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## **Newmarket-Tay Power Distribution Ltd.**

April 29, 2014

Ms. Kirsten Walli, Board Secretary  
Ontario Energy Board  
PO Box 2319 27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON, M4P 1E4

Dear Ms. Walli:

Re: EB 2013-0153  
Newmarket-Tay Power Distribution Ltd. Responses to Board Staff Interrogatories

Enclosed is Newmarket-Tay Power Distribution Ltd.'s responses to the Board staff interrogatories.

The following is Included with this submission:

- 1) The three requested models for Interrogatory 6a):
  - a) NM 2010 – 2010 Variances for disposal to the old Newmarket Hydro customers.
  - b) Tay 2010 - 2010 Variances for disposal to the old Tay Hydro customers.
  - c) NT 11-12 – 2011-2012 Variances for disposal to the Newmarket-Tay customers.
- 2) Excel spreadsheet reconciliation for the three models to the RRR 2.1.7 as requested by interrogatory 6b) called "continuity – triple R".
- 3) Bill Impacts Excel spreadsheet .
- 4) Final Tariff sheet.

The Corporation's responses will be sent to the OEB in the following forms:

- (a) electronic filing through the Board's web portal, consisting of one (1) electronic copy of each of the above mention models and a PDF copy of the responses to Board staff Interrogatories; and
- (b) two (2) paper copies of models and responses to Board staff Interrogatories will be sent through the mail.

For any questions concerning the responses please contact me at 905-953-8548 ext 2300.

Regards,

Iain Clinton, CPA, CA  
Chief Financial Officer



## Board Staff Interrogatories EB 2013- 0153

On April 7, 2014 Board staff and Newmarket Tay participated in a non-transcribed teleconference to clarify evidence regarding Newmarket Tay's 2014 IRM application. Board staff has made changes to all applicable models, including the Rate Generator, RTSR model and Tax sharing model as well as sheet 1 of the bill impact calculations based on the information received during the teleconference.

a) Please confirm the accuracy of the following updates:

- Rate Generator

- Sheet 4 – Addition of Service Classification per customer class
- Sheet 4 – Elimination of an independent Interval metered GS>50 customer class – inputs regarding volumetric rate update only
- Sheet 5 – Removal of inputs from Continuity Schedule
- Sheet 6 – Removal billing determinants
- Sheet 9 – Price Cap Index Adjustment
- Sheet 10 – Addition of Primary Metered Customer < 5000kW loss factor
- Sheet 11 – updates:
  - Removal of incorrect DVA rate riders
  - Addition of SME charge of \$0.79
  - Update of WMSC from \$0.0052 to \$0.0044 as per EB-2013-0067
  - Update of RRRP from \$0.0011 to \$0.0013 as per EB-2013-0396
  - Addition of a sunset date of April 30, 2015 to Tax Sharing Rate Rider
  - Update of RTSR rates

- RTSR model

- Sheet 5 – Update of Uniform Transmission rates (EB-2012-0031)
- Sheet 5 – Update of HONI sub-transmission rates (EB-2013-0141)

Tax Sharing model

- o Sheet 5 – Update of Cell I40 from \$699,693 to \$699,512 as per RRWF (EB-2009-0269)

*Response:*  
*Confirmed.*

b) Please update the Rate Generator for rate riders to dispose of the deferral/variance account balances for each of the former service territories.

*Response:*  
*Tariff Sheet updated and submitted.*

c) Please provide updated bill impact calculations for the former service territories of Newmarket and Tay.

*Response:*  
*Updated and Submitted.*

### **Billing Determinants – Newmarket, Tay and combined Interrogatory #2**

Ref: Manager's Summary, Rate Generator, Tab 6 – “Billing Det. for Def-Var” and Tax Sharing model, Tab 3 – “Rebased Bill Det & Rates”

Newmarket Tay provided the following billing determinants in its Manager's Summary and models:

Newmarket Hydro Volumetric Amounts from the Company's 2010 Cost of Service Application

	kWh	kW
Residential	245,792,489	
GS<50	88,897,653	
USL	211,968	
GS>50	303,846,493	756,518
Street Lights	4,797,622	13,370
Sentinel Lights	301,309	837

Tay's Hydro Volumetric Amounts from the Company's 2010 Cost of Service Application

	kWh	kW
Residential	32,185,881	
GS<50	4,804,059	
USL	162,104	
GS>50	5,703,608	13,703
Street Lights		1,208
Sentinel Lights		29

Newmarket Tay Volumetric Amounts (combination of Tay and Newmarket) from the Companies 2010 Cost of Service Application

Newmarket Tay		
	kWh	kW
Residential	277,978,370	
GS<50	93,701,712	
USL	374,072	
GS>50	309,550,101	770,221
Street Lights	5,230,133	14,578
Sentinel Lights	310,359	866

a) Board staff is unable to reconcile the billing determinants with the Board-approved load forecast or most recent actual load data. Please provide reconciliation to the load data used on sheet 6 "Billing Det. for Def-Var" of the Rate Generator and sheet 3 of the Tax model for each of Newmarket Tay's service territories as well as in aggregate.

**Response**

*The amounts used in the above chart were the amounts used in deriving the Distribution Revenue Requirement of \$16,203,643 as settled in 3. of the Settlement Agreement for EB 2009-0269. The full chart used to derive the Revenue Requirement of \$16,203,643 is reproduced below but this chart was not included in the settlement documentation:*

	2010 Actual			Calculated Fixed Charge	Maximum Fixed Charge from Cost Allocation	Applied for Fixed Rate	Revised Fixed Revenue	Applied for Variable Rate	Revised Variable Revenue	Final Revised Class Revenue
	kWh	kW	Avg Cust/Con							
Residential	277,978,370		29,336	15.35	16.89	15.35	5,401,916	0.0149	4,141,469	9,543,384
GS<50	93,701,712		2,896	26.68	33.65	26.68	926,918	0.0174	1,633,179	2,560,097
USL	374,072		120	14.22	14.38	14.22	20,484	0.0164	6,119	26,602
GS>50	309,550,101	770,221	402	157.24	134.23	134.23	646,724	4.3891	3,380,575	4,027,298
Street Lights	5,230,133	14,578	8,453	3.06	9.04	3.06	310,838	15.2085	221,702	532,540
Sentinel Lights	310,359	866	418	3.12	8.89	3.12	15,671	11.9333	10,340	26,011
<b>Total</b>	<b>687,144,747</b>						7,322,550		9,393,383	16,715,933
GS>50 T/A		602,694						(0.8500)	(512,290)	(512,290)
<b>Revenue Requirement</b>							7,322,550		8,881,093	16,203,643

## **RTSR Billing Determinants**

### **Interrogatory #3**

Ref: RTSR Model, Tab 4 – RRR Date

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

*Response:*

*Confirmed 2012 non loss adjusted amounts.*

## **Rate Generator, sheet 4 – GS 50 – 4,999 kW rate class – Interval metered**

### **Interrogatory #4**

Ref: Rate Generator, Tab 3 & 4

Newmarket Tay is showing a GS 50 – 4,999 kW rate class – Interval metered rate class without a rate class description.

a) Please confirm that Newmarket Tay is not proposing a new rate class.

*Response:*

*Confirmed.*

b) Please confirm if Interval metered GS>50 kW customers will continue to be billed a specific volumetric rate under the GS 50 – 4,999 kW customer class.

*Response:*

*Confirmed.*

## **Disposition of Deferral and Variance Account Balances**

### **Interrogatory #5**

a) The following Account balances do not agree to the RRR 2.1.7 filings for December 31, 2012:

#### **Account # RRR 2.1.7 Dec. 31, 2012 Balance per Evidence**

i. 1550 RRR 2.1.7 = \$0 Dec 31, 2012 Balance per Evidence \$146,457

*Response:*

*The balance per RRR 2.1.7 should be \$146,457. The system should have been updated.*

ii. 1590 RRR 2.1.7 = \$(560,379); Dec 31, 2012 Balance per Evidence \$ 0

*Response:*

*The Applicant combined the 1590 and 1595 balances into 1590 for RRR 2.1.7 and placed the entire amount into account 1595 for the Evidence. The correct amount in account 1590 should be \$(229,560) and disposed of to the Tay customers only. The remainder \$(330,820) is the recovery of the regulatory amounts from the 2010 Cost of Service filing EB 2009-0269. This recovery ended in April of 2013 and this balance should be in account 1595 and refunded in the next Annual IR filing.*

iii. 1595 RRR 2.1.7 = \$0; Dec 31, 2012 Balance per Evidence \$(560,380)

Please provide explanation for the differences between RRR filings and the amounts requested for disposition.

*Response:*

*See answer to Interrogatory 5 a) part ii.*

b) Please indicate the amounts that Newmarket Tay is requesting for disposition in this proceeding.

*Response:*

*See answer to Interrogatory 5 a) part ii.*

#### **Interrogatory #6**

Ref: Manager's Summary, Figure 1, 2 & 3

Board staff is unable to reconcile the amounts requested for disposition to the separate allocations for Newmarket (Figure 1), Tay (Figure 2), and Newmarket and Tay (Figure 3).

a) Please provide three separate EDDVAR continuity schedules to reflect the accurate disposition of the deferral/variance account balances for each of the former service territories (Newmarket and Tay), balances as of December 31, 2010 as well as a combined disposition for the remaining combined balance as of December 31, 2012.

*Response:*

*Submitted as*

- a) NM 2010 – 2010 Variances for disposal to the old Newmarket Hydro customers.*
- b) Tay 2010 - 2010 Variances for disposal to the old Tay Hydro customers.*
- c) NT 11-12 – 2011-2012 Variances for disposal to the old Newmarket Tay customers.*

b) Please provide a summary reconciling the 3 separate allocations to each separate territory to the Total requested for disposition.

*Response:*

*Submitted as "continuity – triple R."*

**Interrogatory #7**

Ref: Manager's Summary, Section 5 – Review and Disposition of Group One  
Deferral Account Balances

Newmarket Tay has not allocated Account 1590 (or 1595) to any service territory. It appears that the amount of \$(560,380) was missed from the rate rider calculations. Please ensure that the information provided under Interrogatory 5 includes the disposition related to Account 1590 (or 1595).

*Response:*

*See answer to Interrogatory 5 a) part ii.*