

Essex Powerlines Corporation. ("EPLC")
2014 IRM Application
Board Staff Interrogatories
EB-2013-0128

2014 RTSR Model

1. Ref: A portion of Sheet 3 "Rate Classes" is reproduced below.

| Rate Class | Unit | RTSR-Network | RTSR-Connectic |
|--|------|--------------|----------------|
| Residential | kWh | \$ 0.0081 | \$ 0.0081 |
| General Service Less Than 50 kW | kWh | \$ 0.0071 | \$ 0.0077 |
| General Service 50 to 2,999 kW | kW | \$ 2.8991 | \$ 3.0778 |
| General Service 50 to 2,999 kW - Time of Use | kW | \$ 3.5713 | \$ 3.4127 |
| General Service 3,000 to 4,999 kW | kW | \$ 3.5713 | \$ 3.4127 |
| Unmetered Scattered Load | kWh | \$ 0.0071 | \$ 0.0077 |
| Sentinel Lighting | kW | \$ 2.2320 | \$ 2.3462 |
| Street Lighting | kW | \$ 2.2008 | \$ 2.3312 |

Board staff is unable to reconcile the General Service 50 to 2,999 kW – Time of Use rate class with EPLC's Board approved Tariff of Rates and Charges, issued April 4, 2013. Please confirm that the correct rate class should be General Service 50 to 2,999 kW – Interval Metered. If necessary, Board staff will make the necessary adjustment to the model.

Essex Response:

Essex confirms that the correct classification is General Service 50 to 2,999 kW – Interval Meter. However, the RTSR model does not offer that option, so Essex used what it considered the most appropriate classification available. Essex would prefer that the model be adapted to include this rate classification.

2014 IRM Tax Sharing Model

2. Ref: A portion of Sheet 3 "Re-Based Rev From Rates" is reproduced below.

| Rate Group | Rate Class | Fixed Metric | Vol Metric | Re-based Billed Customers or Connections A | Re-based Billed kWh B | Re-based Billed kW C |
|------------|---|--------------|------------|---|--------------------------|-------------------------|
| RES | Residential | Customer | kWh | 25,902 | 271,379,498 | |
| GSLT50 | General Service Less Than 50 kW | Customer | kWh | 1,852 | 72,012,960 | |
| GSGT50 | General Service 50 to 4,999 kW – Interval Metered | Customer | kW | 222 | 196,386,718 | 467,092 |
| GSGT50 | General Service 50 to 4,999 kW | Customer | kW | 2 | 25,141,359 | 18,698 |
| USL | Unmetered Scattered Load | Connection | kWh | 151 | 1,605,371 | |
| Sen | Sentinel Lighting | Connection | kW | 168 | 390,941 | 1,076 |
| SL | Street Lighting | Connection | kW | 2,643 | 5,929,910 | 18,024 |

- a) Board staff is unable to reconcile the General Service 50 to 4,999 kW Interval Metered and the General Service 50 to 4,999 kW rate classes with EPLC's Board approved Tariff of Rates and Charges, issued April 4, 2013. Please confirm the correct rate classes and Board staff will make the necessary adjustments to the model.

Essex Response:

Essex confirms that the correct rate classes should be as shown in the table below:

| Rate Group | Rate Class | Fixed Metric | Vol Metric | Re-based Billed Customers or Connections A | Re-based Billed kWh B | Re-based Billed kW C | Rate ReBal Base Service Charge D | Rate ReBal Base Distribution Volumetric Rate kWh E | Rate ReBal Base Distribution Volumetric Rate kW F |
|------------|-----------------------------------|--------------|------------|---|--------------------------|-------------------------|-------------------------------------|---|--|
| RES | Residential | Customer | kWh | 25,902 | 271,379,498 | | 12.74 | 0.0150 | |
| GSLT50 | General Service Less Than 50 kW | Customer | kWh | 1,852 | 72,012,960 | | 33.35 | 0.0114 | |
| GSQT50 | General Service 50 to 2,999 kW | Customer | kW | 222 | 196,386,718 | 467,092 | 220.90 | | 2.0981 |
| GSQT50 | General Service 3,000 to 4,999 kW | Customer | kW | 2 | 36,977,053 | 19,537 | 1,451.21 | | 1.3457 |
| USL | Unmetered Scattered Load | Connection | kWh | 151 | 1,605,371 | | 9.05 | 0.0282 | |
| Sen | Sentinel Lighting | Connection | kW | 168 | 390,941 | 1,076 | 3.24 | | 9.2956 |
| SL | Street Lighting | Connection | kW | 2,643 | 5,929,910 | 18,024 | 3.13 | | 8.4872 |

- b) Board staff is unable to reconcile the amounts in column “A” for the Sentinel Lighting and Street Lighting rate classes with EPLC’s approved customer/connection count in its 2010 cost of service proceeding (EB-2009-0143). Please provide the reference for these amounts. If any changes are required, please confirm the corrected amounts, and Board staff will make the necessary adjustments to the model.

Essex Response:

Essex confirms that the amounts in column “A” for Sentinel Lighting and Street Lighting rate classes come from the Essex Rate Maker File approved by the Board, tab C1.Load Forecast (table below) and no adjustments to the model are required.

| | Refresh | CUSTOMERS (CONNECTIONS) | | | | | | | |
|-----------------------------------|-------------------|-------------------------|---------------|---------------|-----------------|-----------------|----------------|-----------------|--|
| Customer Class Name | 2006 EDR Approved | 2006 Actual | 2007 Actual | 2008 Actual | 2008 Normalized | 2009 Normalized | 2009 Estimated | 2010 Normalized | |
| Residential | 24,909 | 25,352 | 25,508 | 25,645 | 25,645 | 25,773 | 25,773 | 25,902 | |
| General Service Less Than 50 kW | 1,824 | 1,826 | 1,841 | 1,844 | 1,844 | 1,848 | 1,848 | 1,852 | |
| General Service 50 to 2,999 kW | 198 | 210 | 215 | 219 | 219 | 221 | 221 | 222 | |
| General Service 3,000 to 4,999 kW | 1 | 2 | 3 | 3 | 3 | 2 | 2 | 2 | |
| Unmetered Scattered Load | 135 | 153 | 152 | 151 | 151 | 151 | 151 | 151 | |
| Sentinel Lighting | 148 | 168 | 168 | 168 | 168 | 168 | 168 | 168 | |
| Street Lighting | 7,149 | 2,518 | 2,558 | 2,567 | 2,567 | 2,609 | 2,609 | 2,643 | |
| TOTAL | 34,364 | 30,229 | 30,445 | 30,597 | 30,597 | 30,772 | 30,772 | 30,940 | |

- c) Board staff is also unable to verify the amounts in columns “B” and “C” with EPLC’s approved load forecast in its 2010 cost of service proceeding (EB-2009-0143). Please provide the reference for these amounts. If any changes are required, please confirm the corrected amounts and Board staff will make the necessary adjustments to the model.

Essex Response:

Essex confirms that the amounts in columns “B” and “C” come from the Essex Rate Maker File approved by the Board, tab C1.Load Forecast (table below) and no adjustments to the model are required.

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| METERED KILOWATT-HOURS (kWh) | | | | | | | | |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Customer Class Name | 2006 EDR Approved | 2006 Actual | 2007 Actual | 2008 Actual | 2008 Normalized | 2009 Normalized | 2009 Estimated | 2010 Normalized |
| Residential | 275,810,497 | 259,179,328 | 267,153,596 | 260,364,662 | 268,686,866 | 270,027,943 | 270,027,943 | 271,379,498 |
| General Service Less Than 50 kW | 78,730,011 | 68,984,347 | 70,995,252 | 70,910,319 | 71,701,889 | 71,857,425 | 71,857,425 | 72,012,960 |
| General Service 50 to 2,999 kW | 210,296,758 | 187,025,348 | 183,584,923 | 192,780,518 | 193,191,670 | 195,364,168 | 195,364,168 | 196,386,718 |
| General Service 3,000 to 4,999 kW | 3,973,682 | 6,078,099 | 54,881,690 | 44,662,049 | 44,476,141 | 37,170,868 | 37,170,868 | 36,977,053 |
| Unmetered Scattered Load | 1,490,465 | 1,656,527 | 1,655,057 | 1,663,819 | 1,663,819 | 1,605,371 | 1,605,371 | 1,605,371 |
| Sentinel Lighting | 397,201 | 388,121 | 388,396 | 386,327 | 386,327 | 390,941 | 390,941 | 390,941 |
| Street Lighting | 5,654,694 | 5,658,140 | 5,621,770 | 5,735,280 | 5,735,280 | 5,853,627 | 5,853,627 | 5,929,910 |
| TOTAL | 576,353,308 | 528,969,910 | 584,280,684 | 576,502,974 | 585,841,992 | 582,270,343 | 582,270,343 | 584,682,451 |
| KILOWATTS (kW) * | | | | | | | | |
| Customer Class Name | 2006 EDR Approved | 2006 Actual | 2007 Actual | 2008 Actual | 2008 Normalized | 2009 Normalized | 2009 Estimated | 2010 Normalized |
| Residential | | | | | | | | |
| General Service Less Than 50 kW | | | | | | | | |
| General Service 50 to 2,999 kW | 507,156 | 439,225 | 463,088 | 458,272 | 459,432 | 464,533 | 464,533 | 467,092 |
| General Service 3,000 to 4,999 kW | 22,395 | 20,558 | 45,921 | 35,624 | 35,624 | 20,364 | 20,364 | 19,537 |
| Unmetered Scattered Load | | | | | | | | |
| Sentinel Lighting | 1,104 | 1,095 | 1,083 | 1,063 | 1,063 | 1,076 | 1,076 | 1,076 |
| Street Lighting | 16,411 | 17,253 | 17,230 | 17,432 | 17,432 | 17,792 | 17,792 | 18,024 |
| TOTAL | 547,066 | 478,131 | 527,322 | 512,391 | 513,551 | 503,765 | 503,765 | 505,729 |

2014 IRM Rate Generator

3. Ref: A portion of Sheet 4 "Current Tariff Schedule" is reproduced below.

| STREET LIGHTING Service Classification | |
|---|----------------|
| This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service. | |
| APPLICATION | |
| The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule. | |
| No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein. | |
| Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Components of this schedule do not apply to a customer that is an | |
| It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST. | |
| MONTHLY RATES AND CHARGES - Delivery Component <small>(If applicable, Effective Date MUST be included in rate de</small> | |
| Service Charge (per connection) | \$ 3.13 |
| Distribution Volumetric Rate | \$/kW 8.4872 |
| Low Voltage Service Rate | \$/kW 0.2798 |
| Rate Rider for Disposition of Global Adjustment Sub-Account (2010) - effective until April 30, 2014 Applicable only for Non-RFP Customers | \$/kW (0.0940) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2010) - effective until April 30, 2014 | \$/kW (0.1344) |
| Rate Rider for Application of Tax Change - effective until April 30, 2014 | \$/kW (0.0824) |
| Retail Transmission Rate - Network Service Rate | \$/kW 2.2008 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW 2.3312 |

Board staff notes that according to EPLC's Board approved Tariff of Rates and

Charges, issued April 4, 2013, the Rate Rider for Application of Tax Change – effective until April 30, 2014 for the Street Lighting rate class should be \$/kWh and not \$/kW. Please confirm this is correct and Board staff will make the necessary adjustment to the model.

Essex Response:

Essex does not agree that the Rate Rider for Application of Tax Change – effective until April 30, 2014 for the Street Lighting rate class should be \$/kWh – Essex believes it should be based on \$/kW as this rate has historically always been based on kW. In 2011 & 2012 the unit was \$/kW, however, in 2013 there was typographical error and the unit was coded as \$/kWh on the rate order but it was actually calculated as \$/kW.

4. Ref: A portion of Sheet 5 “2014 Continuity Schedule” is reproduced below.

| Account Descriptions | Account Number | 2013 | | Projected Interest on Dec-31-12 Balances | | 2.1.7 RRR | Variance RRR vs. 2012 Balance (Principal + Interest) |
|--|----------------|--|---|--|---|-------------|--|
| | | 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 | Projected Interest from January 1, 2013 to April 30, 2013 on Dec 31-12 balance adjusted for disposition during 2013 | | |
| Group 1 Accounts | | | | | | | |
| LV Variance Account | 1550 | 708,191 | 6,719 | 10,410 | 2,567 | 727,886 | 714,909 |
| RSVA - Wholesale Market Service Charge | 1580 | (3,573,954) | (81,509) | (52,537) | (12,954) | (3,720,954) | (3,655,463) |
| RSVA - Retail Transmission Network Charge | 1584 | 347,134 | 25,321 | 5,103 | 1,258 | 378,816 | 372,455 |
| RSVA - Retail Transmission Connection Charge | 1586 | (1,267,076) | (22,262) | (18,626) | (4,593) | (1,312,577) | (1,289,358) |
| RSVA - Power (excluding Global Adjustment) | 1588 | 9,554,493 | (125,399) | 140,451 | 34,632 | 9,603,667 | 802,177 |
| RSVA - Global Adjustment | 1589 | (8,731,842) | 105,435 | (128,359) | (31,650) | (8,786,415) | 0 |
| Recovery of Regulatory Asset Balances | 1590 | (1,684,689) | 232,195 | (24,765) | (6,106) | (1,483,365) | (1,452,494) |
| Disposition and Recovery/Refund of Regulatory Balances (2008) ⁶ | 1595 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposition and Recovery/Refund of Regulatory Balances (2009) ⁶ | 1595 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposition and Recovery/Refund of Regulatory Balances (2010) ⁶ | 1595 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposition and Recovery/Refund of Regulatory Balances (2011) ⁶ | 1595 | 0 | 0 | 0 | 0 | 0 | 0 |
| Group 1 Sub-Total (including Account 1589 - Global Adjustment) | | (4,647,743) | 139,969 | (68,322) | (16,846) | (4,592,942) | (4,507,774) |
| Group 1 Sub-Total (excluding Account 1589 - Global Adjustment) | | 4,084,099 | 34,534 | 60,036 | 14,803 | 4,193,473 | (4,507,774) |
| RSVA - Global Adjustment | 1589 | (8,731,842) | 105,435 | (128,359) | (31,650) | (8,786,415) | 0 |

Board staff notes that the total claim amount of \$9,603,667 for Account 1588 RSVA Power does not reconcile with the amount of \$802,177 filed as part of EPLC’s Reporting and Record-keeping Requirements (“RRR”). Board staff also notes that the total claim amount of \$8,786,415 for Account 1589 RSVA Global Adjustment does not reconcile with the RRR amount. Please explain these discrepancies and provide a reconciliation of the two accounts with the amounts filed as part of EPLC’s RRR amounts.

Essex Response:

Essex confirms that the amounts reported in the 2.1.7, dated 12/31/12 grouped both the balances of 1588 and 1589 and filed it as one figure, while the continuity schedule shows these amounts separated. The net result in this change is zero.

However, the figures quoted by Board staff above are not the correct figures. The figures quoted are the balances as of December 31, 2012 including interest for 2013. The correct figures for the December 31, 2012 balances are \$9,428,584 for account 1588 and \$8,626,407 for account 1589.