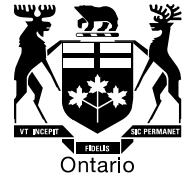


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BY E-MAIL

March 27, 2015

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

Dear Ms. Walli:

**Re: North Bay Hydro Distribution System Ltd.
2015 Distribution Rate Application
Board Staff Interrogatories
Board File No. EB-2014-0099**

In accordance with Procedural Order #1, please find attached Board Staff's interrogatories in the above noted proceeding. North Bay Hydro Distribution System Ltd. and all intervenors have been copied on this filing.

Yours truly,

Original Signed By

Stephen Vetsis
Advisor – Electricity Rates and Prices

Encl.

**Board Staff Interrogatories
2015 Cost of Service Rate Application
North Bay Hydro Distribution Ltd. (“North Bay Hydro”)
EB-2014-0099
March 27, 2014**

Exhibit 2

2-Staff-1

Ref: Ex. 2, Appendix 2-A: Distribution System Plan (DSP) – page 124

The last page of the main body of the DSP states that “the following section details all projects in 2015 that meet the materiality threshold of \$65,000.” The main body ends at the bottom of the page. Additionally, Appendix A of the DSP has been intentionally deleted.

- a) Please confirm that section 4.5.2 of the DSP has been provided in its entirety.
- b) Please provide the missing Appendix of the DSP. If North Bay Hydro is unable to provide the deleted Appendix, please explain why the Appendix was deleted and summarize its contents.

2-Staff-2

Ref: Ex. 2, page 21

Table 2-1 of the DSP shows forecast capital spending of approximately \$7.8 million in 2015. The forecast level of spending for 2016-2019 is approximately \$6M each year.

- a) Please explain North Bay Hydro’s approach to the pacing of capital expenditures in the 2015-2019 period. Did North Bay Hydro consider delaying any of the proposed 2015 projects to have a more even spending profile throughout the forecast period? What would be the risks associated with such a decision?

2-Staff-3

Ref: Ex. 2, DSP – page 45

On page 45, North Bay Hydro states that “the operating efficiency indicators will be used as benchmarks to help guide decision making process and ensure cost control.” Please list the efficiency indicators that will be used and explain how they will help guide decision making processes and ensure cost control.

2-Staff-4

Ref: Ex. 2, DSP – pages 74, 116 and 117

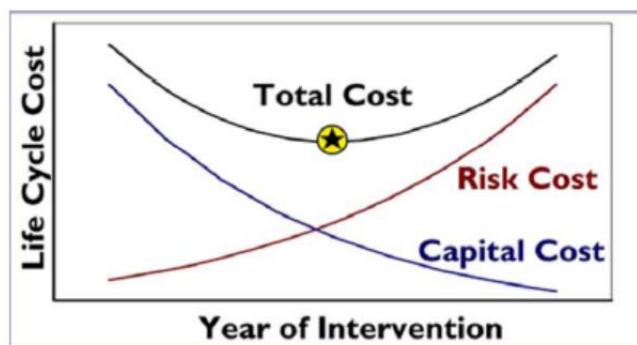
On page 74 of the DSP, North Bay Hydro states that “it does not anticipate any capacity constraints or significant O&M changes due to capital investment” for the forecast period. On page 117 of the DSP, North Bay Hydro states that it is currently unable to provide a specific or detailed forecast of the impact of its investments on system O&M costs.

- a) Please explain why North Bay Hydro is unable to forecast the impact of its capital expenditures on O&M costs including a summary of the results of any attempts to do so thus far.
- b) Please explain when North Bay Hydro expects to see the O&M reductions discussed on pages 116 and 117.
- c) On pages 116 and 117, North Bay Hydro identifies cost benefits and avoided costs that will arise from the decommissioning of certain substations as well as the replacement of troublesome underground assets. What is North Bay Hydro’s best estimate of the current level of O&M costs associated with the items identified?

2-Staff-5

Ref: Ex. 2, DSP – pages 78 and 79

On page 78 of the DSP, North Bay Hydro states that it deployed a risk-based asset management strategy in which the risk cost is calculated for each asset and compared to its total cost. Figure 3-43, reproduced below, provides a graphical representation of this assessment.



North Bay Hydro later states that “substation assets were based on a risk based assessment, poles, and conductors based on mean life expectancy age and the risk associated with decreasing health after mean life expectancy is passed and for distribution transformers and underground cable, risk to run to failure is acceptable.”

- a) Are O&M costs factored in to the calculation of the total cost of an asset in the Table above? If so, how would they be captured?
- b) Please explain why the risk-based approach is not applied for all asset types. If it has been applied to all asset types, please explain what would cause the evaluation to determine that distribution transformers should be run to failure whereas conductors would only be replaced after the mean life expectancy has elapsed.

2-Staff-6

Ref: Ex. 2, DSP – pages 98 - 100

On pages 98 through 100 of the DSP North Bay Hydro identifies the criteria that are used to score and prioritize its 2015 capital projects.

- a) Regarding the reliability criteria, please explain the difference between addressing and improving current reliability issues substantially or moderately (i.e. a score of 3 and 2). Please provide examples from North Bay Hydro's proposed 2015 capital projects that illustrate that difference.
- b) Similarly, please explain how the difference between a significant, moderate and marginal increase in operational efficiency was assessed (i.e. a score of 3, 2 and 1 for the operational efficiency criteria). Please provide examples from North Bay Hydro's proposed 2015 capital projects that illustrate those differences.

2-Staff-7

Ref: Ex. 2, page 54

Table 2-31 shows that North Bay Hydro has used the average number of customers, as of December 31, 2013 to calculate its rate riders for recovery of stranded meter costs.

- a) Please explain why North Bay Hydro has elected to use the customer numbers from 2013 to derive the rate riders when they will be recovered in 2015.
- b) Please provide an updated derivation of the stranded meter rate riders using the customer numbers from North Bay Hydro's customer forecast.

2-Staff-8

Ref: Ex. 2, DSP – Appendix B: Asset Condition Assessment (ACA) – page 88

Page 88 of the ACA summarizes the parameters used to estimate the customer outage cost.

- a) Please provide the basis of the assumed values provided in the table on page 88 of the ACA.

- b) Please explain how the assumed values reflect the differences between the cost of an outage for consumers in different classes.

Exhibit 3

3-Staff-9

Ref: Ex. 3, page 4

North Bay Hydro states that it “reviewed the data required to conduct the regression analysis on an individual rate class basis and determined that it currently does not have a method to properly convert historical billing data to monthly consumed values by rate class.” Please elaborate why North Bay Hydro is unable to convert historical billing data to monthly consumed values.

Exhibit 4

4-Staff-10

Ref: Ex. 4, pages 6 and 22

On page 6, North Bay Hydro stated that its non-unionized staff received an average annual salary increase of 4.6% from 2010 forecast through 2015. North Bay Hydro stated that increases for non-unionized staff are based on performance.

- a) North Bay Hydro stated that it has compared the increases of its unionized staff to those provided in other recent collective agreements. What external benchmarks have been used to compare the salaries of its non-unionized employees? How did North Bay Hydro compare to other distributors?

4-Staff-11

Ref: Ex. 4, pages 8 and 9

On page 8 of Exhibit 4, North Bay Hydro states:

Ongoing business planning and specific reviews by external resources have been performed as required. For example in 2012-13 there was an external review of meter to cash processes and in 2013 an IT audit. Also in 2013-2014, [North Bay Hydro] updated its asset management plan including a new forecast of capital requirements for the next 5 years. The cost for the IT audit and the asset management plan have been included as part of the cost of service application to be recovered over a five year period.

- a) Please confirm how these expenses have been included for recovery.

- b) Please explain why the IT audit and the asset management plan would be eligible for recovery given that they are out of period costs.
- c) Please confirm whether or not North Bay Hydro has undertaken IT audits and prepared asset management plans as part of its regular course of business in the past.

4-Staff-12

Ref: Ex. 4, pages 8 and 9

North Bay Hydro has forecasted \$100,000 in ongoing business and strategic planning activities. North Bay Hydro has stated that this amount will be put towards the creation of a new strategic plan for the organization. North Bay Hydro also stated that it believes the amount of change occurring within its business (e.g. high turnover) and sector requires that ongoing business and strategic planning are required.

- a) Has North Bay Hydro prepared a plan for the business and strategic planning activities that will be undertaken in 2015-2019? If so, please provide that plan along with the forecast spending in each year.
- b) What is the basis for the estimated \$100,000 in annual spending (e.g. historical consulting costs)?

4-Staff-13

Ref: Ex. 4, pages 9, 10, 75 and 76

Ref: Chapter 2 Appendices, Appendix 2-M

On page 9 of Exhibit 4, North Bay Hydro notes that its 2010 cost of service application estimated \$160,000 in regulatory costs amortized over four years at \$40,000 per year. North Bay Hydro also notes that the actual cost of its 2010 cost of service application was \$285,232, or \$71,308 per year.

For the preparation of its 2015 cost of service application, North Bay Hydro is forecasting \$656,930 in costs to be recovered over five years at \$131,386 per year.

North Bay Hydro states that it has forecast \$459,215 in consultant costs for its application (\$190k related to its DSP, \$197k for legal costs, \$52k for customer engagement). Appendix 2-M shows that North Bay Hydro's consultant costs were \$115,000 in its last rebasing application.

North Bay Hydro states that \$111,272 in one-time costs for 2015 are related to incremental costs for overtime, training and travel expenses related to the application for North Bay Hydro's employees. Appendix 2-M indicates that North Bay Hydro had zero dollars in incremental staff costs in the preparation of its 2010 cost of service application.

- a) What was the cause of the variance in the estimated and actual costs for the preparation of North Bay Hydro's 2010 cost of service application?
- b) Please provide a breakdown of the \$111,272 in one-time incremental staffing costs related to the preparation of the North Bay Hydro's cost of service application.
- c) Did North Bay Hydro use any form of tendering process in the selection of its consultants? If so, please provide the relevant documentation.
- d) What procedural steps have been assumed in the forecast \$197,595 in legal costs included for recovery in this application? How do the forecast procedural steps match what has been provisioned by the Board in Procedural Order No. 1?
- e) Please provide a breakdown of the \$189,685 in costs incurred from North Bay Hydro's consultant in the preparation of its DSP. Please confirm which, if any, of those services/analyses have been performed in the past as part of the North Bay Hydro's regular course of business.
- f) Please confirm whether the \$51,560 in costs related to customer engagement is incremental to the engagement activities North Bay Hydro has undertaken in the past as part of its regular course of business.

4-Staff-14

Ref: Ex. 4, pages 26 and 38

Ref: DSP – pages 31 and 32

On page 26, North Bay Hydro states that it needs to "continue to invest and develop its customer engagement activities." North Bay Hydro states that its engagement activities, forecasted to be \$122,000 in the 2015 test year, will become a regular part of the O&M work program in 2015.

On page 31 of the DSP, North Bay Hydro discusses the results of its UtilityPULSE customer survey:

While there is no significantly direct integration of these results into the DSP, the responses validate the direction and focus of North Bay Hydro's capital program.

On page 32 of the DSP, North Bay Hydro discusses the results of residential and small business focus group engagement activities:

While not directly incorporated into the DSP, the results of this consultation work indicate to [North Bay Hydro] that the pacing, prioritization and focus of the 2015 capital spending and the projected infrastructure spending levels out to 2019 are aligned with customer preferences and expectations.

- a) Please provide a breakdown of the engagement activities that will be undertaken on an annual basis. If available, please provide any road map of North Bay Hydro's planned future engagement activities over the forecast period.
- b) Is North Bay Planning on undertaking any engagement activities to specifically investigate some of the customer preferences identified in its recent activities on a more detailed basis?
- c) Given that North Bay Hydro has not directly incorporated the results of its recent engagement activities in its current planning cycle, how does North Bay Hydro believe that the proposed \$122,000 in annual engagement cost will provide a direct benefit to its customers?

4-Staff-15

Ref: Ex. 4, page 60

North Bay Hydro has indicated that as of December 31, 2013, the Net Benefit Liability related to its Other Post-Employment Benefits (OPEB) was \$4,511,393, including \$205,022 of unamortized gain. The evidence further indicates that North Bay Hydro has recognized the unamortized gain of \$205,022 in its retained earnings. North Bay Hydro has recovered OPEB through its revenue requirement in prior applications before the Board.

- a) Please explain how North Bay Hydro has addressed this reduction in the liability in this rate application.

- b) Is North Bay Hydro going to refund the gain amount to ratepayers? If not, please explain why not.
- c) In the rate proceeding EB-2011-0123 for Guelph Hydro Electric Systems Inc., the OEB approved the settlement where the Parties agreed to dispose the OPEB actuarial gain through a rate rider over the average remaining service life of the employees covered. Would North Bay Hydro agree to recording the gain in a deferral account and when the account is disposed in a future application, to amortize the gain using estimated average remaining service lives of the employees? If North Bay Hydro disagrees, please explain why such a treatment would not be fair to both customers and the company.
- d) Please indicate if OPEBs were recovered on a cash or accrual accounting basis for each year since North Bay Hydro started to recover OPEBs. For example, recovery may have been on a cash basis from 2000 to 2006 when recovery was changed to accrual accounting amounts.
- e) Please complete the table below to show how much more than the actual cash benefit payments, if any, have been recovered from ratepayers from the year North Bay Hydro started recovering amounts for OPEBs.

OPEBs	First year of recovery up to 2011	2012	2013	2014	2015	Total
Amounts included in rates						
OM&A						
Capital						
Sub-total						
Paid benefit amounts						
Net excess amount included in rates greater than amounts actually paid						

- f) Who is responsible to fund the future payments represented by the liability of \$4,511,393?
- g) If North Bay Hydro believes that customers are responsible for the liability, how would North Bay Hydro expect the net excess amount in the table above to be treated for ratemaking purposes? In the event that the OEB continues to approve the OPEB amount based accrual accounting for inclusion in rates, would

North Bay Hydro agree to establish an OPEB deferral account to prospectively capture the actuarial gains and losses related to OPEB?

4-Staff-16

Ref: Ex. 4, Table 4-27

Ref: Ex. 4, Appendix 4-I – Purchasing Policy

Ref: Ex. 4, page 73

Ref: Chapter 2 – Filing Requirements for Electricity Distribution Rate Applications, July 18, 2014, page 36

Page 36 of the Filing Requirements states that a distributor must provide a description of the specific methodology used in determining the vendor, including a summary of the tendering process. North Bay Hydro has provided a purchasing policy in Appendix 4-I which does not provide details regarding the tendering process. Section 9.4.07 of North Bay Hydro's purchasing policy states management has the right to waive the purchasing policy in certain situations.

Table 4-27 summarizes the North Bay Hydro's purchases from non-affiliates. The table shows three items whose method of selection is described as "Sole Source – Engineering Preference": i) G&W Canada Corporation (~155k in 2013), ii) S&C Electric Canada Ltd. (~ \$172k in 2013) and iii) UTS Consultants Inc. (~ \$991k in 2013).

- a) Please provide a document detailing North Bay Hydro's tendering process including descriptions of the evaluation criteria for selecting vendors.
- b) Please confirm whether or not North Bay Hydro has invoked the waive clause of its purchasing policy since 2010.
- c) Please explain the rationale for not using a tendering process for each of the vendors identified as "Sole Source – Engineering Preference" in Table 4-27.

4-Staff-17

Ref: Chapter 2 Appendices – Appendix 2-JA

The proposed future OM&A increases are significant, at 36.7% above 2010 actuals.

- a) Please outline the outcomes and higher level of services that customers will receive for the relatively higher rates they are paying. How has the applicant communicated the benefits of these services to its customers and how did customers respond?
- b) Please identify any customer engagement that supports the further increases proposed in this application.
- c) Please provide the analysis that was performed to assess whether this applicant's planning decisions reflect best practices of Ontario distributors.

- d) Please identify any initiatives considered and/or undertaken by the applicant, including any analysis conducted, to optimize plans and activities from a cost perspective, for example, balancing cost levels of OM&A versus capital.
- e) The Board's letter of November 28, 2012, established the stretch factor assignments for 2013 rates. The applicant was assigned to Stretch Factor Group 1 out of three groups. On November 21, 2013, the Board established the stretch factor assignments for 2014 rates in the Report of the Board: Rate Setting Parameters and Benchmarking under the renewed Regulatory Framework for Ontario's Electricity Distributors. The applicant was assigned to Group III out of five groups. Please provide details on any initiatives undertaken to improve the applicant's assignment in future years.

Exhibit 5

5-Staff-18

Ref: Ex. 5, page 2

On page 2 of Exhibit 5, North Bay Hydro indicates that it has used the cost of capital parameters for 2014 cost of service applications in its evidence. North Bay Hydro states that it will update its rates to reflect the latest cost of capital parameters prior to the issuance of the Board's decision for its application. When responding to 6-Staff-19, please include an update to the cost of capital parameters used to calculate North Bay Hydro's revenue requirement.

Exhibit 6

6-Staff-19

Upon completing all interrogatories from Board staff and intervenors, please provide an updated RRWF in working Microsoft Excel format with any corrections or adjustments that the Applicant wishes to make to the amounts in the previous version of the RRWF included in the middle column. Please include documentation of the corrections and adjustments, such as a reference to an interrogatory response or an explanatory note.

Exhibit 7

7-Staff-20

Ref: Ex. 7, page 5

On page 5 of Exhibit 7, North Bay Hydro stated that costs were assigned to each class in determining the weighting factors for billing and collecting. North Bay Hydro states that "the labour costs for a specific employee who is responsible for all GS > 50 billing were assigned to the GS > 50, Intermediate and Street Light class based on the number of customers per class."

- a) Please provide the details of North Bay Hydro's analysis and derivation of the weighting factors for billing and collection. Please include an explanation of the additional complexities in the billing of GS 50 to 2,999 kW, GS 3,000 to 4,999 kW and Street Lighting classes that would cause the weighting factors of 23.8, 14.7 and 14.7, respectively.
- b) Please clarify whether the employee identified is also responsible for Street Light class billing. If not, please explain why the costs for an employee responsible for GS > 50 kW customer billing would be allocated to the Street Light class.

7-Staff-21

Ref: Cost Allocation Model – Sheet I7.1

On Sheet I7.1 North Bay Hydro has provided a list of 14 meter types. Many of the types of meters identified in this list show that there are zero meters of that type installed in North Bay Hydro's service area.

Please confirm which meter types indicated in Sheet I7.1 are installed and being used in North Bay Hydro's service area. If necessary, please file an updated cost allocation model reflecting any changes.

7-Staff-22

Ref: Cost Allocation Model – Sheet I7.1 and Sheet I7.2

Sheet I7.1 of the cost allocation model indicates that there are 3 types of meters installed for the GS 50 to 2,999 kW class. On sheet I7.2, all meters for the GS 50 to 2,999 kW class have been given a meter reading weighting of 39.34.

Please explain how meter reading costs for all meter types in the GS 50 to 2,999 kW class are identical given that not all of the meters possess interval metering functionality (as described on Sheet I7.1).

Exhibit 8

8-Staff-23

Ref: Ex. 8, Table 8-5, page 5

Ref: Chapter 2 – Filing Requirements for Electricity Distribution Rate Applications, July 18, 2014, page 53

Table 8-5 shows that the current monthly service charges for the GS 50 to 2,999 kW and GS 3,000 and 4,999 kW classes are above the ceiling fixed charges calculated in North Bay Hydro's cost allocation model. North Bay Hydro is proposing to increase both of these fixed charges further in 2015.

Page 53 of the Filing Requirements states that distributors are not expected “to raise the fixed charge further above the ceiling.”

Please explain why North Bay Hydro is proposing to increase the monthly service charges for classes that are already above the ceiling charge calculated in cost allocation model.

8-Staff-24

Ref: Ex. 8, page 9

North Bay Hydro has provided its estimated Low Voltage expenses for 2015 but, has not provided actual costs for the historical years and forecast costs for the base year. North Bay Hydro states that it has estimated the Low Voltage expense by utilizing current approved LV rates applies to the 2015 load forecast.

- a) Please provide the historical and bridge year Low Voltage costs and explanations for any variances.

8-Staff-25

Upon completing all interrogatories from Board staff and intervenors, please provide an updated Appendix 2-W for all classes at the typical consumption / demand levels (e.g. 800 kWh for residential, 2,000 kWh for GS<50, etc.).

Exhibit 9

9-Staff-26

Ref: Ex. 9, Table 9-17 (Appendix 2-EB), Table 9-15 and Table 9-16

Ref: Chap. 2 Appendices Appendix 2-BA – revised CGAAP for years 2013 and 2014

- a) North Bay Hydro has not provided the Fixed Asset Continuity Schedules under the old CGAAP for years 2013 and 2014. Since the net additions and depreciation numbers are material, these schedules are required to verify the numbers used in the calculation of the balance in Account 1576. Please provide the Appendices 2-BA under the old CGAAP for years 2013 and 2014.
- b) The net additions in Appendix 2-EB do not match Appendix 2-BA for the following years:
 - i. 2012 – old CGAAP
 - ii. 2012 – revised CGAAP
 - iii. 2013 – revised CGAAP
 - iv. 2014 – revised CGAAP.

Please explain the differences, and provided amended schedules as necessary.

- c) The Closing net PP&E for each of the years 2012, 2013, and 2014 shown on Appendix 2-EB does not match the Appendix 2-BA for those years under revised CGAAP. This is also the case for the number shown under the old CGAAP for 2012. OEB staff was not able to verify the Closing net PP&E numbers shown for years 2013 and 2014 under old CGAAP as these schedules were not provided. It appears that North Bay Hydro may have included the CWIP as part of PP&E when calculating the balance in Account 1576. Please explain, and provide the amended schedules as necessary.

9-Staff-27

Ref: Ex. 9, page 8-9

The rate riders for the Disposition and Recovery Refund of Regulatory Balances (2012) – Account 1595 expired in April 2014. North Bay Hydro is proposing disposition of the unaudited residual balance in this sub-account. OEB staff notes that according to the OEB's EDDVAR report, only audited balances are to be disposed. Account 1595 is a Group 1 account and is eligible for annual review and disposition by the OEB.

- a) Since the amount is material, please explain why North Bay Hydro is proposing to dispose of an unaudited balance?
- b) Please provide a revised calculation of the deferral and variance account rate riders by removing the balance in this sub-account of Account 1595, in the event the Board does not accept North Bay Hydro's proposal.

9-Staff-28

Ref: Ex. 9, pages 9 and 16-17

North Bay Hydro is proposing disposition of \$43,057 for Account 1508 – Sub-account IFRS Transition costs. This amount includes projected costs in the amount of \$26,960 with respect to costs incurred in the bridge and test years.

- a) Please indicate whether North Bay Hydro has any amounts embedded in rates with respect to IFRS transition costs in the test year.
- b) Please confirm that no further amounts will be recorded in this sub-account in the future.
- c) If the answer to part b. is "no", please explain why North Bay Hydro is proposing to dispose of an amount that is below its materiality threshold.

9-Staff-29

Ref: Ex. 9, page 32

North Bay Hydro is proposing disposition of an immaterial amount of \$379 with respect to Account 1508, Sub-account OEB Cost Assessments from January 2009 through April 2011. OEB staff notes that this Sub-account of Account 1508 was discontinued effective May 1, 2006, and distributors were to cease recordings in this account after April 30, 2006.

Please explain why North Bay Hydro has continued to use this account despite the fact that it has been discontinued. In the revised calculation of the deferral and variance account rate riders requested in 9-Staff-30, please also remove the balance in Account 1508, sub-account OEB Cost Assessments.

9-Staff-30

Ref: Ex. 9, page 32

North Bay Hydro has proposed disposition of the balance of \$36,278 in its Miscellaneous Deferred Debits Account, 1525. North Bay Hydro has stated that the amounts recorded in this account are related to the initial work related to the new 2011 – 2014 CDM framework, development of CDM strategy, and anticipated implementation of the Board approved programs that did not materialize as OPA programs became the tool used for achieving the CDM targets.

The *Guidelines for Electricity Distributor Conservation and Demand Management* (EB-2012-0003) dated April 26, 2012, page 10, state that “if the applied for programs are not approved, the development costs would not be recoverable”.

The description in the APH for Account 1525, states that “this account shall include all debits not elsewhere provided for which will benefit future periods and shall be carried forward and charged to expense over the term of the benefit.”

- a) Since the programs were not approved, please provide justification for the proposed recovery of the program development costs.
- b) Since the programs did not materialize, and the incurred costs would not benefit any future periods, please provide justification for recording the costs in Account 1525.
- c) In the revised calculation of the deferral and variance account rate riders requested in 9-Staff-30, please also remove the account balance in Account 1525.

9-Staff-31

Ref: Ex. 9, page 39

North Bay Hydro has stated that the Smart Grid rate adders were collected from the residential, GS<50, GS>50 and Intermediate class based customers on a monthly fixed charge basis. North Bay Hydro has used the number of customers as the allocator for the Funding Adder Deferral account in its EDDVAR model, which allocates costs to all rate classes. North Bay Hydro has further stated that the costs related to the Smart Grid Capital and OM&A deferral accounts were for initiatives undertaken for the GS>50 and Intermediate classes. However, using the EDDVAR model, North Bay Hydro has allocated the costs to all demand classes. North Bay Hydro has indicated that it would support a more refined cost allocation methodology to allocate Account 1536 based on the proportion collected by the four impacted classes and would propose allocating the costs to the GS<50 and Intermediate classes based on the number of customers within the classes.

Please provide the alternative allocation calculation within the EDDVAR model referred to by North Bay Hydro and file the appropriate schedules as necessary.

9-Staff-32

Ref: Ex. 9 – EDDVAR model – Billing Determinants

The allocator percentages for Account 1595 for 2011 and/or 2012 may not be correct. For example, the recovery share of the residential customers in 2011 was 55%, and in 2012, it fell to 17%. Please confirm that the recovery share percentages shown are correct or provide an update to the model as necessary.

9-Staff-33

Please confirm whether or not North Bay Hydro serves any Class A or Wholesale Market Participant customers.

- a) If North Bay Hydro has Class A customers, please explain how balances in Account 1589 – Global Adjustment have been allocated to these customers.
- b) If North Bay Hydro has any Wholesale Market Participant Customers, please confirm that these customers have been excluded from the disposition of RSVA account balances as they settle these charges directly with the IESO.