



PUC Distribution Inc.
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SAULT STE. MARIE, ONTARIO, P6A 6P2

December 4, 2013

Kirsten Walli, Board Secretary
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: PUC Distribution Inc. ("PUC")
2014 IRM Distribution Rate Application; Board File No. EB-2013-0167
Interrogatory Responses**

In accordance with Procedural Order No. 1 dated November 13, 2013, please find attached PUC's responses to Board Staff and VECC Interrogatories in the above proceeding.

PUC has filed these responses pursuant to the Board's e-Filing Services and two hard copies of the responses will be delivered to the Ontario Energy Board.

In the event of any additional information, questions or concerns, please contact Jennifer Uchmanowicz, Rate and Regulatory Affairs Officer, phone number: (705) 759-3009 or email: Jennifer.Uchmanowicz@ssmpuc.com.

Sincerely,

Jennifer Uchmanowicz
Rates and Regulatory Affairs Officer
PUC Distribution Inc.
Email: Jennifer.uchmanowicz@ssmpuc.com
Phone: 705-759-3009

**PUC Distribution Inc.
EB-2013-0167
2014 IRM Distribution Rate Application
Interrogatory Responses**

Distribution Revenue

Board Staff - Interrogatory #2

Ref: Rate Generator Model – sheet 6 and Decision and Rate Order, July 4, 2013, Appendix L – RRWF

Board staff notes that on Sheet 6, Cell G25, PUC has input \$16,346,449 under the column Distribution Revenue. In the RRWF, Appendix L of PUC's Decision and Order, EB-2012-0162 PUC showed a Base Revenue Requirement of \$16,241,350.

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue ¹
RESIDENTIAL	\$/kWh	340,561,450		33,583,927	0	9,069,512
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	102,179,766		15,793,342	0	2,686,030
GENERAL SERVICE 50 TO 4,999 KW	\$/kW	251,632,820	628,286	202,160,454	504,762	3,809,750
UNMETERED SCATTERED LOAD	\$/kWh	872,889			0	29,206
SENTINEL LIGHTING	\$/kW	254,165	710		0	31,753
STREET LIGHTING	\$/kW	7,907,160	22,680		0	720,198
microFIT						
Total		703,408,250	651,676	251,537,723	504,762	16,346,449

- a) Please confirm that the correct Distribution Revenue is \$16,241,350. If yes, Board staff will make the necessary updates to the models.
- b) If not, please explain the variance.

PUC Response

In sheet 6 of the Rate Generator Model PUC did not include the transformer allowance credit of \$105,099. PUC confirms Board Staff should make the necessary adjustments to the model as follows:

Rate Class	Distribution Revenue (\$)
Residential	9,069,512
General Service < 50 kW	2,664,966
General Service 50 to 4,999 kW	3,725,715
Unmetered Scattered Load	29,206
Sentinel Lighting	31,753
Street Lighting	720,198
Total	16,241,350

LRAM and LRAMVA

Board Staff Interrogatory #4

Ref: Manager's Summary, section 6 - LRAM Recovery, pp. 7-15 of 211

PUC has requested recovery of an LRAM amount of \$109,737 (including \$856 in carrying charges) related to persisting CDM savings from 2005-2010 CDM Programs in 2012.

- a) PUC rebased for 2013 and included a CDM component in its load forecast. Please confirm that the LRAM request in this application for CDM savings related to pre-2011 programs will be the final LRAM claim PUC is eligible to make.

PUC Response

- a) PUC confirms the LRAM request in this application for CDM savings related to pre-2011 programs is the final LRAM claim PUC is eligible to make.

Board Staff Interrogatory #5

Ref: Managers Summary, section 6 - LRAMVA Recovery, pp. 7-15 of 211

PUC has requested disposition of its LRAMVA Account 1568 of the total amount of \$81,484, which consists of persisting 2011 CDM savings in 2012 (\$38,232) and new 2012 CDM savings in 2012 (\$43,252).

- a) Please separate the LRAMVA rate riders from the Group 1 DVA calculation and include as a separate rate rider.
- b) Please confirm that PUC is requesting a one-year recovery period for both the LRAM and LRAMVA amounts.

PUC Response

- a) PUC did not include the LRAMVA rate riders with the Group 1 DVA rate rider calculation in the rate application. The separate LRAMVA rate rider as provided in the Managers Summary in Table 24 is as follows:

Table 24 – LRAMVA Rate Riders

	Residential	GS < 50 kW	GS 50 to 4,999 kW
Lost revenue from 2011 programs persisting in 2012 (A)	\$12,889	\$12,272	\$11,803
Carrying charges (B)	<u>\$442</u>	<u>\$421</u>	<u>\$405</u>
Subtotal (A) + (B) = (C)	<u>\$13,331</u>	<u>\$12,693</u>	<u>\$12,208</u>
Lost revenue from 2012 programs in 2012 (D)	\$8,571	\$25,997	\$7,524
Carrying Charges (E)	<u>\$236</u>	<u>\$717</u>	<u>\$207</u>
Subtotal (D) + (E) = (F)	<u>\$8,807</u>	<u>\$26,714</u>	<u>\$7,731</u>
Total LRAMVA Claim (C) + (F)	\$22,138	\$39,407	\$19,939
kWh/kW	340,561,450	102,179,766	628,286
<u>Rate Rider</u>	<u>\$0.0001 / kWh</u>	<u>\$0.0004 / kWh</u>	<u>\$0.0317 / kW</u>

- b) PUC confirms that it is requesting a one-year recovery period for both the LRAM and LRAMVA.

VECC Interrogatory # 1

Reference: Application 6. LRAM and LRAM Variance Account

- Please confirm the LRAM claim for the 2012 rate year reflects the measure lives and unit savings for any/all measures included in pre-2011 CDM programs implemented over the period 2005-2010 that have expired prior to or in 2012.
- Please adjust the LRAM as necessary to reflect the measure lives and unit savings for any/all measures that have expired.
- Please provide the 2011 CDM programs with measure lives of one year or less.
- Please adjust the LRAMVA as necessary to reflect the measure lives and unit savings for any/all measures that have expired in 2012.

PUC Response

- The calculation of the lost revenue in the time period of May 1, 2012 to April 30, 2013 for 2005-2010 CDM programs only included unit savings results that persisted into that time period. Measures with assumed lifespans that expired prior to this time period were excluded from the lost revenue calculations. The measure lives and unit savings for Ontario Power Authority (OPA) programs were provided by the OPA as final evaluated program results for each year.

These are shown on Table 9 of the report, beginning on page 18 of the IndEco report. The measure lives and unit savings for third tranche programs were based upon the most recently available OPA measures and assumptions lists (2011). This only affected CFLs under the 2006 partnership program, for which a measure life of 8 years and unit savings of 44 kWh are used, as presented in the most recent OPA Prescriptive Measures and Assumptions report from 2011.

- b) As the lost revenue calculations took into account measure lives and unit savings into the time period of May 1, 2012 to April 30, 2013, no adjustment to the lost revenue is required.
- c) The OPA provided final evaluation results on a program level and did not provide specific measure lives. The OPA has indicated that all demand response program savings were assumed to not persist beyond the calendar year in which the savings were achieved. The 2011 CDM programs that were assumed to have persistence of one year or less are:
 - 1. Residential Demand Response
 - 2. Small Commercial Demand Response
 - 3. Demand Response 3
- d) The LRAMVA calculations were based on the final evaluation results provided by the OPA. The OPA provided final evaluation results on a program level and did not provide specific measure lives or unit savings. The program results provided by the OPA took into account the assumption that savings from demand response programs did not persist beyond the year in which the savings were achieved. The LRAMVA calculations already take into account the reported savings from 2011 programs that do not persist into 2012.

RRR Data

Board Staff Interrogatory #3

Ref: RTSR Model, Tab 4 – “RRR Data”

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable LossFactor	Load Factor	Loss Adjusted Billed kWh	Billed
Residential	kWh	316,127,645		1.0489		331,586,287	-
General Service Less Than 50 kW	kWh	97,479,014		1.0489		102,245,738	-
General Service 50 to 4,999 kW	kW	50,862,818	125,567		55.52%	50,862,818	125,567
General Service 50 to 4,999 kW – Interval Metered	kW	203,451,269	502,269		55.52%	203,451,269	502,269
Unmetered Scattered Load	kWh	861,992		1.0489		904,143	-
Sentinel Lighting	kW	246,512	687		49.18%	246,512	687
Street Lighting	kW	7,736,459	21,596		49.10%	7,736,459	21,596

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

PUC Response

PUC confirms the data entered in columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” are not adjusted by PUC’s Board approved loss factor.