
	2010	2011	2012	2013	2014
Actual/Forecast Renewable Generation Projects Connected					
microFIT	28	35	57	65	78
FIT	0	10	6	8	10
Total	28	45	63	73	88
Actual/Forecast Total kW of Renewable Generation Projects Connected (kW)					
microFIT	149.22	226.36	346.085	350.766	507
FIT	0	1725	1185	2600	2250
Total	149.22	1951.36	1531.085	2950.766	2757
Actual/Forecast Renewable Generation Project Applications Received					
microFIT	547		221	220	225
FIT	378		239	176	192
Total	925		460	396	417

Please note that the forecast number of connections for 2013 for the FIT projects has increased (from 4 to 8) since the original pre-filed evidence. The total for the year is correspondingly higher.

Furthermore, the number of microFIT projects connected in 2012 has been revised from 58 to 57 based on an adjustment to the connection timing in late 2012. The total for the year is correspondingly lower.

Also, the applications received in 2010 and 2011 have been presented in aggregate due to limitations with internal records and time constraints.

Enersource Hydro Mississauga Inc.
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Response to Interrogatories

Interrogatory #3

Vulnerable Energy Consumers Coalition (VECC)

Reference: EB-2013-0124 Tab 2, Page 11

a) Please explain the increase in forecast renewable generation projects to be connected in 2014 compared to 2013.

Response:

As noted on pages 10 and 11 of Tab 2, Enersource has based its forecast using information available on the OPA's website, specifically the OPA's FIT Application Management Environment (FAME) and microFIT LDC Admin web portals. In addition, the forecast also took into account projects that requested initial capacity checks to be performed by Enersource, which may or may not be registered with the OPA.

On July 16, 2013, Enersource downloaded the list of applications from the OPA's FAME site. At that time, there were 56 projects listed within the City of Mississauga. On August 8, roughly three weeks later, there were an additional 11 projects listed, for a total of 67. All of these projects are expected to proceed in late 2013, or 2014.

Enersource confirms its forecast for renewable projects in 2014. The FAME list, and its rapid growth as demonstrated in the previous paragraph, justifies the increase in the 2014 forecast.

Enersource Hydro Mississauga Inc.
2014 IRM Rate Application
Response to Interrogatories

Interrogatory #4

Vulnerable Energy Consumers Coalition (VECC)

Reference: EB-2013-0124 Attachment I & Attachment J

a) Please provide the depreciation expense calculation in 2012 for Attachment I compared to Attachment J.

b) Please explain the difference in 2012 and 2013 capital (direct benefit) amounts between Attachment I & Attachment J.

Response:

a) The depreciation expense calculation in 2012 for both Attachment I and Attachment J are provided below.

Green Energy Capital - 2012 Depreciation Expense Calculation for Attachment I and Attachment J

Useful life (years)	15

	Attachment I					
Year capitalized		**Capitalized Cost**		**Accumulated Depreciation**		**2012**
2010	$	22,221	$	(1,532)	$	(1,532)
2011	$	88,314	$	(2,944)	$	(5,888)
2012	$	139,145			$	(4,638)
				TOTAL 2012 Depreciation Expense	**$**	**(12,058)**
				less 2010 depreciation not included in Attachment I submission	$	1,532
				Depreciation Expense in Attachment I	**$**	**(10,526)**

Attachment J						
Year capitalized	**Capitalized Cost**		**Accumulated Depreciation**		**2012**	
2010	$	22,221	$	(1,532)	$	(1,532)
2011	$	88,314	$	(2,944)	$	(5,888)
2012	$	168,361			$	(5,612)
				TOTAL 2012 Depreciation Expense	**$**	**(13,032)**

Notes:

1) Half year rule applies in the first year of capitalization

a) The 2012 depreciation expense difference between Attachments I and J is due to:
   1) The calculation in Attachment I was done prior to the end of 2012 and therefore included a forecast of full year 2012 capital additions. The calculation in Attachment J was done in 2013 and therefore included the actual 2012 capital additions. The 2012 actual capital additions were higher than the forecasted amount in Attachment I thereby contributing to a higher depreciation expense in Attachment J; and
   2) The depreciation calculation in Attachment I incorrectly omitted the depreciation of the capital additions in 2010 thereby understating the depreciation expense by $1,532.

b) The factors explained in (a) above also impacted the direct benefit on capital calculations in Attachments I and J. The true-up to reflect actual 2012 capital additions and the actual CIP balances in Attachment J, as well as the depreciation calculation difference described in (a) above, resulted in the direct benefit on capital being higher by $271 and $217 in 2012 and 2013, respectively.

   Enersource notes that its proposal in this Application would result in no change to the rate adder charged to customers in its franchise area, and would increase the monthly adder amount paid by the IESO by $364.