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**BY E-MAIL**

October 23, 2013

Grant Brooker  
Manager, Regulatory Affairs  
Cambridge and North Dumfries Hydro Inc.  
1500 Bishop Street, P.O. Box 1060  
Cambridge ON N1R 5X6

Dear Mr. Brooker:

**Re: Cambridge and North Dumfries Hydro Inc.  
Application for 2014 Rates  
Application Board File Number EB-2013-0116**

A preliminary review of the application has identified that certain sections of the evidence supporting the application do not comply with the Board's Filing Requirements<sup>1</sup> for cost of service applications and/or the associated spreadsheets, models and work forms. As a result, the Board is unable to process your application at this time.

The missing information includes:

<b>Chapter 2 or 5 Filing Requirement Reference (section)</b>	<b>Description</b>
Ch. 2, sec. 2.4.5	Confirmation of the applicant's internet address for purposes of viewing the application and related documents.
Ch. 2, sec. 2.4.5 and	Cambridge and North Dumfries Hydro Inc. ("CND") has included the Smart Meter Disposition Rider and the Smart Meter

<sup>1</sup> Chapters 1, 2 and 5 of the *Filing Requirements for Electricity Transmission and Distribution Applications*, dated July 17, 2013 and subsequent Board communications. This has been used, at this time, for assessing your application for 2014 rates effective May 1, 2014.

2.11.11	Incremental Revenue Requirement Rate Rider, which sunset on April 30, 2014, above sub-total A while the proposed Stranded Meter Rate Rider is included in the bill impacts below sub-total A. This presentation reduces the estimated impacts for sub-total A for both the Residential and GS < 50 kW customer classes, which is used for the Notice.
Ch. 2, sec. 2.4.5, page 13	A statement identifying any changes to the methodologies used in previous applications and a description of the changes. This is listed in the Index to Exhibit 1, but no statement is provided.
Ch. 2, sec. 2.5.1.4	Appendices 2-BA for 2010 and 2-S (Stranded Meters) are inconsistent. CND documents the transfer of the Gross Book Value and accumulated depreciation of stranded conventional meters as of December 31, 2010 under Disposals in 2-BA (2010). The Gross Book Value matches the entry for 2010 in 2-S but the accumulated depreciation values do not match between these appendices.
Ch. 2, sec. 2.5.2.2	Applicants must also provide a complete appendix 2-AA along with the following information about capital expenditures on a project-specific basis. This information is incremental to the requirements in Chapter 5: <ul style="list-style-type: none"> <li>• Written explanation of variances, including that of actuals versus the Board-approved amounts for the applicant's last Board-approved cost of service application; and</li> <li>• For capital projects that have a project life cycle greater than one year, the proposed accounting treatment, including the treatment of the cost of funds.</li> </ul> CND has provided Appendix 2-AA (Exhibit 2/Appendix 2-10), but has not provided the additional information per the Filing Requirements, Chapter 2.
Ch. 2, sec. 2.6.1.3	In Appendix 2-I, CND has used a total loss factor of 4.79% to "gross up" the CDM adjustment to adjust the system purchased kWh; this is different from CND's proposed total loss factor of 3.35%. CND has not provided any explanation for the difference.
Ch. 2, sec. 2.7.3.2	For Corporate Cost Allocation and Shared Services, variance analyses, with explanations, are required for the following: <ul style="list-style-type: none"> <li>• Test Year vs. Last Board-approved; and</li> <li>• Test Year vs. Most Current Actuals.</li> </ul>
Ch. 2, sec. 2.8.2	Exhibit 5/Tab 2/Schedule 2 documents a proposed long-term debt rate of 4.77%, including application of the deemed long-term debt rate to notional debt. In Appendices to Exhibit 5, in Exhibit 6 and in the Revenue Requirement Work Form, the proposed long-term debt rate is 4.96%.
Ch. 2, sec. 2.8.2	While not affiliated debt, CND has included a copy of a Promissory Note with the Sun Life Assurance Company in Exhibit 5/Appendix 5-1. The copy of the Promissory Note appears to be incomplete and does not document the rate for the note.

Ch. 2, sec. 2.11.8	CND has not provided a statement as to whether or not it is embedded. However, CND has calculated Low Voltage rates per sec. 2.11.7 in Exhibit 8/Tab 1/Schedule 8, but uses a Supply Facilities Loss Factor of 1.0045 in Exhibit 8/Tab 1/Schedule 9, which would typically apply only if the distributor was wholly connected to the high voltage transmission system.
Ch. 2, sec. 2.11.9	The distributor must also provide a marked-up (track changes) version of the currently approved tariff of rates and charges showing each proposed change.

The Board expects that CND will file the above listed required information as soon as possible.

If any of the information that is identified as missing is located in sections other than those identified in the Filing Requirements, or if any of the information is not applicable in your circumstances, please provide an explanation when filing the remainder of the required information.

Please direct any questions relating to this application to Keith Ritchie, Project Advisor at 416 440 8124 or [Keith.Ritchie@ontarioenergyboard.ca](mailto:Keith.Ritchie@ontarioenergyboard.ca).

Yours truly,

*Original Signed By*

John Pickernell  
Assistant Board Secretary

cc: Mr. John Vellone, Counsel, Borden Ladner Gervais LLP