

January 20, 2014

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

Dear Ms. Walli:

Re: Tillsonburg Hydro Inc.
2014 IRM Distribution Rate Application
Responses to Board Interrogatories
Board File EB-2013-0173

Tillsonburg Hydro Inc. is providing responses to all Board Staff IR's relating to the 2014 IRM rate process.

If you have any questions, please contact me directly.

This reply will be posted today and 2 paper copies will follow in the mail.

Regards,



Wayne Brett
Finance Regulatory Affairs Manager

**Tillsonburg Hydro Inc.
EB-2013-0173**

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	49,401,384			1.0420	51,476,242	-
General Service Less Than 50 kW	kWh	21,887,576			1.0420	22,806,854	-
General Service 50 to 499 kW	kW	40,849,813	120,982		46.28%	40,849,813	120,982
General Service 50 to 1,499 kW	kW	36,742,906	87,967		57.25%	36,742,906	87,967
General Service 1,500 to 4,999 kW	kW	34,958,693	68,321		70.13%	34,958,693	68,321
Street Lighting	kW	1,370,075	3,831		49.02%	1,370,075	3,831
Sentinel Lighting	kW	108,682	302		49.32%	108,682	302
Unmetered Scattered Load	kWh	394,666			1.0420	411,242	-

Board staff notes that the figures entered in the column “Non-Loss Adjusted Metered kWh” for the Street Lighting, Sentinel Lighting and Unmetered Scattered Load rate classes do not reconcile to Tillsonburg Hydro’s most recent RRR 2.1.5 filing.

- (A) If Tillsonburg Hydro agrees, please confirm and provide the correct figures, and Board staff will make the necessary corrections to the model.
- (B) If the answer to (A) is no, please provide evidence for the figures entered.

Response:

- (A) THI staff agrees with Board staff regarding the figures entered in the column “Non-Loss Adjusted Metered kWh” for the Street Lighting, Sentinel Lighting and Unmetered Scattered Load rate classes in that they do not reconcile to Tillsonburg Hydro’s most recent RRR 2.1.5 filing. The corrections are as follows:

Street Lighting	1,422,827
Sentinel Lighting	131,725
Unmetered Scattered Load	426,840

- (B) N/A

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	Amount
January	23	\$3.18	\$ 74	81	\$0.70	\$ 57	35	\$1.63	\$ 57	\$ 114
February	14	\$3.18	\$ 46	50	\$0.70	\$ 35	15	\$2.33	\$ 35	\$ 70
March	15	\$3.18	\$ 47	52	\$0.70	\$ 36	16	\$2.33	\$ 36	\$ 72
April	17	\$3.18	\$ 53	58	\$0.70	\$ 41	18	\$2.33	\$ 41	\$ 82
May	6	\$3.18	\$ 18	20	\$0.70	\$ 14	6	\$2.33	\$ 14	\$ 28
June	23	\$3.18	\$ 72	80	\$0.70	\$ 56	24	\$2.33	\$ 56	\$ 112
July	23	\$3.18	\$ 74	82	\$0.70	\$ 57	24	\$2.33	\$ 57	\$ 114
August	10	\$3.18	\$ 32	35	\$0.70	\$ 25	11	\$2.33	\$ 25	\$ 50
September	9	\$3.18	\$ 27	30	\$0.70	\$ 21	9	\$2.33	\$ 21	\$ 42
October	12	\$3.18	\$ 38	42	\$0.70	\$ 29	13	\$2.33	\$ 29	\$ 59
November	14	\$3.18	\$ 43	48	\$0.70	\$ 33	14	\$2.33	\$ 33	\$ 67
December	14	\$3.18	\$ 44	49	\$0.70	\$ 34	15	\$2.33	\$ 34	\$ 68
Total	178	\$ 3.18	\$ 567	627	\$ 0.70	\$ 439	199	\$ 2.21	\$ 439	\$ 877

Board staff notes that Tillsonburg Hydro has entered the Hydro One Network, Line Connection and Transformation Connection rates which were effective January 1, 2014. Additionally, the values in the “Units Billed” columns are derived by dividing the “Amount” columns by the “Rate” columns. Board staff notes that the rates entered in the “Rate” columns should be those effective January 1, 2012 (i.e. \$2.65, \$0.64 and \$2.14 respectively).

- (A) If Tillsonburg Hydro agrees, please confirm, and Board staff will make the necessary adjustments to the model.
- (B) If the answer to (A) is no, please provide evidence for the rates entered.
- (C) Please confirm that the values provided in the “Amount” column reflect actual billed amounts from both the IESO and Hydro One.

Response:

- (A) Tillsonburg Hydro agrees the Hydro One Network, Line Connection, and Transformation Connection rates were the rates effective January 1, 2014. Additionally, the values in the “Units Billed” columns were derived by dividing the “Amount” columns by the “Rate” columns. THI staff agree that the rates entered in the “Rate” columns should be those effective January 1, 2012 (\$2.65, \$0.64 and \$2.14 respectively). THI provides Hydro One the billed kWh for the 6 customers that are billed by THI that are on Hydro One lines. Hydro One then bills THI based on kWh since these customers are residential customers.

- (B) N/A

(C) THI confirms that the values provided in the "Amount" column reflect actual billed amounts from both the IESO and Hydro One.

Rate Generator Model

Interrogatory #3

Ref: Rate Generator Model, Tab 6 – "Billing Det. For Def-Var"

Ref: EB-2012-0168, Proposed Settlement Agreement, filed on March 25, 2013 – page 12

In the green shaded cells, enter the most recent Board Approved volumetric forecast. If there is a material difference between the latest Board-approved volumetric forecast and the most recent 12-month actual volumetric data, use the most recent 12-month actual data. Do not enter data for the MicroFit class.

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue ¹	1590 Recovery Share Proportion*	1595 Share (%)
RESIDENTIAL	\$/kWh	49,718,289		11,143,151	0	2,024,779		
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	22,374,916		7,041,761	0	633,892		
GENERAL SERVICE 50 TO 499 KW	\$/kW	38,032,205	115,448	34,262,344	104,004	351,736		
GENERAL SERVICE 50 TO 1,499 KW	\$/kW	34,764,165	87,241	35,963,953	90,252			
GENERAL SERVICE EQUAL TO OR GREATER THAN 1,500 KW	\$/kWh	35,588,409	70,544	34,473,148	68,333	160,017		
UNMETERED SCATTERED LOAD	\$/kWh	426,840		69,623	0	54,805		
SENTINEL LIGHTING	\$/kW	118,423	301		0	8,879		
STREET LIGHTING	\$/kW	1,399,171	3,767	1,422,827	3,831	11,038		
microFIT								
Total		182,422,418	277,301	124,376,807	266,420	3,245,146	0.00%	

Board staff is unable to reconcile the figures entered in the column "Distribution Revenue" to Tillsonburg Hydro's previous cost of service application (EB-2012-0168).

- (A) Please provide evidence for the figures entered in the model.
- (B) If changes are required, please confirm the correct figures and Board staff will make the necessary corrections to the model.

Response:

(A)(B) THI has revised the figures entered in the column "Distribution Revenue". The revised figures for Distribution Revenue were arrived at by entering the correct Metered kWh and Metered kW data as per the approved load forecast from THI's last cost of service application (EB-2012-0168) in the revised version of Revenue Reconciliation from re-created Chapter 2 Appendices (Tab App.2-V Rev Reconciliation)(shown below in (D)).

Tillsonburg Hydro Inc.
Board Staff Interrogatories
EB-2013-0173

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue ¹	1590 Recovery Share Proportion
RESIDENTIAL	\$/kWh	49,906,667		11,143,151	0	1,902,837	
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	26,650,334		7,041,761	0	596,181	
GENERAL SERVICE 50 TO 499 KW	\$/kW	38,065,105	115,326	34,262,344	103,805	358,767	
GENERAL SERVICE 50 TO 1,499 KW	\$/kW	36,286,504	87,913	35,963,953	87,132	284,147	
GENERAL SERVICE EQUAL TO OR GREATER THAN 1,500 KW	\$/kWh	34,524,454	68,279	34,473,148	68,178	211,746	
UNMETERED SCATTERED LOAD	\$/kWh	421,538		69,623	0	10,351	
SENTINEL LIGHTING	\$/kW	116,952	301		0	8,336	
STREET LIGHTING	\$/kW	1,405,153	3,829	1,422,827	3,877	51,457	
microFIT							
Total		187,376,707	275,648	124,376,807	262,991	3,423,822	0.00%

Additionally, Board staff is unable to reconcile the Metered kWh and Metered kW data with the approved load forecast from Tillsonburg Hydro's last cost of service application (EB-2012-0168).

- (C) Please provide evidence for the figures entered in the model.
(D) If changes are required, please confirm the correct figures and Board staff will make the necessary corrections to the model.

Response:

(C)(D)THI has revised the Metered kWh and Metered kW data to be in line with the approved load forecast from Tillsonburg Hydro's last cost of service application. Please see revised Revenue Reconciliation from re-created Chapter 2 Appendices (Tab App.2-V Rev Reconciliation). Current fixed and volumetric rates have been incorporated based on the settlement agreement from March 25, 2013 (EB-2012-0168).

Appendix 2-V
Revenue Reconciliation

Rate Class	Customers/ Connections	Number of Customers/Connections			Test Year Consumption		Current Rates			Revenues at Current Rates	Transformer Allowance Credit	Total	Difference
		Start of Test Year	End of Test Year	Average	kWh	kW	Monthly Service Charge	Volumetric					
								kWh	kW				
Residential	Customers	6,042.00	6,042.00	6,042.00	49,906,667		\$ 10.00	\$ 0.0236		\$ 1,902,837.34		\$ 1,902,837	\$ -
GS < 50 kW	Customers	666.00	666.00	666.00	22,650,334		\$ 25.00	\$ 0.0175		\$ 596,180.85		\$ 596,181	\$ -
GS > 50 to 499 kW	Customers	76.00	76.00	76.00		115,326	\$ 130.00		\$ 1.9660	\$ 345,290.92	\$ 13,476	\$ 358,767	\$ 13,476
GS > 500 to 1499 kW	Customers	9.00	9.00	9.00		87,913	\$ 1,352.00		\$ 1.0192	\$ 235,616.53	\$ 48,530	\$ 284,147	\$ 48,530
Streetlighting	Customers	1.00	1.00	1.00		3,829	\$ 1,700.00		\$ 8.1110	\$ 51,457.02		\$ 51,457	\$ -
Sentinel Lighting	Connections	127.00	127.00	127.00		301	\$ 2.00		\$ 17.5697	\$ 8,336.48		\$ 8,336	\$ -
Unmetered Scattered Load	Connections	62.00	62.00	62.00	421,538		\$ 7.00	\$ 0.0122		\$ 10,350.76		\$ 10,351	\$ -
GS > 1500 kW	Customers	2.00	2.00	2.00		68,279	\$ 1,915.00		\$ 1.8094	\$ 169,504.02	\$ 42,242	\$ 211,746	\$ 42,242
Embedded Distributor Class										\$ -		\$ -	\$ -
etc.										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -		\$ -	\$ -
										\$ -			