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March 7, 2011

BY EMAIL ONLY

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

**Board File No. EB-2010-0125
Brant County Power Inc. – 2011 Cost of Service Application**

Pursuant to Procedural Order No. 3, issued February 24, 2011, please find attached the Technical Conference Questions of Energy Probe Research Foundation (Energy Probe) in the EB-2010-0125 proceeding.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

Original signed by

David S. MacIntosh
Case Manager

cc: Ed Glasbergen, Brant County Power (By email)
Heather Wyatt, Brant County Power (By email)
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Ontario Energy Board

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by Brant
County Power Inc. for an order approving just and
reasonable rates and other charges for electricity
distribution to be effective May 1, 2011.

**TECHNICAL CONFERENCE QUESTIONS OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

March 7, 2011

**BRANT COUNT POWER INC.
2011 RATES REBASING CASE
EB-2010-0125**

**ENERGY PROBE RESEARCH FOUNDATION
TECHNICAL CONFERENCE QUESTIONS**

Question # 1

Ref: Energy Probe Interrogatory #1

Part (f) of the response indicates that previously an estimate of the time spent by staff was allocated to BCP's revenue as a reduction to admin expenses. The company has now moved to a time sheet system whereby actual costs will be recorded.

Please confirm that the actual costs continue to be used as a reduction to admin expenses. If this is not the case, please explain BCP accounts for these costs and the associated revenues.

Question # 2

Ref: Energy Probe Interrogatory #4

The response provided only shows additions to gross assets, not additions to accumulated depreciation.

- a) If 2010 actual data is now available, please update Exhibit 2, Tab 1, Schedule 3, page 6 to reflect actual additions to both gross assets and accumulated depreciation.**
- b) If 2010 actual data is not yet available, please explain the significant increase in the estimate to year end 2010 capital expenditures as compared to the budget figures in accounts 1915, 1920/1925, 1930 and 1960.**
- c) If 2010 actual data is not yet available, please explain the significant increase in the estimate to year end 2010 as compared to the YTD November figures for Distribution Plant accounts.**

- d) **If 2010 actual data is not yet available, please confirm that all of the expenditures shown in the Estimate to Year End were in service at the end of 2010. If this cannot be confirmed, please provide a separate column that shows the 2010 capital expenditures that were in service at the end of 2010.**

Question # 3

Ref: Energy Probe Interrogatory #5 & Exhibit 4, Tab 8, Schedule 1, page 67

The response indicates that the figures provided on Exhibit 2, Tab 2, Schedule 1 are the correct figures and that there is no impact on rate base, rate of return or distribution rates.

- a) **Did BCP take into account the impact on income taxes? In particular, please provide revised CCA schedules as shown on page 67 of Exhibit 4, Tab 8, Schedule 1 that shows \$100,000 in software costs from account 1925 in 2010 being added to CCA Class 12 rather than CCA Class 50. What is the impact on the CCA deduction available for 2011 of this change?**
- b) **What is the impact on the income tax calculation of the change in the CCA deduction for 2011?**

Question # 4

Ref: Energy Probe Interrogatory #6

The response provided in part (a) appears to have the RPP and non-RPP rates reversed.

- a) **Please confirm that the RPP price should be \$0.06504 and the non-RPP price should be \$0.06250.**
- b) **Based on the RPP/non-RPP weightings of 39.4% and 60.6% please calculate blended rate that would replace the \$0.06404.**
- c) **Please show the impact on the cost of power and the impact on rate base.**
- d) **Please update the cost of power to reflect the approved transmission, low voltage and wholesale market rates that are now available and show the calculations and the impact on rate base, in a manner similar to the response to part (a) of the interrogatory.**

Question # 5

Ref: Energy Probe Interrogatory #8

The response indicates that smart meters will be removed from the 2011 rate base.

- a) **Please identify the amount currently included in the 2010 and 2011 capital expenditures and included in 2011 rate base.**
- b) **Please provide a table that shows the impact on the revenue requirement of the removal of the smart meter capital expenditures in 2010 and 2011 (including the impact on rate base, cost of capital, depreciation and income taxes (CCA reduction).**
- c) **Is BCP requesting any change in the smart meter rate adder as a result of moving these capital expenditures out of rate base and into the variance account? If so, please provide the details.**
- d) **Has BCP included any smart meter expenses in the revenue requirement? If so, please quantify these expenses and explain if BCP is also proposing to remove these expenses and include them in the variance account. If not, why not?**

Question # 6

Ref: Energy Probe Interrogatory #11 & #9

- a) **Please quantify the other expenses of the renewable division that are included in the admin expense section of the forecast.**
- b) **What are the forecast costs (depreciation, cost of capital, income tax impact) included in the 2011 revenue requirement associated with the \$30,000 vehicle for the renewable division noted in the response to Energy Probe Interrogatory #9?**

Question # 7

Ref: Energy Probe Interrogatory #12

- a) **Please add a line to the table provided in the response to part (d) that shows the total for the year, a line that shows the forecast for the 2010 bridge year, and a line that shows the variance. If the unbilled analysis has now been completed, please update the table to reflect this.**

- b) What was the actual power purchase amount for 2010 that is comparable to the forecasted figure of 293,500,326 kWh?

Question # 8

Ref: Energy Probe Interrogatory #13

- a) Please confirm that the increase in the Total Billed kWh shown in the response to part (j) to 283,849,820 kWh for 2011 reflects both the updated GDP forecast and an updated CDM forecast. Please indicate if any other changes were made.
- b) Please quantify the change in the CDM forecast noted above and show how the new forecast reflects the revised 9.85 GWh target noted in part (k) of the response.
- c) What is the impact on the revenue sufficiency of using the total billed forecast of 283,849,820 kWh and the associated kW forecast for 2011?

Question # 9

**Ref: Energy Probe Interrogatory #13 &
Exhibit 3, Tab 2, Schedule 1, page 7**

The table on page 7 of the referenced evidence indicates a t-Stat on the CDM activity variable of -1.8. However, the Excel spreadsheet provided as part of the response to Energy Probe Interrogatory #13 shows that the t-Stat is actually -1.08.

Please confirm that the -1.8 included in the evidence should be -1.08 and that at this level, the CDM activity variable is not statistically different from 0 at a 90% confidence level.

Question # 10

**Ref: Energy Probe Interrogatory #14 &
Exhibit 8, Tab 1, Schedule 5 &
Exhibit 3, Tab 2, Schedule 1**

The response provided in part (a) does not explain why two sets of figures are different.

- a) Please explain why the purchased kWh actual figure for 2006 shown in the Burman report (page 5) is different than the figure shown in Appendix 2-P in Exhibit 8, Tab 1, Schedule 5.
- b) Please explain why the Billed kWh Actual figures for 2006 through 2009 in the Burman report are different than the figures shown in Appendix 2-P in Exhibit 8, Tab 1, Schedule 5.
- c) Please update both the Burman report table and the Appendix 2-P to reflect actual data for 2010.

Question # 11

Ref: Energy Probe Interrogatory #16

- a) Please provide the forecast sale value of the two vehicles forecast to be sold in 2011.
- b) Are both of these vehicles fully depreciated when they are forecast to be sold? If not, please provide the net book value upon sale.

Question # 12

Ref: Energy Probe Interrogatory #17

The response provided to part (b) did not provide an estimate of the number of microFIT customers at the end of 2011. Please provide an estimate.

Question # 13

Ref: Energy Probe Interrogatory #23

Parts (b), (c) and (d) were not answered. Please provide a live Excel spreadsheet for Appendix 2-M for each of 2006 through 2011, or for the years for which the live spreadsheet is available.

Question # 14

**Ref: Energy Probe Interrogatory #28 &
Exhibit 8, Tab 1, Schedule 2**

- a) Please provide the monthly Brantford Power delivery point demands that result in the annual figure of 1,067 kW.
- b) Will the definition proposed on pages 1-2 of Exhibit 8, Tab 1, Schedule 2 have any impact on the classification of Brantford Power?

Question # 15

Ref: VECC Interrogatory Response #4

The load forecast shown in response to part (f) of the question shows a 2011 billed energy forecast of 292,363,223 kWh, while the response to part (j) has a forecast of 283,849,820 kWh. The difference between the forecasts appears to be related to different GDP figures and different CDM figures used as explanatory variables.

For each of the forecasts noted above, please clarify the GDP and CDM forecasts used in the equation. For example, the monthly table provided in the response to part (j) appears to use the original GDP and CDM forecasts used by BCP.

Question # 16

Ref: VECC Interrogatory #21(b)

Please update the 2010 figures shown in the attachment to the response to reflect actual data for 2010.

Question # 17

Ref: All Interrogatories

- a) Please provide an updated Revenue Requirement Work Form that reflects all the changes that BCP has accepted through the interrogatory process (as examples, the removal of smart meters from rate base, the income and capital tax changes, the addition of LEAP expenses, the reduction in depreciation charges, etc.). Please also reflect the updated cost of capital parameters released by the Board on March 3, 2011 in the revenue requirement work form.
- b) Please provide a companion schedule that shows for each of the changes accepted by BCP the determination/calculation of the change in the revenue requirement.