

**Chapleau Public Utilities Corp.
EB-2013-0119
Board Staff Interrogatories**

RTSR Model

**Board Staff Interrogatory #1
Ref: RTSR Workform Sheet 4**

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	13,606,692		1.0654		14,496,570	-
General Service Less Than 50 kW	kWh	4,983,989		1.0654		5,309,942	-
General Service 50 to 4,999 kW	kW	7,124,651	18,736		52.12%	7,124,651	18,736
Unmetered Scattered Load	kWh	5,273		1.0654		5,618	-
Sentinel Lighting	kW	26,265	61		59.25%	26,265	61
Street Lighting	kW	290,000	777		51.16%	290,000	777

- a) Please confirm that the data entered in columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” are not adjusted by Chapleau Public Utilities Corp. (“CPUC”)’s Board-approved loss factor.

**Board Staff Interrogatory #2
Ref: RTSR Workform Sheet 4**

Board staff notes certain inconsistencies in the data entered for Non-Loss Adjusted Metered kWh for the Residential and Unmetered Scattered Load rate classes. Specifically, Board staff’s records indicate an amount of 4,978,478 kWh for Residential and 5,511 kWh for Unmetered Scattered Load.

- a) Please confirm if the amounts entered for Non-Loss Adjusted Metered kWh for the Residential and Unmetered Scattered Load rate classes are correct. If not, Board staff will make the necessary corrections to the models.

IRM Rate Generator

Board Staff Interrogatory #3

Ref: IRM Rate Generator Sheet 5

Ref: EB-2010-0073 Decision and Order

Board staff notes that CPUC shows a balance for disposition in Account 1595 of (\$91,014) related to the Disposition and Recovery of Regulatory Balances (2011). In its EB-2010-0073 Decision, the Board approved an amount for disposition of Group 1 balances of (\$34,655) over one year. CPUC shows a closing 2011 balance of (\$63,707).

- a) Please explain the closing 2011 balance of (\$63,707) shown in CPUC's continuity table.
- b) Please indicate where CPUC has recorded the (\$34,655) amount approved for disposition in EB-2010-003.
- c) Please explain the (\$24,845) entry in the 2012 transactions column of CPUC's continuity table.
- d) If the above amounts have been entered in error, please provide a corrected continuity table. Board staff will make the necessary corrections to the final model.
- e) If these amounts have been entered in error, please provide a corrected version of the summary information provided in Section 2.4, page 5 of the Manager's Summary.

Hydro One Billing Error Adjustment recorded in Account 1550

Board Staff Interrogatory #4

Ref: Rate Generator Model/Tab 5/Continuity Schedule

Ref: Manager's Summary p. 3 & 5

Ref: Attachment E

A portion of Sheet "5, 2014 Continuity Schedule" from the Rate Generator Model is reproduced below.

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Account Descriptions	Account Number	2013				Projected Interest on Dec-31-12 Balances		2.1.7 RRR	Variance RRR vs. 2012 Balance (Principal + Interest)	
		Principal Disposition during 2013 - Instructed by Board	Interest Disposition during 2013 - Instructed by Board	Closing Principal Balances as of Dec 31-12 Adjusted for Dispositions during 2013	Closing Interest Balances as of Dec 31-12 Adjusted for Dispositions during 2013	Projected Interest from Jan 1, 2013 to December 31, 2013 on Dec 31-12 balance adjusted for disposition during 2013 ¹	Projected Interest from January 1, 2013 to April 30, 2013 on Dec 31-12 balance adjusted for disposition during 2013 ²	Total Claim As of Dec 31-12		
Group 1 Accounts										
LV Variance Account	1550	(14,354)	(1,583)	78,490	(421)	1,154	385	79,608	(31,254)	0
RSVA - Wholesale Market Service Charge	1580	(19,962)	564	(36,071)	(808)	(530)	(177)	(37,583)	(66,275)	(1)
RSVA - Retail Transmission Network Charge	1584	(3,548)	(310)	7,448	361	109	36	7,566	3,953	1
RSVA - Retail Transmission Connection Charge	1586	(1,251)	2,539	635	400	9	3	1,048	2,324	0
RSVA - Power (excluding Global Adjustment)	1588	231,023	7,579	(6,511)	(2,639)	(96)	(32)	(5,277)	229,445	(7)
RSVA - Global Adjustment	1589	(31,445)	(2,419)	34,451	275	506	169	35,401	862	(0)
Recovery of Regulatory Asset Balances	1590			0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2008) ³	1595			0	135	0	0	135	135	(0)
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁴	1595			0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁵	1595	(2,341)	(496)	(0)	(3)	(0)	(0)	(3)	(2,837)	3
Disposition and Recovery/Refund of Regulatory Balances (2011) ⁶	1595			(88,552)	(1,595)	(851)	(217)	(91,014)	(90,146)	(0)
Group 1 Sub-Total (Including Account 1688 - Global Adjustment)		158,122	5,874	(10,109)	(4,291)	502	167	(13,730)	56,205	(4)
Group 1 Sub-Total (Including Account 1688 - Global Adjustment)		189,567	8,293	(44,560)	(4,566)	(4)	(1)	(49,132)	55,343	(4)
REVA - Global Adjustment	1688	(31,445)	(2,419)	34,451	275	506	169	35,401	862	(0)
Deferred Payments in Lieu of Taxes	1562			0	0	0	0	0	0	0
Total of Group 1 and Account 1682		158,122	5,874	(10,109)	(4,291)	502	167	(13,730)	56,205	(4)
Special Purpose Charge Assessment Variance Account ⁷	1621									
LRAM Variance Account ⁸	1688			0	0			0		0
Total Including Accounts 1682 and 1688		158,122	5,874	(10,109)	(4,291)	502	167	(13,730)	56,205	(4)

Board staff notes that the Manager's Summary stated that due to a billing error by Hydro One Networks Inc. from January 2009 to February 2013 of an amount of \$93,387.02, CPUC requests Board approval to enter this debit amount into the continuity schedule for Low Voltage Account 1550 in column CL. Board staff notes that column CL corresponds to the amount of \$78,490 for Account 1550 in the continuity schedule above, which represents the closing principal balance as of Dec 31, 2012 adjusted for disposition during 2013.

Board staff further notes from the Table presented in page 5 of the Manager's Summary that the adjustment will reduce the total net amount owed to the customers for all DVAs from \$108,948 to \$13,730 as of December 31, 2012. CPUC stated that "this amount, for \$13,730 credit, does not meet the threshold test of \$0.001 per kWh."

In its application, CPUC also stated the reason for making the adjustment in 2012 was that,

This is an opportune time to make this adjustment so as not to refund customers the \$108,948 in 2014 and then collect from customers the \$91,703.52 in 2015.

Board staff notes that CPUC has provided the details of the adjustment in Attachment E, including Hydro One Networks Inc. ("Hydro One")'s letter dated September 9, 2013, Hydro One's invoice to CPUC dated August 30, 2013 which included the adjustment

amount of \$93,387.02 and the breakdown of the adjustments. Per Hydro One's letter dated September 9, 2013, Board staff noted that Hydro One has stated that,

Due to an oversight that started in 2009, the HVDS charge for Chapleau was calculated each month based on a kW quantity that was too low. This was corrected in our system recently, and the resulting under-billing amounts to \$93,387.02. With the addition of tax of \$10,237.96, the total adjustment required is \$103,624.98. The period covered by this adjustment is January 28, 2009 to April 3, 2009.

Board staff also notes that per the breakdown of the adjustment provided in Attachment E3 Tab "Adjustment Amounts", the total adjustment amount of \$93,387.02 can be broken down into the following two components:

- \$34,295.97 related to transactions post Dec 31, 2011;
- \$59,091.05 related to transactions prior to Dec 31, 2011.

In addition, Board staff notes that Hydro One's billing error is related to multiple invoices received during the period of January 2009 to the beginning of 2013.

- a) Please confirm that the above breakdown amount summarized by Board staff is correct. If not, please provide the breakdown amounts post and prior to December 31, 2011.
- b) Please state what the DVA balance would be without the adjustment prior to 2011 transactions above and if this DVA balance would meet the IRM threshold.
- c) Please elaborate on the statement of "so as not to refund customers the \$108,948 in 2014 and then collect from customers the \$91,703.52 in 2015."
 - i) Is CPUC assuming that Hydro One's billing error adjustment will be recorded in 2013? Please provide the rationale for this assumption.
- d) Please explain how CPUC has calculated the amount of \$91,703.52 in the statement above, which appears to be inconsistent with the total adjustment amount of \$93,387.02.
- e) CPUC states that the balance for disposition will be reduced from \$108,948 to \$13,730 with the inclusion of the Hydro One adjustment. Board staff notes that the difference between these amounts is \$95,218. Please provide a reconciliation of this amount with the total adjustment amount of \$93,387.02.

- f) Please explain if CPUC has an established internal control process to check the accuracy of the amounts payable for the invoices received from its suppliers including Hydro One.
- i) If so, please provide the details particularly with respect to the process of checking and confirming the amounts on Hydro One's invoices.
 - ii) Please explain how long after being invoiced is an invoice paid?
 - iii) Has CPUC paid the adjustment invoice received from Hydro One which contains the adjustment amount of \$93,387.02? If not, please explain why not.
 - iv) If so, did CPUC take advantage of Hydro One's offer to extend the payment of the invoice over 24 months? If not, please explain why not.
- g) Please confirm that CPUC's balance for Account 1550 as at December 31, 2011 was disposed on final basis per Board Decision EB-2012-0014, dated April 4, 2013. If so, please clarify why the Board should approve the requested balance for Account 1550 which includes an out-of-period adjustment prior to 2011.

Low Voltage Service Rates

Board Staff Interrogatory #5

Ref: Manager's Summary Page 3

Ref: Manager's Summary, Section 2.19, Pages 9-10

Ref: Attachment E

Board staff notes that CPUC proposes to adjust its Low Voltage Service Rates in accordance with Hydro One's revised billing amounts "so as to alleviate the need for a large deferral variance balance in the future". CPUC has calculated its proposed rates based on the actual adjusted amounts billed for 2012.

- a) Please confirm that the amount billed by Hydro One does not contain carrying charges.
- b) Please confirm that the annual amount that would accumulate in Account 1550 would be equivalent to the amounts appearing in the "Adjustment Amount" column in the table on Page 9 (i.e. for 2012 this amount is approximately \$28k). If

this is not the case, please explain why and provide a forecast of the year-end balance for each year until CPUC rebases.

- c) Please provide an estimate of the overall balance for Group 1 Deferral and Variance accounts that would be required in order to meet the threshold for disposition.