Rideau St. Lawrence Distribution Inc. (“Rideau”)

EB-2014-0111

Response to Application Analysis

1. Board staff notes that for each Group 1 Account:

“The Board-Approved disposition during 2013” (Columns AN and AV) in the Rate Generator Model does not reconcile with the “Principal Balance A” and Interest Balance B” in the 2013 IRM Decision and Order.

If the input into the Rate Generator model is an error, please make any necessary updates to the model.

Response: The totals do not balance between the two documents because Rideau did not include “Disposition and Recovery of Regulatory Balances (2010)” in the Rate Generator.

There is a reason for the exclusion of this account. During 2013, Rideau was subject to a Regulatory Audit of accounts 1588, 1589, and 1595.

During the audit, it was discovered that Rideau had incorrectly billed customers for loss-adjusted consumption on a GA Sub Account rate rider beginning in 2010. Rideau was instructed to make corrections to the GL accounts in 2013, and reimburse the customers in 2014.

As of December 31, 2013, account 1595 (2010) contained a balance which was refunded in 2014. If the 1595 (2010) balance was included in the Rate Generator, the resulting rate rider would include the amounts subsequently refunded in 2014.

Included with our response is a copy of the Regulatory Audit Report, and the Rate Order instructing Rideau to refund the overbilling in 2014.

2. Board staff notes that for each Group 1 Account:

“The Principal Disposition during 2014 – Instructed by Board” (Column AY) and the ”Interest Disposition during 2014 – Instructed by Board” (Column AZ) in the Rate Generator Model does not reconcile with the “Principal Balance A” and Interest Balance B” in the 2014 IRM Rate Order.

If the input into the Rate Generator model is an error, please make any necessary updates to the model.

Response: The reason for this variance is the same as with question 1 a). The amounts for 1595 (2010) have been excluded from the Claim, as there were balances to be refunded as of December 31, 2013, due to the changes resulting from the Regulatory Audit.

3.

Board staff notes that the description for “Distribution Loss Factor – Primary Metered Customer < 5,000 kW” does not match Rideau’s current Tariff of Rates and Charges. Staff believes the correct description is “Total Loss Factor – Primary Metered Customer < 5,000 kW”. If Rideau is in agreement, Board staff will make the relevant correction.

Response: Rideau agrees with Board Staff that the description is incorrect. This was an error.