



**Serving the Community of Renfrew**

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October 25, 2013

Kirsten Walli Board  
Secretary Ontario Energy  
Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Renfrew Hydro Inc.  
2014 IRM Rate Application Board  
Renfrew Hydro Response to Staff  
Interrogatories  
Board File No. EB-2013-0168**

Please find attached Renfrew Hydro's response to Board  
Staff Interrogatories in the above proceeding.

Yours truly

Thomas Freemark - President

**Renfrew Hydro Inc.  
EB-2013-0168****Renfrew Hydro Inc.  
response to 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	29,994,156		1.0810		32,423,683	-
General Service Less Than 50 kW	kWh	11,672,310		1.0810		12,617,767	-
General Service 50 to 4,999 kW	kW	44,095,781	120,391		50.20%	44,095,781	120,391
Unmetered Scattered Load	kWh	159,854		1.0810		171,721	-
Street Lighting	kW	1,121,260	3,100		49.57%	1,121,260	3,100

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

**Renfrew Hydro Inc. response: We confirm that data entered in columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” is not adjusted by Renfrew Hydro’s Board approved loss factor.**

**Interrogatory #2****Ref: RTSR Model, Tab 6 – “Historical Wholesale”**

	Hydro One			Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	15,098	\$2.65	\$ 40,010		\$0.00		15,098	\$1.50	\$ 22,647				\$ 22,647
February	13,559	\$2.65	\$ 35,931		\$0.00		13,559	\$1.50	\$ 20,339				\$ 20,339
March	13,346	\$2.65	\$ 35,367		\$0.00		13,346	\$1.50	\$ 20,019				\$ 20,019
April	11,073	\$2.65	\$ 29,343		\$0.00		11,073	\$1.50	\$ 16,610				\$ 16,610
May	14,264	\$2.65	\$ 37,800		\$0.00		14,264	\$1.54	\$ 21,936				\$ 21,936
June/July	16,384	\$2.65	\$ 43,418		\$0.00		16,384	\$1.50	\$ 24,576				\$ 24,576
August	16,934	\$2.65	\$ 44,875		\$0.00		16,934	\$1.50	\$ 25,401				\$ 25,401
September	18,563	\$2.65	\$ 49,192	5,107	\$0.64	\$ 3,268	19,198	\$1.50	\$ 28,797				\$ 32,065
October	17,460	\$2.65	\$ 46,269	5,077	\$0.64	\$ 3,249	17,460	\$1.50	\$ 26,190				\$ 29,439
November	13,019	\$2.65	\$ 34,500	2,601	\$0.64	\$ 1,665	13,019	\$1.50	\$ 19,529				\$ 21,194
December	13,971	\$2.65	\$ 37,023	2,124	\$0.64	\$ 1,359	13,971	\$1.50	\$ 20,957				\$ 22,316
	13,937	\$2.72	\$ 37,856		\$0.00		13,937	\$1.52	\$ 21,132				\$ 21,132
<b>Total</b>	<b>177,608</b>	<b>\$ 2.66</b>	<b>\$ 471,584</b>	<b>14,909</b>	<b>\$ 0.64</b>	<b>\$ 9,541</b>	<b>178,243</b>	<b>\$ 1.50</b>	<b>\$ 268,133</b>				<b>\$ 277,674</b>

- (A) Under the Hydro One "Network" charge, please explain the difference in the rate charged (i.e. \$2.72) as opposed to the applicable rate of \$2.65 for the month of December. If this is an error, please confirm and Board staff will make the necessary corrections to the model.

**Renfrew Hydro Inc. response:** This is not an error. We are an embedded utility and Hydro One does not cut off its billing cycle at month end. The December 2012 invoice included billing data to January 4 and we were invoiced the transmission rates based on a Jan 3, 2013 peak of 13,937. The December 2012 invoice (copy attached) prorated the Network Charge - .875 prorate old rate + .125 new rate to give total of \$21,131.97

- (B) Under the Hydro One "Line Connection" charge, please explain why only 4 months of data has been entered. If this is an error, please confirm and Board staff will make the necessary corrections to the model.

**Renfrew Hydro Inc. response:** This is not an error. Renfrew Hydro Inc. normally is supplied by the Hydro One Stewartville M3 express feeder which does not have Line connection charges associated with it. This explains why we do not have a retail Lines Connection charge for our customers. However, occasionally the 10M3 feeder must be shut down for maintenance and repairs and the Cobden 23M2 feeder then delivers power to Renfrew Hydro. The 23M2 feeder has a Line Connection charge associated with it and in 2012 we took deliver from the 23M2 for 4 months and were charged a Line connection charge.

- (C) Under the Hydro One "Transformation Connection" charge, please explain the difference in the rate charged (i.e. \$1.54 in May and \$1.52 in December) as opposed to the applicable rate of \$1.50. If this is an error, please confirm and Board staff will make the necessary corrections to the model.

**Renfrew Hydro Inc. response:** There is an input error for May. The amount should be \$21,396 not \$21,936. This correction changes the rate to \$1.50

The December entry is not an error. We are an embedded utility and Hydro One does not cut off its billing cycle at month end. The December 2012 invoice included billing data to January 4 and we were invoiced the transmission rates based on a Jan 3, 2013 peak of 13,937. The December 2012 invoice (copy attached) prorated the Transformation Connection Charge - .875 prorate old rate + .125 new rate to give total of \$37,856.38

**Tax-Sharing Model****Interrogatory #3****Ref: Tax-Sharing Model, Tab 5 – “Z-Factor Tax Changes”****Summary - Sharing of Tax Change Forecast Amounts**

For the 2015 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)	\$ 2,486
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**1. Tax Related Amounts Forecast from Capital Tax Rate Changes**

	2010	2014
Taxable Capital	\$ 6,016,657	\$ 6,016,657
Deduction from taxable capital up to \$15,000,000	\$ 15,000,000	\$ 15,000,000
Net Taxable Capital	-\$ 8,983,343	-\$ 8,983,343
Rate	0.150%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)		

In its Application, Renfrew Hydro notes that it input tax credits of \$2,486 for apprenticeship training to reflect the actual credit claimed for the 2012 tax year. Renfrew Hydro notes that the reduced apprenticeship credit (from \$14,500) reflects the fact that the apprentice became a qualified line technician in 2012.

Board staff notes that the purpose of the Tax-Sharing Model is to true-up payments in lieu of taxes for the change in tax rates.

(A) Please provide a regulatory precedent to support the adjustment proposed in the model (i.e. prior Board decision or policy).

**Renfrew Hydro Inc. response: Renfrew Hydro Inc. entered the actual credit received in 2012. If this is an error, please advise and we will enter the 2010 Cost of Service value of \$14,500 and resubmit the Tax Sharing Model.**

### Rate Generator Model

#### Interrogatory #4

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
RESIDENTIAL	\$/kWh	29,994,156		1,378,793	0	1,045,612
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	11,672,310		2,368,988	0	308,106
GENERAL SERVICE 50 TO 4,999 KW	\$/kW	44,095,781	120,379	47,027,866	128,383	365,168
UNMETERED SCATTERED LOAD	\$/kWh	158,854		131,700	0	16,575
STREET LIGHTING	\$/kW	1,121,260	3,100	1,184,456	3,275	49,383
microFIT						

Board staff notes that for the General Service 50 to 4,999 kW rate class, Renfrew Hydro's most recent RRR 2.1.5 filing shows a metered kW amount of 120,391.

(A) Please confirm if the amount of 120,379 was entered in error, 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.

**Renfrew Hydro Inc response: This is an error. Please make the necessary corrections.**

Sincerely;

J. Thomas Freemark – President – Renfrew Hydro Inc.