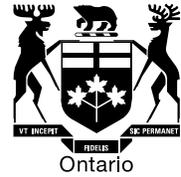


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**BY E-MAIL**

March 5, 2015

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Toronto Hydro-Electric System Limited  
Application for Rates  
Board File Number EB-2014-0116**

In accordance with Decision and Procedural Order No. 7 issued on February 23, 2015, please find attached the supplemental Board staff interrogatories on the referenced application filed by Toronto Hydro-Electric System Limited.

*Original Signed By*

Martin Davies  
Project Advisor, Electricity Rates & Accounting

Attachment

cc: Parties to EB-2014-0116 proceeding

Board Staff Supplemental Interrogatories  
Custom Incentive Rate-Setting Application for 2015 to 2019 Electricity Distribution  
Rates and Charges  
Toronto Hydro-Electric System Limited (“THESL”)  
EB-2014-0116  
Specific Charge for Access to Power Poles (Wireline Attachments)  
March 5, 2015

**3-Staff-97**

Ref: E3/T2/S1/p. 1, Table 1

The above referenced table provides a revenue offsets summary. The updated version of this table filed on February 27, 2015 shows that for the Test Year 2015, the “Other Income & Deductions Including Pole Attachments” category totals \$20.0 million.

Please state whether the pole attachment component of this offset category only includes wireline revenue. If so, please state where the offset for wireless revenue is included.

**3-Staff-98**

Ref: Interrogatory 3-SIA-30, p.3

In the table at the above reference, the revenue from each of Toronto Hydro’s specific service charges is shown for the years 2012 to 2015.

Please confirm for the “Specific Charge for Access to Power Poles (Wireline) charge that this includes both wireline and wireless revenues for the years 2012 to 2014, but not for 2015.

**8-Staff-99**

Ref: E8A/T2/S1/p. 5, LL 11-19

The above reference states that:

Toronto Hydro currently has two specialized specific service charges on its Tariff Sheet that are no longer required: Specific Charge for Access to Power Poles (Third Party Attachments to Poles) of \$18.55 and Specific Charge for Access to Power Poles (Hydro Attachments on Third Party Poles) of (\$22.75). Both of these charges relate to an expired reciprocal agreement between Toronto Hydro and Bell Canada, which has been superceded by the standard rate of \$22.35 in the case of Bell attachments on Toronto Hydro poles, and a new

commercially negotiated rate in the case of Toronto Hydro attachments on Bell poles. As such, Toronto Hydro proposes to remove both of these charges from its Tariff Sheet.

- a) Please state the difference between the “Specific Charge for Access to Power Poles (Third Party Attachments to Poles)” of \$18.55 and the wireline attachments rate.
- b) Please state whether the referenced standard rate of \$22.35 in the case of Bell attachments on Toronto Hydro poles will also increase to \$84.98 and why or why not this is the case.
- c) Please provide additional information as to the referenced commercially negotiated rate in the case of Toronto Hydro attachments on Bell poles. Please discuss when and why these negotiations took place and where the costs to Toronto Hydro of its attachments to Bell poles are shown in the present application. If they are not separately broken out, please provide these amounts with all necessary explanations.
- d) Please explain why both the existing charges proposed for discontinuation relate to an expired reciprocal agreement between Toronto Hydro and Bell Canada when neither of the charges are specifically referenced as applying in the case of Bell Canada only. Please confirm that these charges have only been applied to Bell Canada during their period of use, or if not, please explain.

### **8-Staff-100**

Ref: E8A/T2/S1/App. B

In the above reference, Toronto Hydro provides calculations broken down into categories of “Direct Cost” and “Indirect Cost” supporting its proposed specific charge for access to power poles (wireline attachments) of \$84.98 (as updated February 27, 2015).

- a) Please provide supporting calculations and any necessary explanations for each of the components of this calculation, specifically items A, B, D, E, F, G and I.
- b) Given the magnitude of the proposed increase in this charge, please discuss whether or not Toronto Hydro has considered phasing in the proposed increase over the period of the application. If yes, please explain why Toronto Hydro decided not to adopt this approach.
- c) If Toronto Hydro has not considered phasing in the proposed increase, please provide Toronto Hydro’s views on such an approach, including potential options for implementing a phase in period that would be appropriate for the type of application that Toronto Hydro has filed, while maintaining revenue offset benefits to load customers.

- d) Please state whether or not there are any wireline attachments to Toronto Hydro's poles for which this rate will not be charged and, if so, please provide further explanations.

**8-Staff-101**

Ref: E8A/T2/S1/App. B/p. 5, LL 19-20

In the above reference, it is stated with respect to the capital carrying cost that:

This cost was calculated by applying the most recent OEB-approved (2011) weighted average cost of capital (WACC) rate of 6.94% to the net embedded cost per pole.

Please recalculate the proposed charge using the weighted average cost of capital proposed in the current application