



November 29, 2012

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

**Re: Orangeville Hydro Limited
2013 IRM3 Distribution Rate Application
Response to Board Staff Interrogatories
Board File Number EB-2012-0155**

Dear Ms. Walli:

Enclosed are Orangeville Hydro's responses to interrogatories of the Board Staff in the above-captioned proceeding.

Please find attached with this letter, two paper copies of Orangeville Hydro's responses to the Interrogatories for the 2013 IRM3 Distribution Rate Application.

An electronic copy of the interrogatory has been filed on the Ontario Energy Board's RESS Filing System and emailed to the Board Secretary. If you have any questions, please do not hesitate to contact me at 519-942-8000 or jhoward@orangevillehydro.on.ca.

Orangeville Hydro Limited

Jan Howard
Manager of Finance & Rates

**Orangeville Hydro Limited
 2013 IRM3 Distribution Rate Application
 Response to Board Staff Interrogatories
 Board File No. EB-2012-0155**

RTSR Workform

Interrogatory #1

Ref: A portion of the RTSR Model, Tab 5 – “UTRs and Sub-Transmission”

Hydro One Sub-Transmission Rates	Unit	Effective January 1, 2011	Effective January 1, 2012	Effective January 1, 2013
Rate Description		Rate	Rate	Rate
Network Service Rate	kW	\$ 2.65	\$ 2.65	\$ 2.65
Line Connection Service Rate	kW	\$ 0.64	\$ 0.64	\$ 0.64
Transformation Connection Service Rate	kW	\$ 1.50	\$ 1.50	\$ 1.50
Both Line and Transformation Connection Service Rate	kW	\$ 2.14	\$ 2.14	\$ 2.14

Ref: A portion of the RTSR Model, Tab 6 – “Historical Wholesale”

Hydro One	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	42,529	\$2.70	\$ 114,674		\$0.00		42,529	\$1.48	\$ 62,745	\$ 62,745
February	41,889	\$2.70	\$ 112,948		\$0.00		41,889	\$1.48	\$ 61,800	\$ 61,800
March	38,043	\$2.70	\$ 102,578		\$0.00		38,043	\$1.48	\$ 56,126	\$ 56,126
April	35,647	\$2.70	\$ 96,118		\$0.00		35,647	\$1.58	\$ 56,185	\$ 56,185
May	43,973	\$2.64	\$ 115,871		\$0.00		42,973	\$1.48	\$ 63,399	\$ 63,399
June July	44,777	\$2.70	\$ 120,735		\$0.00		44,777	\$1.48	\$ 66,061	\$ 66,061
August	48,556	\$2.70	\$ 130,924		\$0.00		48,556	\$1.48	\$ 71,637	\$ 71,637
September	40,564	\$2.70	\$ 109,375		\$0.00		40,564	\$1.48	\$ 59,846	\$ 59,846
October	37,124	\$2.70	\$ 100,131		\$0.00		37,776	\$1.48	\$ 55,732	\$ 55,732
November	35,195	\$2.70	\$ 94,899		\$0.00		35,195	\$1.48	\$ 51,924	\$ 51,924
December	39,422	\$2.70	\$ 106,296		\$0.00		39,422	\$1.48	\$ 58,161	\$ 58,161
	41,599	\$2.69	\$ 111,882		\$0.00		41,599	\$1.48	\$ 61,524	\$ 61,524
Total	489,318	\$ 2.69	\$ 1,316,431	-	\$ -	\$ -	488,970	\$ 1.48	\$ 725,140	\$ 725,140

Board staff notes that the network and transmission connection rates entered on tab 6 of the workform do not reconcile with the effective Hydro One Sub-Transmission Rates as found on tab 5 of the workform.

- (A) If Orangeville Hydro believes the rates entered on tab 6 are correct, please confirm, and provide an explanation for the rates entered.
- (B) If the answer to (A) is no, please confirm and provide the corrected rates, and Board staff will make the necessary corrections to the model.
- (C) Please confirm that Orangeville Hydro is not charged a line connection rate by Hydro One.

Interrogatory #1 Response

- (A) Orangeville Hydro confirms that the rates entered on tab 6 are incorrect.
- (B) Please see the table below with the corrected rates. Orangeville requests that the Board make the necessary corrections to the RTSR Model, Tab 6 – “Historical Wholesale”.
- (C) Orangeville Hydro confirms that it is not charged a line connection rate by Hydro One.

Hydro One	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	42,529	\$2.65	\$ 112,702		\$0.00		42,529	\$1.50	\$ 63,794	\$ 63,794
February	41,889	\$2.65	\$ 111,006		\$0.00		41,889	\$1.50	\$ 62,834	\$ 62,834
March	38,043	\$2.65	\$ 100,814		\$0.00		38,043	\$1.50	\$ 57,065	\$ 57,065
April	35,647	\$2.65	\$ 94,465		\$0.00		35,647	\$1.60	\$ 57,065	\$ 57,065
May	43,973	\$2.59	\$ 113,878		\$0.00		42,973	\$1.50	\$ 64,460	\$ 64,460
June	44,777	\$2.65	\$ 118,659		\$0.00		44,777	\$1.50	\$ 67,166	\$ 67,166
July	48,556	\$2.65	\$ 128,673		\$0.00		48,556	\$1.50	\$ 72,834	\$ 72,834
August	40,564	\$2.65	\$ 107,494		\$0.00		40,564	\$1.50	\$ 60,846	\$ 60,846
September	37,124	\$2.65	\$ 98,379		\$0.00		37,776	\$1.50	\$ 56,664	\$ 56,664
October	35,195	\$2.65	\$ 93,267		\$0.00		35,195	\$1.50	\$ 52,793	\$ 52,793
November	39,422	\$2.65	\$ 104,468		\$0.00		39,422	\$1.50	\$ 59,133	\$ 59,133
December	41,599	\$2.65	\$ 110,237		\$0.00		41,599	\$1.50	\$ 62,399	\$ 62,399
Total	489,318	\$ 2.64	\$ 1,294,042	-	\$ -	\$ -	488,970	\$ 1.51	\$ 737,049	\$ 737,049

Interrogatory #2
 Ref: RTSR Model, Tab 4 – “RRR Data”

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
Residential	kWh	85,903,538		1.0468		89,923,824	-
General Service Less Than 50 kW	kWh	35,863,634		1.0468		37,542,052	-
General Service 50 to 4,999 kW	kW	121,707,245	298,210		55.94%	121,707,245	298,210
Unmetered Scattered Load	kWh	338,183		1.0468		354,010	-
Sentinel Lighting	kW	99,117	274		49.58%	99,117	274
Street Lighting	kW	1,586,968	4,553		47.77%	1,586,968	4,553

- (A) Please confirm if the data entered in columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” are in fact not adjusted by Orangeville Hydro’s Board approved loss factor.

Interrogatory #2 Response

- (A) Orangeville Hydro confirms that the data entered in columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” are in fact not adjusted by Orangeville Hydro’s Board approved loss factor.

Tax-Savings Workform

Interrogatory #3

Ref: Tax-Savings Workform, Tab 3 – “Re-Based Bill Det & Rates”

Last COS Re-based Year was in 2010

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed	Re-based Billed	Re-based Billed	Rate ReBal Base	Rate ReBal Base	Rate ReBal Base
				Customers or Connections A	kWh B	kW C	Service Charge D	Distribution Volumetric Rate kWh E	Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	10,045	85,739,256		16.18	0.0140	
GSLT50	General Service Less Than 50 kW	Customer	kWh	1,081	38,644,867		32.76	0.0100	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	133	123,337,329	294,391	183.39		2.1593
USL	Unmetered Scattered Load	Connection	kWh	151	374,473		6.24	0.0088	
Sen	Sentinel Lighting	Connection	kW	170	129,053	357	1.86		7.2396
SL	Street Lighting	Connection	kW	2,724	1,787,017	5,069	0.79		4.3510

Board staff notes columns D, E and F do not reconcile to Orangeville Hydro’s current Tariff of Rates and Charges.

- (A) If Orangeville Hydro agrees, please verify, and Board staff will make the necessary corrections to the model.
- (B) If the answer to (A) is no, please provide an explanation for the data entered in columns D, E and F.

Interrogatory #3 Response

(A) Orangeville Hydro agrees that the amounts entered in columns D, E and F are incorrect. Please see the table below with the corrected columns D, E and F. Orangeville requests that the Board make the necessary corrections to the Tax-Savings Workform, Tab 3 – “Re-Based Bill Det & Rates”.

Last COS Re-based Year was in 2010

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections	Re-based Billed kWh	Re-based Billed kW	Rate ReBal Base Service Charge	Rate ReBal Base Distribution Volumetric Rate kWh	Rate ReBal Base Distribution Volumetric Rate kW
				A	B	C	D	E	F
RES	Residential	Customer	kWh	10,045	85,739,256		16.26	0.0140	
GSLT50	General Service Less Than 50 kW	Customer	kWh	1,081	38,644,867		33.11	0.0101	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	133	123,337,329	294,391	185.34		2.1822
USL	Unmetered Scattered Load	Connection	kWh	151	374,473		6.31	0.0089	
Sen	Sentinel Lighting	Connection	kW	170	129,053	357	2.81		10.9656
SL	Street Lighting	Connection	kW	2,724	1,787,017	5,069	1.26		6.9657

Rate Generator Model

Interrogatory #4

Ref: A portion on the Rate Generator Model, Tab 5 – “2013 Continuity Schedule”

Board staff notes that for Accounts 1588 (excluding Global Adjustment) and Account 1588 (Global Adjustment Sub-Account) there is a \$433,224 and

\$(433,245) variance, respectively, between Orangeville Hydro's 2011 RRR filing and the balances in the two accounts.

(A) Please provide an explanation for the variances between the respective RRR filings and the 2011 balances for Account 1588 excluding Global Adjustment (debit of \$433,224) and Account 1588 Sub-Account-Global Adjustment (credit of \$433,245).

Interrogatory #4 Response

(A) The variances between the respective RRR filings and the 2011 balances for Account 1588 excluding Global Adjustment and Account 1588 Sub-Account-Global Adjustment is due to the 2.1.7 RRR reporting combining the Global Adjustment and Power Variance amounts thus totalling \$507,246. The variance for 1588_Power is \$74,001 and 1588_Global Adjustment is \$433,244 which equals the total amount of \$507,246 on the continuity schedule submitted. Orangeville has separated these amounts in the table below. If the Board staff is also referring to the 2.1.1 RRR reporting, there was an inaccuracy in reporting these balances. The 1588 RSVA Sub-Account Global Adjustment section did not include carrying charges in the balance. Orangeville made the interest adjustment on the Rate Generator Model, Tab 5 – "2013 Continuity Schedule". During 2012 we have been reporting the carrying charges correctly.

2012				Projected Interest on Dec-31-11 Balances			2.1.7 RRR	Variance RRR vs. 2011 Balance (Principal + Interest)
Principal Disposition during 2012 - instructed by Board	Interest Disposition during 2012 - instructed by Board	Closing Principal Balances as of Dec 31-11 Adjusted for Dispositions during 2012	Closing Interest Balances as of Dec 31-11 Adjusted for Dispositions during 2012	Projected Interest from Jan 1, 2012 to December 31, 2012 on Dec 31 -11 balance adjusted for disposition during 2012 ³	Projected Interest from January 1, 2013 to April 30, 2013 on Dec 31 -11 balance adjusted for disposition during 2012 ³	Total Claim	As of Dec 31-11	
(198,282)	(5,871)	118,229	1,925	1,738	579	122,472	(83,998)	0
(315,051)	(5,134)	(252,219)	(335)	(3,708)	(1,236)	(257,498)	(572,739)	0
(104,307)	(2,270)	45,313	855	666	222	47,056	(60,391)	18
(55,452)	(1,559)	6,746	3,439	99	33	10,317	(46,827)	(1)
126,334	(7,884)	(56,056)	11,608	(824)	(275)	(45,547)	74,001	(0)
252,342	(3,445)	174,953	9,395	2,572	857	187,777	433,244	(1)
		0	0	0	0	0	0	0
		0	0	0	0	0	0	0
		0	0	0	0	0	0	0
		0	0	0	0	0	0	0
(294,416)	(26,163)	36,966	26,887	543	181	64,578	(256,709)	17
(546,758)	(22,718)	(137,986)	17,491	(2,028)	(676)	(123,200)	(689,953)	18
252,342	(3,445)	174,953	9,395	2,572	857	187,777	433,244	(1)
220,202	81,972	0	0	0	0	0	56,420	(245,754)
(74,214)	55,809	36,966	26,887	543	181	64,578	(200,289)	(245,737)
(10,266)	(88)	9,087	448	(6)		9,529	(802)	17
		0	0	0	0	0	0	0
(84,480)	55,721	46,054	27,334	537	181	74,107	(201,091)	(245,720)

Interrogatory #5
Ref: 2011 RRR 2.1.7 Filing

Board staff notes Orangeville Hydro has reported a balance of nil in its 2011 RRR 2.1.7 filing for Account 1595. Please explain how this balance is 0 if Orangeville

Hydro continues to dispose of the balances that were approved to be disposed in its 2010 COS and 2011 IRM proceeding.

[Interrogatory #5 Response](#)

- (A) The balance was incorrectly reported in the 2011 RRR 2.1.7 filing, the balance of \$740,193.22 was reported in Account 1590 however it should have been reported in Account 1595. Orangeville has requested a RRR Data Revision Request from the Board to allow us to make the necessary changes to our 2011 RRR 2.1.7.

Interrogatory #6

Ref: EB-2012-0155, Manager's Summary, Page 9

Ref: Rate Generator Model, Tab 5 – "2013 Continuity Schedule"

In its Manager's Summary, Orangeville Hydro notes that the balance in Account 1521 to the end of April 2012 was calculated as a credit balance of \$10,354.43. However, an error occurred in the calculation and the amount should have been a credit of \$854.41 (difference of \$9,528.93). Orangeville Hydro subsequently cleared the amount from Account 1521 to render the account balance to zero and adjusted Account 1595 Disposition & Recovery/Refund of Regulatory Balances, Sub-Account balances accordingly.

Board staff notes that in Orangeville Hydro's 2012 IRM decision (EB-2011-0190), the Board approved, on a final basis, Orangeville Hydro's request for the disposition of principal and interest balances in Account 1521 totalling \$10,354 over a one-year period. The Board directed Orangeville Hydro to close Account 1521 as of May 1, 2012.

- (A) Please provide a discussion explaining how and why this initial overstatement occurred.
- (B) Taking into account the fact that the \$10k credit balance was approved on a final basis, please explain why Orangeville Hydro believes it is appropriate to make this retroactive adjustment to Account 1521.

[Interrogatory #6 Response](#)

- (A) This initial overstatement was caused by an unbilled revenue calculation amounting to \$9,086.94 being included in the amount of \$64,281 recovered from customers in 2010. The unbilled revenue was not reversed in 2011 thus overstating the amount of revenue billed in 2011 by the \$9,086.94.
- (B) Orangeville wanted to bring this matter to the attention of the Board. Orangeville Hydro is aware that it is not typical of the Board to make a retroactive adjustment however we were unsure as to how to handle the error as this was an unaudited account disposition. Orangeville Hydro is looking for guidance on how the Board would like us to account for our error.

Interrogatory #7

Ref: Rate Generator Model, Tab 6 – “Billing Det. For Def-Var”

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue ¹
Residential	\$/kWh	85,739,256		15,872,031	0	3,154,030
General Service Less Than 50 kW	\$/kWh	38,644,867		6,146,063	0	812,424
General Service 50 to 4,999 kW	\$/kW	123,337,329	294,391	118,258,039	282,267	928,374
Unmetered Scattered Load	\$/kWh	374,473			0	14,621
Sentinel Lighting	\$/kW	129,053	357	9,001	25	6,384
Street Lighting	\$/kW	1,787,017	5,069	1,682,166	4,772	47,858
MicroFit						
Total		250,011,995	299,817	141,967,300	287,064	4,963,691

Board staff was unable to reconcile the allocation of Distribution Revenue across the rate classes as well as the Total Distribution Revenue entered in tab 6 of the Rate Generator Model with that established in Orangeville Hydro’s last COS (EB-2009-0272). The Board approved a Distribution Revenue of \$4,873,572 in Orangeville Hydro’s COS application.

- (A) Please confirm if the figures entered by Orangeville Hydro for Distribution Revenue were errors. If Orangeville Hydro agrees, please provide the appropriate Distribution Revenue by rate class and Board staff will update the Rate Generator model with the correct information.
- (B) If Orangeville Hydro does not consider these to be errors, please provide support for using figures that diverge from those established in EB-2009-0272.

Interrogatory #7 Response

- (A) Orangeville Hydro confirms there was an error in the figures entered for Distribution Revenue for the GS > 50kW class as we did not include the transformer allowance in the amount. Please see the table below. Orangeville requests that the Board update the Rate Generator Model, Tab 6 – “Billing Det. For Def-Var”.

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue ¹	1590 Recovery Share Proportion*	1595 Recovery Share Proportion (2008) ¹	1595 Recovery Share Proportion (2009) ²	1595 Recovery Share Proportion (2010) ²	1568 LRAM Variance Account Class Allocation (\$ amounts)
Residential	\$/kWh	85,739,256		15,872,031	0	3,154,030					
General Service Less Than 50 kW	\$/kWh	38,644,867		6,146,063	0	812,424					
General Service 50 to 4,999 kW	\$/kW	123,337,329	294,391	118,258,039	282,267	838,255					
Unmetered Scattered Load	\$/kWh	374,473			0	14,621					
Sentinel Lighting	\$/kW	129,053	357	9,001	25	6,384					
Street Lighting	\$/kW	1,787,017	5,069	1,682,166	4,772	47,858					
MicroFit											
Total		250,011,995	299,817	141,967,300	287,064	4,873,572	0.00%	0.00%	0.00%	0.00%	0
											Balance as per Sheet 5
											Variance
											0
											0

Interrogatory #8

Ref: A portion of the Rate Generator Model, Tab 13 – “Final Tariff Schedule”

Non-Payment of Account

Late Payment – per month	%	1.50
Late Payment – per annum	%	19.50
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00
Disconnect/Reconnect at meter – after regular hours	\$	185.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00
Disconnect/Reconnect Charge – At Pole – After Hours	\$	415.00
Temporary Service – Install & remove – overhead – no transformer	\$	500.00
Temporary Service Install & Remove – Underground – No Transformer	\$	300.00
Temporary service installation and removal – overhead – with transformer	\$	1,000.00
Specific Charge for Access to the Power Poles - \$/pole/year	\$	22.35

Board staff notes that the line item “Late Payment – per annum” which shows a charge of 19.50% on the proposed tariff does not reconcile to Orangeville Hydro’s current tariff. Board staff notes that the current applicable charge is 19.56%.

- (A) If the 19.50% was entered in error, please confirm, and Board staff will make the necessary corrections to the Rate Generator model.
- (B) If the answer to (A) is no, please provide an explanation for this discrepancy.

Interrogatory #8 Response

- (A) Orangeville Hydro agrees that the amount of 19.50% entered on line item “Late Payment – per annum” was entered in error. The correct amount is 19.56%. Orangeville requests that the Board make the necessary corrections to the Rate Generator Model, Tab 13 – “Final Tariff Schedule”.