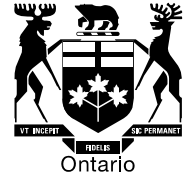


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BY EMAIL

February 16, 2012

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: London Hydro Inc.
2012 IRM3 Distribution Rate Application
Board Staff Submission
Board File No. EB-2011-0181**

In accordance with the Notice of Application and Written Hearing, please find attached the Board Staff Submission in the above proceeding. Please forward the following to London Hydro Inc. and to all other registered parties to this proceeding.

In addition please remind London Hydro Inc. that its Reply Submission is due by February 27, 2012.

Yours truly,

Original Signed By

Georgette Vlahos
Analyst, Applications & Regulatory Audit

Encl.



ONTARIO ENERGY BOARD

STAFF SUBMISSION

2012 ELECTRICITY DISTRIBUTION RATES

London Hydro Inc.

EB-2011-0181

February 16, 2012

**Board Staff Submission
London Hydro Inc.
2012 IRM3 Rate Application
EB-2011-0181**

Introduction

London Hydro Inc. (“London”) filed an application (the “Application”) with the Ontario Energy Board (the “Board”) on November 24, 2011, under section 78 of the Ontario Energy Board Act, 1998, seeking approval for changes to the distribution rates that London charges for electricity distribution, to be effective May 1, 2012. The Application is based on the 2012 3rd Generation Incentive Regulation Mechanism.

The purpose of this document is to provide the Board with the submissions of Board staff based on its review of the evidence submitted by London.

In the interrogatory phase, Board staff identified certain discrepancies in the data entered in the application model by London. In response to Board staff interrogatories, which requested either a confirmation that these discrepancies were errors or an explanation supporting the validity of the original data filed with the application, London confirmed that they were errors and provided the corrected data. Board staff will make the necessary corrections to London’s model at the time of the Board’s Decision on the Application.

Staff has no concerns with the data supporting the updated Retail Transmission Service Rates proposed by London. Pursuant to Guideline G-2008-0001, revised on June 22, 2011, Board staff notes that the Board will update the applicable data at the time of this Decision based on the updated Uniform Transmission Rates.

During the interrogatory phase of this proceeding, Board staff noted that it was unable to verify the Tax-Savings Workform, specifically data entered for the line items “Tax Credits” and “Regulatory Taxable Income”, with London’s 2009 Revenue Requirement Workform (“RRWF”). London agreed with Board staff and requested Board staff to make the necessary corrections to the workform. In all other respects, London completed the Tax-Savings Workform with the correct rates and it reflects the RRWF from the Board’s decision in London’s 2009 cost of service application (EB-2008-0235). London provided a reconciliation of Account 1521 – Special Purpose Charge as

requested by Board staff during the interrogatory phase. Board staff notes that the usual practice of the Board is to dispose of audited deferral and variance account balances. Board staff notes that the Board has approved the disposition of unaudited balances in account 1521 in both the Horizon (EB-2011-0172) and Hydro One Brampton (EB-2011-0174) 2012 IRM proceedings.

Based on London's reconciliation, Board staff supports London's request to dispose of the balance in this account of a credit of \$98,993.49. Board staff submits that the Board should authorize the disposition of Account 1521 as of December 31, 2010, plus the amount recovered from customers in 2011, including the appropriate carrying charges to April 30, 2012. Board staff submits that if the Board decides to dispose of Account 1521, the disposition should be on a final basis and account 1521 should be closed.

Board staff submits that Account 1521 should be disposed over a period of two years, consistent with London's total Group 1 accounts, for the reasons set out below.

Board staff makes detailed submissions on the following matters:

- Review and Disposition of Deferral and Variance Accounts as per the *Electricity Distributors' Deferral and Variance Account Review Report* (the "EDDVAR Report");
- Smart Meter Funding Adder ("SMFA");
- Lost Revenue Adjustment Mechanism Claim; and
- Payments in Lieu of Taxes – PILS 1562.

REVIEW AND DISPOSITION OF DEFERRAL AND VARIANCE ACCOUNTS

Background

For the purpose of 2012 IRM applications, the EDDVAR Report requires a distributor to determine the value of its December 31, 2010 Group 1 Deferral and Variance account balances and determine whether the total balance exceeds the preset disposition threshold of \$0.001 per kWh using the 2010 annual kWh consumption reported to the Board. When the preset disposition threshold is exceeded, a distributor is required to file a proposal for the disposition of Group 1 account balances (including carrying charges) and include the associated rate riders in its 2012 IRM Rate Generator for the

disposition of the balances in these accounts. The onus is on the distributor to justify why any account balance should not be cleared if the threshold is exceeded.

Submission

London completed the Deferral and Variance Account continuity schedule included in the 2012 IRM Rate Generator Model at Tab 9 for its Group 1 Deferral and Variance Accounts. London's total Group 1 Deferral and Variance Account balances amount to a credit of \$7,184,125 which includes interest calculated to April 30, 2012. Based on the threshold test calculation, the Group 1 Deferral and Variance Account balances equate to \$0.00209 per kWh which exceeds the threshold, and as such, London requested disposition of these accounts over a three year period. London notes that the requested three year period is to help avoid erratic rate adjustments.

Board staff has reviewed London's Group 1 Deferral and Variance Account balances and notes that the principal balances as of December 31, 2010 reconcile with the balances reported as part of the *Reporting and Record-keeping Requirements*. Also, the preset disposition threshold has been exceeded. Accordingly, Board staff has no issue with London's request to dispose of its 2010 Deferral and Variance Account balances at this time.

Board staff does however take issue with the disposition period requested by London. Board staff notes that London's Application is not consistent with the guidelines outlined in the EDDVAR Report with respect to the standard disposition period for Group 1 Accounts (i.e. one year). In its interrogatory responses, London provided bill impacts for one, two and three year disposition periods in the repayment of all Group 1 Accounts as requested by Board staff.

The tables below provided by London summarize the dollar and percentage impacts of each of the disposition periods. All the requests proposed by London in its Application are included in the calculations below, namely the Group 1 accounts, PILs 1562, SPC and LRAM.

1 Year

Rate Class	Consumption kWh	Demand kW	Current \$	Proposed \$	Difference \$	Total Bill Impact
RESIDENTIAL	800	-	\$ 106.93	\$ 104.30	\$ (2.64)	-2.5%
GENERAL SERVICE LESS THAN 50 KW	2,000	-	\$ 260.32	\$ 255.93	\$ (4.39)	-1.7%
GENERAL SERVICE > 50 KW to 4,999 KW	995,000	2,400	\$ 34,750.76	\$ 33,191.22	\$ (1,559.54)	-4.5%
GENERAL SERVICE > 50 KW to 4,999 KW (CoGeneration)	995,000	2,400	\$ 41,513.77	\$ 37,921.65	\$ (3,592.12)	-9.7%
LARGE USER	5,600,000	10,700	\$ 175,892.26	\$ 161,766.22	\$ (14,106.04)	-8.0%
UNMETERED LOADS (SCATTERED)	2,000	-	\$ 235.45	\$ 232.11	\$ (3.35)	-1.4%
SENTINEL LIGHTS	180	0.50	\$ 12.60	\$ 12.27	\$ (0.34)	-2.7%
STREET LIGHTING	37	0.10	\$ 3.22	\$ 3.15	\$ (0.07)	-2.2%

2 Year

Rate Class	Consumption kWh	Demand kW	Current \$	Proposed \$	Difference \$	Total Bill Impact
RESIDENTIAL	800	-	\$ 106.93	\$ 104.93	\$ (2.00)	-1.9%
GENERAL SERVICE LESS THAN 50 KW	2,000	-	\$ 260.32	\$ 257.58	\$ (2.74)	-1.1%
GENERAL SERVICE > 50 KW to 4,999 KW	995,000	2,400	\$ 34,750.76	\$ 34,061.20	\$ (689.56)	-2.0%
GENERAL SERVICE > 50 KW to 4,999 KW (CoGeneration)	995,000	2,400	\$ 41,513.77	\$ 39,711.28	\$ (1,802.50)	-4.3%
LARGE USER	5,600,000	10,700	\$ 175,892.26	\$ 168,875.12	\$ (7,017.14)	-4.0%
UNMETERED LOADS (SCATTERED)	2,000	-	\$ 235.45	\$ 233.80	\$ (1.65)	-0.7%
SENTINEL LIGHTS	180	0.50	\$ 12.60	\$ 12.41	\$ (0.19)	-1.5%
STREET LIGHTING	37	0.10	\$ 3.22	\$ 3.18	\$ (0.04)	-1.3%

3 Year

Rate Class	Consumption kWh	Demand kW	Current \$	Proposed \$	Difference \$	Total Bill Impact
RESIDENTIAL	800	-	\$ 106.93	\$ 105.14	\$ (1.79)	-1.7%
GENERAL SERVICE LESS THAN 50 KW	2,000	-	\$ 260.32	\$ 259.13	\$ (2.19)	-0.8%
GENERAL SERVICE > 50 KW to 4,999 KW	995,000	2,400	\$ 34,750.76	\$ 34,351.19	\$ (399.57)	-1.1%
GENERAL SERVICE > 50 KW to 4,999 KW (CoGeneration)	995,000	2,400	\$ 41,513.77	\$ 40,307.92	\$ (1,205.85)	-2.9%
LARGE USER	5,600,000	10,700	\$ 175,892.26	\$ 171,238.08	\$ (4,654.17)	-2.6%
UNMETERED LOADS (SCATTERED)	2,000	-	\$ 235.45	\$ 234.36	\$ (1.10)	-0.5%
SENTINEL LIGHTS	180	0.50	\$ 12.60	\$ 12.46	\$ (0.15)	-1.2%
STREET LIGHTING	37	0.10	\$ 3.22	\$ 3.19	\$ (0.03)	-1.0%

London is requesting a three-year disposition period citing that this will help avoid erratic rate adjustments to customers that will occur by virtue of introducing a significant bill credit in year one and removing that bill credit in year two. London is scheduled to file a cost of service rate application in 2012 for 2013 rates. The disposition of a credit in this Application over three years will avoid having that credit removed in the same time frame as the introduction of a cost of service rate increase¹. In addition, London is extremely concerned with the cash flow impacts that would result with a shorter disposition period.

Board staff notes that the balances in the subject accounts represent over recoveries on the part of the distributor and in the normal course should be available to be refunded over a fairly short time frame.

¹ EB-2011-0181, Application, Page 22

While recognizing the value of the EDDVAR Report in guiding decisions with respect to the disposition of deferral and variance accounts, Board staff notes that in the past, the Board has made decisions which deviate from the EDDVAR Report if it deems it in the public interest to do so.

With respect to the Group 1 account balances in the current Application, Board staff notes that using a disposition period of three years may exacerbate intergenerational inequities. Board staff however recognizes that some volatility in electricity bills may result from adopting a shorter disposition period. Board staff is of the view that the Board should strike a balance between reducing intergenerational inequities and mitigating rate volatility.

Based on the approximate bill impacts as provided by London, Board staff recommends that a two-year disposition period should be adopted for all Group 1 Accounts. Board staff also notes that the impacts for the Residential class do not vary significantly between the two and three year scenarios (i.e. -1.9% and -1.7% respectively).

SMART METER FUNDING ADDER (“SMFA”)

Background

London is requesting that the Board approve the continuation of the existing approved SMFA of \$1.46 per metered customer per month until April 20, 2012 or until such time as a Smart Meter Cost Recovery Application is filed by London and approved by the Board. London notes that it will be seeking a May 1, 2012 implementation for its smart meter cost recoveries.

In the event that a Board decision cannot be rendered for a May 1, 2012 implementation of a SMIRR and SMDR, London’s request for the continuation of the existing SMFA in the amount of \$1.46 per metered customer per month is supposed to avoid customer confusion and erratic rate adjustments from the removal of the \$1.46 adder on May 1, 2012 followed by the implementation of a revised adder shortly after².

The table below provided by London depicts its circumstances with respect to smart meter installations. London notes that the remaining GS<50 kW smart meter

² EB-2011-0181, Application, Page 26

installations are expected to be 99.3% complete by the end of 2012. London is experiencing delays in the installation of the small number of smart meters that remain to be deployed, mainly due to customer locations in which the meters are difficult to access³.

Smart Meter Implementation

Customer Class	2009 Audited	2010 Audited	2011 Actual	Total to December 31, 2011	2012 Forecast	Total	Total Customer Count December 31, 2011	% of Total Customer Count
Residential	7,462	125,078	2,118	134,658	62	134,720	134,714	100.0%
General Service Less Than 50 kW	5	4,892	6,882	11,779	100	11,879	11,962	99.3%
Total	7,467	129,970	9,000	146,437	162	146,599		

* Differences in Smart Meter Installs and Customer Counts associated with inactive accounts, new service changes, and customer locations in which most part meter is inaccessible (at this point in time).

Submission

Board staff submits that the Board may wish to consider continuing the SMFA with a specific termination date. London is expected to rebase its rates through a cost of service application for the 2013 rate year. This has been confirmed in the Board's letter issued on January 26, 2012 identifying the electricity distributors expected to file for cost of service applications for the 2013 rate year. Given that London has not yet completed the deployment of all its smart meters and consequently still has some remaining deployment costs to incur, Board staff submits that London's request is reasonable.

Board staff is of the view that establishing a termination date of April 30, 2013 for the SMFA, or until such time as a final smart meter recovery is approved, should give London enough time to complete its smart meter program. The 2011 costs would also be audited, so that total smart meter costs should satisfy the threshold that at least 90% of such costs are audited actuals as documented in *Guideline G-2011-0001: Smart Meter Funding and Cost Recovery – Final Disposition*, issued December 15, 2011. Further, this will allow sufficient time for the utility to prepare and file for disposition of its smart meter costs in accordance with the guideline and model, and as part of London's expected 2013 cost of service application to rebase its rates.

³ EB-2011-0181, Interrogatory Responses, #11(A)

LOST REVENUE ADJUSTMENT MECHANISM (“LRAM”) CLAIM

Background

The Board’s *Guidelines for Electricity Distributor Conservation and Demand Management* (the “CDM Guidelines”) issued on March 28, 2008 outline the information that is required when filing an application for LRAM or SSM recovery.

In its decision on Horizon’s application (EB-2009-0192) for LRAM recovery, the Board noted that distributors should use the most current input assumptions available at the time of the third party review when calculating a LRAM amount.

London had originally requested recovery of a total LRAM claim of \$291,455 over a one-year period. In response to Board staff interrogatories, London updated its LRAM claim using final 2010 program results from the OPA. London is now requesting approval of an updated LRAM claim of \$355,473.45, including carrying charges. The lost revenues include the effect of CDM programs implemented from 2009-2010 only.

Submission

Persisting impacts of 2009 programs and 2009 lost revenues

London has requested the recovery of an LRAM amount that includes lost revenues in 2009 for 2009 CDM programs and the persisting lost revenues for 2009 CDM programs in 2010.

Board staff notes that London’s rates were last rebased in 2009.

Board staff notes that the CDM Guidelines state the following with respect to LRAM claims:

Lost revenues are only accruable until new rates (based on a new revenue requirement and load forecast) are set by the Board, as the savings would be assumed to be incorporated in the load forecast at that time⁴.

⁴ Section 5.2: Calculation of LRAM, Guidelines for Electricity Distributor Conservation and Demand Management (EB-2008-0037)

Board staff also notes that in its Decision and Order on Hydro One Brampton's 2012 IRM application (EB-2011-0174), the Board disallowed LRAM claims for the rebasing year as well as persistence of prior year programs in and beyond the test year on the basis that these savings should have been incorporated into the applicant's load forecast at the time of rebasing.

In cases in which it was clear in the application or settlement agreement that an adjustment for CDM was not being incorporated into the load forecast specifically because of an expectation that an LRAM application would address the issue, and if this approach was accepted by the Board, then Board staff would agree that an LRAM application is appropriate. London may want to highlight in its reply whether the issue of an LRAM application was addressed in its cost of service application.

In the absence of the above information, Board staff does not support the recovery of the requested lost revenues in 2009 for 2009 CDM programs, or the persisting lost revenues from 2009 CDM programs in 2010 as these amounts should have been built into London's last approved load forecast.

2010 programs

Board staff notes that London has not collected the lost revenues associated with CDM programs delivered in 2010, a year in which London was under IRM. Board staff supports the approval of the 2010 lost revenues, as these lost revenues took place during an IRM year and London did not have an opportunity to recover these amounts. Board staff notes that this is consistent with what the Board noted in its 2012 IRM decisions on applications from Horizon (EB-2011-0172), Hydro One Brampton (EB-2011-0174), and Whitby Hydro (EB-2011-0206).

Board staff requests that London provide an updated LRAM amount that only includes lost revenues from 2010 CDM programs in the year 2010, and the subsequent rate riders. This will allow for the issuance of the final rate order on a timelier basis if the Board is inclined to approve only the lost revenues associated with the 2010 programs.

PAYMENTS IN LIEU OF TAXES – PILS 1562

Background

The PILs evidence filed by London in this proceeding includes tax returns, financial statements, Excel models from prior applications, calculations of amounts recovered from customers, SIMPIL⁵ Excel worksheets and continuity schedules that show the principal and interest amounts in the account 1562 deferred PILs balance. In pre-filed evidence London disclosed a debit balance of \$338,275 in account 1562 to be disposed in the Rate Generator model⁶. On the same schedule, London reported its RRR debit balance as \$717,200. After responding to interrogatories, London revised its evidence to disclose a credit principal refund of \$506,611 and debit interest of \$479,987, for a net total refund of \$26,624.⁷

Submission

PILs Recoveries from Customers

In the Excel rate adjustment models there are worksheets that calculate rate slivers related to the PILs dollar amounts to be recovered from ratepayers. The fixed and variable PILs rate slivers are multiplied by billing determinants to calculate the amounts recovered. Board staff asked a series of interrogatories concerning the billing determinants and PILs recoveries that London used especially for 2004.

The trend for the majority of distributors is that the PILs recoveries exceed the proxies for the full years of 2003, 2004 and 2005. PILs rates slivers were derived in 2002 using billing determinants estimated for the 2001 fiscal year. As demand and population grew, the PILs dollar amounts recovered were higher than the proxy set using 2001 billing determinants.

In pre-filed evidence for 2004, London's total PILs proxy was higher than recoveries. After a review prompted by Board staff's interrogatories, London filed evidence that now discloses that the PILs proxies in rates are still greater than recoveries by \$163,753.

⁵Spreadsheet implementation model for payments-in-lieu of taxes

⁶ Rate Generator Tab 9. 2012 Cont. Sched. Def_Var.

⁷ Responses to Board Staff Interrogatories, February 1, 2012, page 28.

The table below shows London's updated evidence for the full years of 2003, 2004 and 2005.⁸

PILs Recoveries vs Proxies \$	2003	2004	2005
PILs Proxies in Rates	8,708,354	2,177,089	1,654,031
		4,962,092	4,239,022
	8,708,354	7,139,181	5,893,053
PILs Recovery Calculations	9,028,302	2,212,052	1,757,990
		4,763,376	4,368,295
	9,028,302	6,975,428	6,126,285
Difference	-319,948	163,753	-233,232

London's data exhibits the same trend as other distributors in 2003 and in 2005 in that recoveries exceed the PILs proxies. However, this is not the case for 2004. Board staff requests that London provide an explanation for this different trend in 2004, or provide a revised calculation of recoveries.

The table below shows billing determinants from the various application models that London filed with the Board. The data indicates an increasing trend. Board staff invites London to consider the implications of this data on the calculation of PILs recoveries.

⁸ Responses to Board Staff Interrogatories, February 1, 2012, page 28.

Customer Class	Billing Parameter	Billing Determinants for 1999 from 2002 RAM Base Rates	Billing Determinants for 2001 from 2002 RAM PILs	Billing Determinants for 2002 from 2004 RAM	Billing Determinants for 2003 from 2005 RAM	Total Actual 2004 IRRs page 31
Residential	kWh's	1,010,154,173	1,022,356,811	1,126,683,291	1,117,118,053	1,065,211,136
General Service < 50 KW	kWh's	353,514,874	396,733,285	455,884,258	442,893,345	410,537,726
Unmetered Loads < 50 KW	kWh's	-	-			8,795,094
		353,514,874	396,733,285	455,884,258	442,893,345	419,332,820
General Service > 50 KW	kW's	3,933,244	3,173,866	3,652,083	1,770,051	1,858,070
General Service > 50 KW - TOU	kW's				1,929,241	1,872,685
		3,933,244	3,173,866	3,652,083	3,699,292	3,730,755
Large User - TOU	kW's	539,441	440,191	376,632	441,848	425,269
Cogeneration < 1MW - incr.	kW's	14,487	15,017	29,809	30,491	11,276
Cogeneration < 1MW - standby	kW's res.	126,600	181,300	154,799	154,681	151,300
Streetlight - TOU	kW's	56,685	58,106	59,788	60,493	61,623
Sentinel Lights	kW's	2,561	2,586	2,745	2,590	2,477

London submitted an analysis of revised recoveries on page 29 of its responses to Board staff's interrogatories. The revised recovery calculations appear to have been based on PILs rate slivers being expressed as percentages of the total rate by customer class. London did not file the active Excel workbook and staff could not determine what method London followed. However, Board staff believes there may be a problem with London's analysis because of the logic in the 2004 RAM application model.

In order to maintain the fixed charge at the same amount as the prior rate order, sheet #9 was inserted into the 2004 RAM. This sheet adjusted the decline that would have occurred in the fixed charge rate by reducing the volumetric rate by class. PILs from April 1, 2004 were recovered using only the volumetric rate. The PILs slivers were calculated on sheet #7 before this downward adjustment to the variable rate on sheet #9. Distributors should use the PILs rate slivers from sheet #7 of the 2004 RAM in order to calculate the PILs recoveries.

Board staff has provided tables that show the ratio of the PILs rate slivers to the total rate expressed in percentages for the period up to March 31, 2004 and for the next period to December 31, 2004.

Period to March 31, 2004		C	D	E = C+D	F	G=E/F
Customer Class	Billing Parameter	2001 PILs Rate Adder	2002 PILs Rate Adder	Total 2001 and 2002 PILs Rate Adder Mar. 1/02 to Mar. 31/04	Rate Order Total Rate	PILs as a % of Rate Order Total Rate
<u>Fixed Distribution Revenues</u>						
Residential	customer	0.548000	1.732900	2.280900	11.48000	19.87%
General Service < 50 KW	customer	1.535600	4.855900	6.391500	31.79000	20.11%
General Service > 50 KW	customer	15.009400	47.463300	62.472700	250.21000	24.97%
General Service > 50 KW - TOU	customer	15.009400	47.463300	62.472700	250.21000	24.97%
Large User - TOU	customer	762.275400	2,410.492700	3,172.768100	13795.56000	23.00%
Cogeneration < 1MW TOU	customer	108.844000	344.190200	453.034200	2754.29000	16.45%
Streetlight - TOU	connection	0.013300	0.041400	0.054700	0.27000	20.26%
Sentinel Lights	connection	0.023800	0.075400	0.099200	0.48000	20.67%
Unmetered Loads < 50 KW	connection	0.013100	0.075400	0.088500	0.48000	18.44%
<u>Variable Distribution Revenues</u>						
Residential	kWh's	0.000450	0.001422	0.001872	0.00930	20.13%
General Service < 50 KW	kWh's	0.000328	0.001036	0.001364	0.00700	19.49%
General Service > 50 KW	kW's	0.047852	0.151320	0.199172	0.95870	20.78%
General Service > 50 KW - TOU	kW's	0.047852	0.151320	0.199172	0.95870	20.78%
Large User - TOU	kW's	0.055414	0.175232	0.230646	1.09580	21.05%
Cogeneration < 1MW	kW's	0.153113	0.484179	0.637292	3.24920	19.61%
Cogeneration < 1MW - standby	kW's res.	0.064784	0.204862	0.269646	2.11460	12.75%
Streetlight - TOU	kW's	0.047474	0.150124	0.197598	0.99280	19.90%
Sentinel Lights	kW's	0.049740	0.157290	0.207030	1.10270	18.77%
Unmetered Loads < 50 KW	kWh's	0.000328	0.001036	0.001364	0.00700	19.49%

Period April 1, 2004 to December 31, 2004

Customer Class	Billing Parameter		2004 PILs Volumetric Rate Adder April 1 to December 31, 2004	Rate Order Total Rate	PILs as a % of Rate Order Total Rate
<u>Variable Distribution Revenues</u>					
Residential	kWh's		0.003599	0.01000	35.99%
General Service < 50 KW	kWh's		0.002553	0.00820	31.13%
General Service > 50 KW	kW's		0.316098	1.62290	19.48%
General Service > 50 KW - TOU	kW's		0.316098	1.62290	19.48%
Large User - TOU	kW's		0.351788	1.98080	17.76%
Cogeneration < 1MW	kW's		1.152076	3.82210	30.14%
Cogeneration < 1MW - standby	kW's res.		0.326667	2.23960	14.59%
Streetlight - TOU	kW's		0.408531	1.65550	24.68%
Sentinel Lights	kW's		0.442255	1.72970	25.57%
Unmetered Loads < 50 KW	kWh's		0.002553	0.00820	31.13%

Board staff submits that London should review its calculations of the 2004 PILs recoveries using the PILs rate slivers from the 2002 and 2004 RAM models and the billing determinants for the discrete periods of January 1 to March 31, 2004 and from April 1 to December 31, 2004. Board staff submits that London should file active Excel worksheets to support the reply submission.

Board staff has no other concerns with the data filed by London in support of its account 1562 balances for disposition.

All of which is respectfully submitted