

Board Staff Interrogatories
2009 Incentive Regulation Mechanism Rate Application
Espanola Regional Hydro Distribution Corporation (“Espanola”)
EB-2008-0173

Taxes

Ref.: Board Letter of Acknowledgement

1. In its correspondence of November 25, 2008, the Board noted that your request for an adjustment to your 2009 payments in lieu of taxes (PILs) went beyond the intended 2009 IRM format and indicated that that part of your application would not be heard in this proceeding. Please re-file an amended 3rd Generation IRM Rate Generator Model and Supplementary Filing Module that exclude all reference to additional PILs, but retain the CCA correction referred to at page 5 of the Manager’s Summary.

Smart Meters

Ref.: 2009 3rd Gen. IRM Rate Generator Model, Sheet J1.1

2. Espanola is requesting an increased smart meter rate adder to \$1.00. Section 1.4 of Board Guideline G-2008-0002, *Smart Meter Funding and Cost Recovery*, specifies filing requirements for distributors seeking the standard \$1.00 smart meter funding adder.

In accordance with section 1.4, please provide documentation supporting that Espanola is duly authorized to deploy smart meters pursuant to O.Reg. 427/06 as amended on June 25, 2008 by O.Reg. 235/08. Distributors can be authorized to deploy smart meters if they are one of the thirteen “named” distributors under applicable law, or by procuring their smart meters pursuant to and in compliance with the August 14, 2007, Request for Proposal issued by London Hydro Inc. If Espanola received an attestation letter from the fairness commissioner in respect of its smart meter tendering process, please file a copy.

Cost Allocation

Ref.: Manager’s Summary, pages 2 - 3

3. Please provide the spreadsheet used to generate the proposed 2009 cost allocation adjustments set out in your Manager’s Summary.

K-Factor Adjustment

Ref.: Manager's Summary, page 4

4. Espanola's Manager's Summary states the applied for K-Factor is to be -0.19%. This figure is used at Sheet D2.2 of the 3rd Generation IRM Rate Generator Model. However Sheet E1.2 of the 3rd Generation IRM Supplementary Filing Module (which includes additional PILs) produces a K-Factor of -0.18%.

On page 9 of the Manager's Summary, Espanola explains that the difference is due to the PILs amount requested. As the Board will not hear Espanola's PILs amount request in this proceeding, please confirm what Espanola's proposed K-Factor adjustment is.

Retail Transmission Service Rates

Ref.: Manager's Summary, page 10

5. Espanola's Manager's Summary indicates that the utility will apply for an 11.3% uniform increase in the 2009 Network Service Rates and a 19.2% increase in the 2009 Line and Transformation Service Rates. Please provide further explanation, including supporting calculations, for the amounts requested.

Rural or Remote Electricity Rate Protection

6. By letter dated December 17, 2008, the Board informed the electricity distributors of the approval it has given to the IESO regarding the level of charge the IESO may apply to its Market Participants for the Rural or Remote Electricity Rate Protection (RRRP) program. In that letter, the Board stated: "Distributors that currently have a rate application before the Board shall file this letter as an update to their evidence along with a request that the RRRP charge in their tariff sheet be revised to 0.13 cents per kilowatt-hour effective May 1, 2009."

If Espanola has not done so, please file the required addition to the evidence as outlined in the December 17th letter.