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BY E-MAIL

December 29, 2016

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

Dear Mr. Pickernell:

**Re: Newmarket-Tay Power Distribution Inc.
2017 IRM Distribution Rate Application
OEB Staff Interrogatories
OEB File No. EB-2016-0275**

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.

Newmarket-Tay Power Distribution Inc. responses to interrogatories are due by January 12, 2017.

Yours truly,

Original Signed By

Kelli Benincasa
Electricity Rates and Accounting

Encl.

**Newmarket-Tay Power Distribution Inc.
EB-2016-0275**

Staff IR-1

Ref: Managers Summary – Disposition of Account 1576

Newmarket-Tay Power is requesting a rate rider for the disposition of Account 1576 (2012 - 2015) in the credit amount of \$6,382,286 to be returned to customers. This is Newmarket-Tay Power's first time disposing of this balance.

PP&E differences will continue to be recorded in Account 1576 until Newmarket-Tay Power's next rebasing, and any disposition of Account 1576 before rebasing should be on an interim basis.

- a) Please confirm Newmarket-Tay Power is requesting to dispose of Account 1576 on an interim basis
- b) Please confirm in Table 5 – Allocation by Customer Class that Sentinel Lighting 2015 Metered kWh of 275,627 as it does not match the RRR filing of 286,012 kWh. Please update the RRR filing 2.1.5 or Table 5 whichever one is incorrect.
- c) Please confirm in Table 6 – Proposed Rate Adder by Customer Class that the Sentinel Lighting 2015 Allocator of 820 kW is correct, as it was not filed in Newmarket-Tay Power's RRR filing. Please update the RRR filing 2.1.5 with the correct data.
- d) Please update Newmarket-Tay Power's rate generator Tab 18 for the 1576 rate riders. An example is provided below.

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION
Rate Rider for Disposition of Account 1576

\$/kWh

-0.0008

- effective until April 30, 2018 - Approved on an Interim Basis

A

- e) Please provide two rate generator models one with bill impacts for disposing the 1576 over one year and another over 2 years.
- f) Please comment on disposing over 2 years vs 1 year.

Staff IR - 2

- a) Please confirm that Newmarket-Tay Power did not have any Class A customers during 2015.

- b) If Newmarket-Tay Power did have Class A customers in 2015 please check the box at the top of Tab 3 in the Rate Generator Model and adjust the Continuity Schedule for Principle and Interest in row 24 and 23 in Tab 3, and the RRR filing 2.1.7 for 2015.

If you have a Class A customer, 1580 sub-account CBR Class B will be disposed through a rate rider calculated outside the model (if significant).

If you have only Class B customers, the balance applicable to Class B will be allocated and disposed with account 1580.

Please click if you have one or more Class A customers. ☒

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- c) Did Newmarket-Tay Power have any customers that switched between Class A and Class B in 2015?
- d) If yes, please check the box at the top of Tab 6 in the Rate Generator Model and complete Tab 6.a GA Allocation Class A also include customers that switched into Class B from Class A during 2015 if any.

Below is a GA calculation based on non-RPP consumption data minus Class A consumption. If a Class B customer switched into Class A during the 2015 rate year click this checkbox: ☒

Identify the total billed consumption for former Class B customers prior to becoming Class A customers (i.e. Jan. 1 to June 30, 2015) in columns G.

- e) If Newmarket-Tay Power did have customers switch between Class A and Class B in 2015 please prepare a calculation similar to that of the one in Tab 6.a to allocate the amount of WMS – CBR Class B to these customers.

Staff IR – 3 Tab 3 Continuity Schedule

- a) The Variance WMS – Sub – account CBR Class B appears to be reported incorrectly as the principal and interest reported was \$0.00 in the continuity schedule in row 25 of Tab 3 and RRR filing 2.1.7 for 2015. The OEB expects all distributors to report an amount for this account as the IESO bills all distributors for CBR Class B.

As the amounts related to WMS – Sub – account CBR Class B should have been reported separately in the continuity schedule Row 25, the amount reported in the RSVA – Wholesale Market Service Charge should not include the CBR Class B amounts for principal and Interest in Row 23. Please update Newmarket-Tay Power's continuity schedule and submit through RESS. RRR filing 2.1.7 should also be updated to reflect this correction.

- b) Please confirm Newmarket-Tay Power has followed the Accounting Guidance on Capacity Based Recovery released on July 25, 2016.
- c) Please explain the variances in Tab 3 continuity schedule column BV. Chapter 3 of the filing requirements requires all variances to be explained in the Manager's summary. If any adjustments were made to any accounts after the 2.1.7 RRR filing was submitted, please itemize each adjustment according to the relevant Accounting year and provide reasons for the adjustments. In addition please update Tab 3 of the continuity schedule or the 2.1.7 RRR filing if the variances are due to errors.

Staff IR – 4 Description of deriving 10th percentile

Chapter 3 of the filing requirements states "Distributors must provide a description of the method they used to derive the 10th consumption percentile. The description should include a discussion regarding the nature of the data that was used (e.g. was the source data for all residential customers or a representative sample of residential customers)."

Please provide the description as required by the Chapter 3 filing requirements.