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| **Ontario Energy** **Board** P.O. Box 231927th Floor2300 Yonge StreetToronto ON M4P 1E4Telephone: 416- 481-1967Facsimile: 416- 440-7656Toll free: 1-888-632-6273 | **Commission de l’énergie****de l’Ontario**C.P. 231927e étage 2300, rue YongeToronto ON M4P 1E4Téléphone: 416- 481-1967Télécopieur: 416- 440-7656Numéro sans frais: 1-888-632-6273 |  |

**BY E-MAIL**

October 4, 2016

Kirsten Walli

Board Secretary

Ontario Energy Board

2300 Yonge Street, 27th Floor

Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Enersource Hydro Mississauga Inc. (Enersource)**

**Application for 2017 Distribution Rates**

**OEB Staff Interrogatories**

**Ontario Energy Board File Number: EB-2016-0002**

In accordance with Procedural Order No. 1, please find attached OEB staff’s interrogatories in the above noted proceeding. Enersource has been copied on this filing.

Enersource’s responses to interrogatories are due by October 24, 2016.

Yours truly,

*Original Signed By*

Donald Lau

Project Advisor – Rates Major Applications

Attach.

**OEB Staff Interrogatories**

**2017 IRM Rate Application**

**Enersource Hydro Mississauga Inc. (Enersource)**

**EB-2016-0002**

**October 4, 2017**

**Tab 2 – Manager’s Summary**

**1-Staff-1**

**Disposition of Account 1580 – Variance WMS, Sub-account CBR Class B**

**Ref: Tab 2 – 3.2 Disposition of Group 1 Deferral and Variance Accounts**

**Ref: Letter dated** [**July 2016 – Accounting Guidance on Capacity Based Recovery**](http://www.ontarioenergyboard.ca/oeb/_Documents/Regulatory/CBR_Accounting_Guidance_20160725.pdf)

**Ref: Tab 3 – Attachment B – 3. Continuity Schedule**

In the letter dated July 2016 – Accounting Guidance on Capacity Based Recovery under the heading Disposition of Variances Recorded for Year 2015 in 2017 Rate Applications: Disposition of Account 1580 – Variance WMS, Sub-account CBR Class B it states,

“If the distributor does serve Class A customers, it must allocate and calculate the volumetric rate riders in the application for non-WMP Class B customers independently of the deferral and variance account rate models. If the rate riders calculated are insignificant (i.e. more than 4 decimal places), the distributor should propose to transfer the balance in Sub-account CBR Class B into Account 1595 (2017) to be disposed in a future proceeding.”

1. Please calculate the disposition of Account 1580 – Variance WMS, Sub-account CBR Class B outside the model and add in as a separate rate rider on Sheet “18. Additional Rates”, as per above. Please select appropriate boxes on Sheet “3. Continuity Schedule” to reflect changes.

**1-Staff-2**

**Variance RRR vs. 2015 Balance**

**Ref: Tab 3 – Attachment B – 3. Continuity Schedule**

1. Please explain the variance between RRR and 2015 Balance for RSVA – Wholesale Market Service Charge

**1-Staff-3**

**Historical Retail Transmission Service Rates Adjustment for April**

**Ref: Tab 2 – 3.3 Retail Transmission Service Rates (RTSRs) Adjustment**

**Ref: Tab 3 – Attachment B - 11. RTSR - UTRs & Sub-Tx**

**Ref: Tab 3 – Attachment B - 12. RTSR - Historical Wholesale**

Enersource provided that the rates calculated in April for Hydro One on Sheet 12, “RTSR – Historical Wholesale” deviated from the Hydro One Sub-transmission rates due to a prorated bill during the change in Sub-transmission rates in April and May.

1. For the Line Connection Rate please explain how prorated average rate per unit for the month April and May is below both the rates for April and May.
2. For the Transformation Connection Rate please explain how prorated average rate per unit for the month April and May is above both the rates for April and May.

**1-Staff-4**

**2017 Green Energy Additions**

**Ref: Tab 2 – Table 2: Actual/Forecast of Renewable Generation Project Connections**

**Ref: Tab 3 – Attachment D - Avg NFA**

Enersource provided the in year capital expenditures for microFIT/FIT projects in 2016 and 2017 to be $155k and $125k respectively. The forecasted number of microFIT/FIT projects for 2016 and 2017 were 120 and 90 respectively.

1. Please provide the method for forecasting expected capital expenditures in relation to number of projects.

**1-Staff-5**

**IFRS-CGAAP Transitional PP&E Adjustment**

**Ref: Tab 2 – 3.5 IFRS-CGAAP Transitional PP&E Adjustment**

**Ref: Tab 3 – Attachment F - IFRS Revenue Reqmt Adjustment**

Enersource stated “Enersource proposes to adjust its 2017 revenue requirement by $4,108,820 (IFRS adjustment) to address the expiry of the four year amortization of Enersource’s IFRS CGAAP transitional PP&E amount.” The calculation in attachment F shows that the proposed changes in fixed and volumetric charge are calculated using 2013 billing determinants.

1. Why were 2013 billing determinants used in calculating the change in fixed and volumetric charges and not 2015 billing determinants?