

**Ontario Energy
Board**
P.O. Box 2319
27th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**Commission de l'énergie
de l'Ontario**
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone; 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY E-MAIL

November 16, 2015

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

Dear Mr. Pickernell:

**Re: Centre Wellington Hydro Ltd.
2016 IRM Distribution Rate Application
Board Staff Interrogatories
Board File No. EB-2015-0059**

In accordance with Procedural Order #1, please find attached OEB Staff interrogatories in the above proceeding. The applicant and the intervenor have been copied on this filing.

Centre Wellington Hydro Ltd. responses to interrogatories are due by December 7, 2015.

Yours truly,

Original Signed By

Rudina Gjinali

Encl.

Centre Wellington Hydro Ltd.
EB-2015-0059
Board Staff Interrogatories

Interrogatory #1

Ref: Managers Summary Page 14 – Shared Tax Savings

Ref: Rate Generator Model Tab 8 – Shared Tax Rate Rider

**Ref: Chapter 3 Filing Requirements for Electricity Distribution Rate Applications
3.2.7 Tax Changes**

Rate Class		Total kWh (most recent RRR filing)	Total kW (most recent RRR filing)	Allocation of Tax Savings by Rate Class	Distribution Rate Rider	
RESIDENTIAL SERVICE CLASSIFICATION	kWh	46,179,255		1,357	0.02	\$/customer
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	20,579,247		415	0.0000	kWh
GENERAL SERVICE 50 TO 2,999 KW SERVICE CLASSIFICATION	kW	58,374,224	154,260	531	0.0034	kW
GENERAL SERVICE 3,000 TO 4,999 KW SERVICE CLASSIFICATION	kW	18,461,823	43,263	88	0.0020	kW
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	563,396		6	0.0000	kWh
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	39,274	109	1	0.0128	kW
STREET LIGHTING SERVICE CLASSIFICATION	kW	1,141,797	3,151	22	0.0070	kW
Total		145,339,016	200,783	\$2,420		

OEB staff notes there are insignificant rate riders in several rate classes for the Centre Wellington service territory. Please confirm if Centre Wellington wishes to transfer the tax sharing amount to Account 1595 for disposition at a future date due to insignificant rate riders.

Interrogatory #2

Ref: Tab 15 – Rev2Cost_GDPIPI

Ref: COS Decision EB-2012-0113

A) Table 1: A portion of Sheet 15 “Rev2Cost_GDPIPI” is reproduced below:

[Type text]

Centre Wellington Hydro Ltd.
Board Staff Interrogatories
EB-2015-0059

Price Escalator	2.10%	Productivity Factor	0.00%	# of Residential Customers	5,858	(last CoS Approved Billing Determinants)	
Choose Stretch Factor Group	III	Price Cap Index	1.80%	Billed kWh	146,259,161		
Associated Stretch Factor Value	0.30%			Rate Design Transition Years Left	8		
Rate Class	Current MFC	MFC Adjustment from R/C Model	Current Volumetric Charge	DVR Adjustment from R/C Model	Price Cap Index to be Applied to MFC and DVR	Proposed MFC	Proposed Volumetric Charge
RESIDENTIAL SERVICE CLASSIFICATION	15.63		0.0144		1.80%	19.73	0.0128
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	17.83		0.0186		1.80%	18.15	0.0189
GENERAL SERVICE 50 TO 2,999 KW SERVICE CLASSIFICATION	164.55		3.5883		1.80%	167.51	3.6529
GENERAL SERVICE 3,000 TO 4,999 KW SERVICE CLASSIFICATION	663.12		2.8306		1.80%	675.06	2.8816
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	6.69		0.0105		1.80%	6.81	0.0107
SENTINEL LIGHTING SERVICE CLASSIFICATION	4.58		12.1056		1.80%	4.66	12.3235
STREET LIGHTING SERVICE CLASSIFICATION	1.87		9.0023		1.80%	1.90	9.1643
microFIT SERVICE CLASSIFICATION	5.40					5.40	
Rate Design Transition							
	Revenue from Rates	Current F/V Split	Decoupling MFC Split	Incremental Fixed Charge (\$/month/year)	New F/V Split	Adjusted Rates ¹	Revenue at New F/V Split
Current Residential Fixed Rate (inclusive of R/C adj.)	15.63	1,098,726	34.3%	3.75	42.5%	19.38	1,362,336
Current Residential Variable Rate (inclusive of R/C adj.)	0.0144	2,106,132	65.7%		57.5%	0.0126	1,842,865
		3,204,858					3,205,202

1) OEB staff notes that Centre Wellington Hydro entered an amount of \$146,259,161 in cell F13.

- Please confirm that this amount match with the last CoS Approved Billing Determinants for Residential Customers.
- If the answer to a) is no, please provide the number and update the model accordingly.

2) The table below from Centre Wellington's CoS Decision (EB-2012-0113) which identifies the fixed percentage of class revenues and volumetric percentages per class does not reconcile with the "Rev2Cost_GDPIPI" amounts.

Customer Class	Fixed % of class revenues	Volumetric %	Volumetric Billing Determinant
Residential	62.88%	37.32%	kWh
GS < 50 kW	29.52%	70.48%	kWh
GS 50-2,999 kW	19.12%	80.88%	kW
GS 3,000-4,999 kW	8.77%	91.23%	kW
Streetlighting	57.76%	42.24%	kW
Sentinel Lighting	57.54%	42.46%	kW
USL	11.17%	88.83%	kWh

- a) Please provide the historical data for Fixed and Volumetric percentage of residential class revenues since 2013.
- b) Please compare and explain the difference between the two tables and update the model accordingly.
- c) Please provide the revised new Incremental Fixed Charge based on the new information.

Interrogatory #3

Ref: Section 10 of IRM Application, Table 4

Ref: LRAMVA Excel File (Tab 7, Table 7; and Tab 10, Table 11)

Ref: IRM RateGen Model Excel File (Tab 3, Continuity Schedule)

Ref: 2011-2014 Final Results Report Excel File (Tab: "LDC Results (net)")

- a. Please discuss the differences in the carrying charges requested for approval of \$530.60 (shown in Section 10 of IRM Application, Table 4) and \$736 (shown in Tab 3, "Continuity Schedule" of the IRM RateGen Model).
- b. Please explain why the demand response savings, both kW and kWh, for 2011 (shown in LRAMVA Excel File, Tab 7: "2011LostRev") are not included in the LRAMVA amount. There appears to be demand response savings in the 2011-2014 Final CDM Results Report (e.g., 16 kW and 622 kWh in 2011) that are shown in the 2011-2014 Final Results Report Excel File.
- c. Please update the total LRAMVA request in Tab 10, Table 11 of the LRAMVA Excel File to include lost revenues in 2014 from all eligible programs (i.e. 2011-2014) and the associated carrying charges. Please rely on the 2011-2014 Final CDM Results provided by the IESO when making this update.

Interrogatory #4

Ref: LRAMVA Excel File (tab: "3.0 LRAMVA Register")

Please reconcile the LRAM balances by rate class shown in the LRAM Excel File (shown in Tab 3, "3.0 LRAMVA Register") and the IRM RateGen Model (shown in Tab 4, "Billing Det. for Def-Var").

Interrogatory #5

Ref: Section 10 of IRM Application

Ref: LRAMVA Excel File (Tab 4.0 “Approved Load Forecast”)

Ref: 2013 Cost of Service Decision (EB-2012-0113)

It appears from both the LRAMVA Excel File (Tab: 4.0 “Approved Load Forecast”) and Centre Wellington’s 2013 Cost of Service Decision (EB-2012-0113, Page 8) that CDM savings were deducted from the approved load forecast in the 2013 year and have been accounted for in the current request for disposition. Please elaborate on the following statement in Section 10 of IRM Application: “None of the estimated CDM load reductions were factored into the load forecast underpinning Centre Wellington Hydro’s 2013 rates”.

Interrogatory #6

Ref: LRAMVA Excel File (tab: “3.0 LRAMVA Register”)

Ref: 2015 IRM Decision (EB-2014-0062)

In Centre Wellington Hydro’s 2015 IRM Decision (EB-2014-0062), it was noted that the Township of Centre Wellington will be converting street lights to LED in the latter part of 2015. Please discuss if and when Centre Wellington Hydro expects any actual verified results related to the street light conversion program, particularly related to the rate classes that have forecasted savings: Unmetered Scattered Load, Sentinel Lighting and Street Lighting.

Interrogatory #7

Ref: Section 10, (Excel File – Tab 6.0, Rates - Table 6)

Ref: 2012 Rate Order, EB-2011-0160

Centre Wellington Hydro has applied 2011 distribution rates to its lost revenues from May 1, 2011 to July 31, 2012 and 2012 distribution rates to its lost revenues from August 1, 2012 to June 30, 2013. Please provide the rationale for applying these time periods as opposed to the effective and implementation dates outlined in the rate order for 2012 (e.g., May 1st to April 30th) in EB-2011-0160.

[Type text]

Interrogatory # 8

Ref: Tab 3 – Continuity Schedule

Ref: IRM Decision EB-2010-0072

Ref: IRM Decision EB-2011-0160

Ref: COS Decision EB-2012-0113

Ref: IRM Decision EB-2014-0062

A) Table 1: A portion of Sheet 3 “Continuity Schedule” is reproduced below:

		2011							
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-11	Transactions Debit / (Credit) during 2011 excluding interest and adjustments ²	Board-Approved Disposition during 2011	Adjustments during 2011 - other ¹	Closing Principal Balance as of Dec-31-11	Opening Interest Amounts as of Jan-1-11	Interest Jan-1 to Dec-31-11	Board-Approved Disposition during 2011
Group 1 Accounts									
LV Variance Account	1550	77,121	166,595	6,851		236,865	(637)	1,976	(730)
Smart Metering Entity Charge Variance	1551								
RSVA - Wholesale Market Service Charge	1580	(214,237)	(168,288)	(45,356)		(337,169)	(3,601)	(3,884)	(2,745)
RSVA - Retail Transmission Network Charge	1584	(179,207)	(31,801)	(60,763)		(150,245)	(1,073)	(2,574)	(681)
RSVA - Retail Transmission Connection Charge	1586	(316,642)	(39,272)	(245,365)		(110,549)	(9,152)	(2,906)	(6,471)
RSVA - Power (excluding Global Adjustment)	1588	231,184	(107,309)	136,717		(12,843)	17	2,019	2,930
RSVA - Global Adjustment	1589	(15,716)	83,606	(168,574)		236,465	(17)	2,017	(1,345)
Disposition and Recovery/Refund of Regulatory Balances (2008) ⁴	1595_(2008)	0				0			
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁴	1595_(2009)	(638,877)	311,422			(327,455)	(11,090)	(9,030)	
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁴	1595_(2010)	(313,243)	253,539			(59,704)	(2,341)	(3,394)	
Disposition and Recovery/Refund of Regulatory Balances (2011) ⁴	1595_(2011)		262,937	387,667		(124,730)		(2,371)	
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁴	1595_(2012)					0			
Disposition and Recovery/Refund of Regulatory Balances (2013) ⁴	1595_(2013)					0			
Disposition and Recovery/Refund of Regulatory Balances (2014) ⁴	1595_(2014)					0			
<i>Not to be disposed of unless rate rider has expired and balance has been audited</i>									

Not to be disposed of unless rate rider has expired and balance has been audited

OEB staff notes that Centre Wellington Hydro entered an amount of \$ 387,667 in cell G34 and no amount in cell L34, indicating the disposition of the balance in account 1595 (2011) during the 2011 rate year.

The table below from Centre Wellington’s IRM Decision (EB-2010-0072) which identifies the principal and interest amounts approved for disposition does not reconcile with the “Continuity Schedule” amounts. Please explain the difference between the two tables and update the model accordingly.

Table 3 – Deferral and Variance account Balances

Account Description	Account Number	Principal Amounts A	Interest Amounts B	Total Claim C = A + B
LV Variance Account	1550	6,851	(730)	6,121
RSVA - Wholesale Market Service Charge	1580	(45,356)	(2,745)	(48,101)
RSVA - Retail Transmission Network Charge	1584	(60,763)	(681)	(61,444)
RSVA - Retail Transmission Connection Charge	1586	(245,365)	(8,471)	(253,836)
RSVA - Power (Excluding Global Adjustment)	1588	136,717	2,930	139,647
RSVA - Power (Global Adjustment Sub-account)	1588	(168,574)	(1,345)	(169,919)
Recovery of Regulatory Asset Balances	1590	0	(113)	(113)
		<u>(376,490)</u>	<u>(11,155)</u>	<u>(387,644)</u>

B) Table 2: A portion of Sheet 3 “Continuity Schedule” is reproduced below:

		2012		
Account Descriptions	Account Number	Board-Approved Disposition during 2012	Adjustments during 2012 - other ¹	Closing Principal Balance as of Dec-31-12
Group 1 Accounts				
LV Variance Account	1550			393,368
Smart Metering Entity Charge Variance	1551			
RSVA - Wholesale Market Service Charge	1580			(545,491)
RSVA - Retail Transmission Network Charge	1584			(144,642)
RSVA - Retail Transmission Connection Charge	1586			(109,775)
RSVA - Power (excluding Global Adjustment)	1588			32,923
RSVA - Global Adjustment	1589			170,132
Disposition and Recovery/Refund of Regulatory Balances (2008) ⁴	1595_(2008)			0
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁴	1595_(2009)			(51,141)
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁴	1595_(2010)			17,986
Disposition and Recovery/Refund of Regulatory Balances (2011) ⁴	1595_(2011)			14,249
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁴	1595_(2012)	265,292		(203,075)
Disposition and Recovery/Refund of Regulatory Balances (2013) ⁴	1595_(2013)			0
Disposition and Recovery/Refund of Regulatory Balances (2014) ⁴				

OEB staff notes that Centre Wellington Hydro entered an amount of \$265,292 in cell Q35 indicating the disposition of these balances in account 1595 (2012) during the 2012 rate year. In the IRM decision EB-2011-0160 the OEB found that no disposition of Group DVA 1 account balances was required at that time.

- Please confirm if Centre Wellington concurs with OEB staff. If yes, please update the model accordingly.
- If the answer to a) is no, please provide an explanation.

[Type text]

Centre Wellington Hydro Ltd.
Board Staff Interrogatories
EB-2015-0059

C) Table 3: A portion of Sheet 3 “Continuity Schedule” is reproduced below:

		2013				
Account Descriptions	Account Number	Board-Approved Disposition during 2013	Adjustments during 2013 - other ¹	Closing Principal Balance as of Dec-31-13	Opening Interest Amounts as of Jan-1-13	Interest Jan-1 to Dec-31-13
Group 1 Accounts						
LV Variance Account	1550	236,865		328,244	6,621	5,200
Smart Metering Entity Charge Variance	1551			9,009	0	77
RSVA - Wholesale Market Service Charge	1580	(337,169)		(323,839)	(11,185)	(6,177)
RSVA - Retail Transmission Network Charge	1584	(150,245)		58,463	(5,198)	9
RSVA - Retail Transmission Connection Charge	1586	(110,549)		6,204	(5,259)	(373)
RSVA - Power (excluding Global Adjustment)	1588	(12,843)		(136,231)	(1,531)	(817)
RSVA - Global Adjustment	1589	236,465		219,157	6,505	3,917
Disposition and Recovery/Refund of Regulatory Balances (2008) ⁴	1595_(2008)			0	0	
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁴	1595_(2009)			42,950	(24,587)	(1,121)
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁴	1595_(2010)	(3,930)		21,916	(5,962)	595
Disposition and Recovery/Refund of Regulatory Balances (2011) ⁴	1595_(2011)			14,336	(2,434)	151
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁴	1595_(2012)			(50,428)	(977)	(1,348)
Disposition and Recovery/Refund of Regulatory Balances (2013) ⁴	1595_(2013)	110,410		(48,582)	0	(661)
Disposition and Recovery/Refund of Regulatory Balances (2014) ⁴						51

OEB staff notes that Centre Wellington Hydro entered an amount of \$ 110,410 in cell AA36 and \$51 in cell AF36, indicating the disposition of these balances in account 1595 (2013) during the 2013 rate year.

The table below from Centre Wellington’s IRM Decision (EB-2012-0113) which identifies the principal and interest amounts approved for disposition does not reconcile with these amounts. Please explain the difference between the two tables and update the model accordingly.

Account Description	Account Number	Total Claim (\$)
LV Variance Account	1550	243,561
RSVA – Wholesale Market Service Charge	1580	(348,494)
RSVA – Retail Transmission Network Charge	1584	(156,146)
RSVA – Retail Transmission Connection Charge	1586	(116,294)
RSVA – Power (Excluding Global Adjustment)	1588	(13,987)
RSVA – Power (Global Adjustment sub-account)	1588	244,428
Recovery of Regulatory Asset Balances – Shared Taxes	1595	(4,054)
Total Group 1		(150,987)
Other Regulatory Assets	1508	81,797
Retail Cost Variance Account – Retail	1518	26,232
Retail Cost Variance Account – STR	1548	812
RSVA – One Time	1582	21,460
PILs and Tax Variance – Sub-Account HST/OVAT ITCs	1592	(20,017)
Total Group 2		110,283
Total (Group 1 and Group 2)		(40,703)

[Type text]

Centre Wellington Hydro Ltd.
Board Staff Interrogatories
EB-2015-0059

D) Table 3: A portion of Sheet 3 “Continuity Schedule” is reproduced below:

		2014							
Account Descriptions	Account Number	Opening Principal Amounts as of Jan 1/14	Transactions Debit / (Credit) during 2014 excluding interest and adjustments ²	Board-Approved Disposition during 2014	Adjustments during 2014 - other ¹	Closing Principal Balance as of Dec 31/14	Opening Interest Amounts as of Jan 1/14	Interest Jan 1 to Dec 31/14	Board-Approved Disposition during 2014
Group 1 Accounts									
LV Variance Account	1550	328,244	85,242			413,485	5,126	5,395	
Smart Metering Entity Charge Variance	1551	9,009	(1,021)			7,988	77	125	
RSVA - Wholesale Market Service Charge	1580	(323,839)	(177,005)			(500,843)	(6,036)	(5,537)	
RSVA - Retail Transmission Network Charge	1584	58,463	(62,479)			(4,016)	711	278	
RSVA - Retail Transmission Connection Charge	1586	6,204	(54,101)			(47,897)	114	(450)	
RSVA - Power (excluding Global Adjustment)	1588	(136,231)	86,691			(47,540)	(1,203)	(2,453)	
RSVA - Global Adjustment	1589	219,157	189,497			408,654	2,458	3,849	
Disposition and Recovery/Refund of Regulatory Balances (2008) ³	1595_(2008)	0				0	0		
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁴	1595_(2009)	42,950				42,950	(25,708)	(868)	
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁴	1595_(2010)	21,916				21,916	(5,242)	322	
Disposition and Recovery/Refund of Regulatory Balances (2011) ⁴	1595_(2011)	14,336				14,336	(2,283)	211	
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁴	1595_(2012)	(50,428)	53,651			3,223	(2,325)	23	
Disposition and Recovery/Refund of Regulatory Balances (2013) ³	1595_(2013)	(18,582)	47,339			(1,243)	(712)	(122)	
Disposition and Recovery/Refund of Regulatory Balances (2014) ⁴									

The table below from Centre Wellington’s IRM Decision (EB-2014-0062) which identifies the principal and interest amounts approved for disposition does not reconcile with the “Continuity Schedule”.

Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C = A + B
LV Variance Account	1550	328,244	11,559	339,803
Smart Meter Entity Variance Charge	1551	9,009	253	9,262
RSVA - Wholesale Market Service Charge	1580	(323,839)	(12,383)	(336,222)
RSVA - Retail Transmission Network Charge	1584	58,463	1,857	60,321
RSVA - Retail Transmission Connection Charge	1586	6,204	235	6,440
RSVA - Power	1588	(136,231)	(3,873)	(140,104)
RSVA - Global Adjustment	1589	219,157	6,753	225,911
Disposition and Recovery of Regulatory Balances (2009)	1595	42,950	(24,866)	18,084
Disposition and Recovery of Regulatory Balances (2010)	1595	21,916	(4,813)	17,103
Disposition and Recovery of Regulatory Balances (2011)	1595	14,336	(2,002)	12,334
Disposition and Recovery of Regulatory Balances (2012)	1595	2,360	93	2,452
Total Group 1 Excluding Global Adjustment – Account 1589		23,412	(33,940)	(10,527)
Total Group 1		242,570	(27,186)	215,383

- a) Please explain the difference between the two tables
- b) Please confirm that Centre Wellington agrees that the above amounts should be recorded in columns AK and AP as Principal and Interest respectively and update the model accordingly.
- c) If the answer to a) is no, please provide an explanation.

Interrogatory # 9

Following publication of the Notice of Application, the OEB received a letter of comment from Mrs. Mary Dunlop. Distributors are expected to file with the OEB their response to the matters raised within any letters of comment sent to the OEB related to the distributor's application. If the applicant has not received a copy of the letter, they may be accessed from the public record for this proceeding.

Please file a response to the matters raised in the letter of comment referenced above. Going forward, please ensure that responses are filed to any subsequent letters that may be submitted in this proceeding. All responses must be filed before the argument (submission) phase of this proceeding.