

Espanola Regional Hydro Distribution Corporation EB-2013-0127

Board Staff Interrogatories

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	30,758,632		1.0687		32,871,750	-
General Service Less Than 50 kW	kWh	11,730,167		1.0687		12,536,029	-
General Service 50 to 4,999 kW	kW	12,951,567	32,507		54.61%	12,951,567	32,507
General Service 50 to 4,999 kW – Interval Metered	kW	4,089,968	10,265		54.61%	4,089,968	10,265
Unmetered Scattered Load	kWh	131,160		1.0687		140,171	-
Sentinel Lighting	kW	25,725	72		48.97%	25,725	72
Street Lighting	kW	618,217	1,728		49.04%	618,217	1,728

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

Interrogatory #2 - ICM

Ref: Manager’s Summary, p. 11

On page 11 ERHDC, requested April 30, 2017 as a sunset date for the Incremental Capital Rate Rider. ERHDC notes that it is scheduled to file a Cost of Service rate application for the 2017 rate year.

Board staff notes that ERHDC last rebased in the 2012 rate year under the previous 3rd Generation IRM plan. In the Report of the Board *Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach* (“RRFE”), issued October 18, 2012, the Board determined that “those distributors who are within the term of their current 3rd Generation IR...will continue to have their rates adjusted annually for the remaining years of their 3rd Generation IR term”.

- a) Please confirm ERHDC’s term under its current IRM plan term is 4 years and explain why ERHDC has proposed a rate rider based on a 5 year term rather than a 4 year term.

- b) Please state if Espanola would agree to forgo a defined sunset date and establish the rate rider which would be in effect until the effective date of the next cost of service-based rate order.

Interrogatory #3 – Asset Categories

Ref: Incremental Capital Project Summary, sheet 2

On sheet 2, under asset categories, ERHDC listed land in the amount of \$54,000 with a 0% depreciation rate and the municipal substation in the amount of \$1,733,500 as well as a 44 kV line extensions in the amount of \$275,000 with a 3% depreciation rate and a % CCA rate, as shown below.

Asset Component	Capital Cost	Depreciation Rate	CCA Class	CCA Rate
1 Land	54,000	0%		
2 Municipal Substation	1,733,500	3%	47	8%
3 44 kV line Build	275,000	3%	47	8%

- a) Please confirm that all asset components grouped under the municipal substation and the 44 kV extension fall under similar asset categories with comparable useful lives as established by the Kinetrics Report, issued July 8, 2010.
- b) If not, please explain why ERHDC grouped these asset categories together.
- c) Please update the Incremental Capital Project Summary and the Incremental Capital Workform to differentiate the project by asset components grouped by equivalent useful lives and apply the applicable depreciation rate and CCA rate.

Interrogatory #4 – 2014 Capital Budget

Ref: Incremental Capital Workform, sheet E3.1 and Manager's summary, p. 9

In the Manager's summary on page 9, ERHDC shows a total non-discretionary capital budget of \$2,415,863. On sheet E3.1, ERHDC shows a 2014 non-discretionary capital budget (Including ICM Projects) in the amount of \$2,356,056, please explain.

Interrogatory #5 – Price Cap Index Parameters

Ref: Manager's Summary, p. 2 and Incremental Capital Workform

On page 2 of the Manager's Summary ERHDC stated that "Board staff will update each distributor's Rate Generator Model once the final parameters are established".

- a) Please confirm that ERHDC agrees that the Incremental Capital Workform as well as the Rate Generator will be updated to reflect the updated price cap index parameters once issued by the Board.

Interrogatory #6 – Fixed/Variable Rate Rider

Ref: Manager's Summary, p. 11 and Incremental Capital Workform, sheet F1.1, Option A

ERHDC is requesting that the Incremental Capital Rate Riders have both a fixed and a variable component.

- a) Please provide the rational for this request.
- b) Please confirm that the proposed fixed/variable split is consistent with the split underpinning ERHDC's current Board approved distribution rates.