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June 7, 2015

BY EMAIL & BY COURIER

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

Dear Ms. Walli:

**Board File No. EB-2014-0116**  
**Toronto Hydro-Electric System Limited 2015 Rates**  
**Energy Probe – Oral Hearing Exhibits**

Pursuant to the Technical Conference of May 6, 2015 and in anticipation of the upcoming Oral Hearing in this Matter, attached please find two spreadsheets created by Dr. Higgin, consultant to Energy Probe Research Foundation (Energy Probe). The Attachment includes at Sheet 1 an Updated Version of Exhibit TCK 3.1 including corrections made by THESL and the Carriers at/following the Technical Conference. Sheet 2 is a new Exhibit with a Comparison of THESL and Carriers Equal Allocations based on the THESL response to JTC 3.11 and the Carriers Consultants Evidence. Energy Probe intends to put these Exhibits to both parties witnesses.

Energy Probe is aware of the request for a postponement for further settlement discussions.

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

Yours truly,

David S. MacIntosh  
Case Manager

cc: Amanda Klein, Toronto Hydro (By email)  
Daliana Coban, Toronto Hydro (By email)  
Crawford Smith, Torys LLP (By email)  
Roger Higgin, Consultant to Energy Probe (By email)  
Peter Faye, Consultant to Energy Probe (By email)  
Interested Parties (By email)

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Energy Probe Exhibit TCK3.1 COMPARISON OF THESL AND CARRIERS' PROPOSED COST ALLOCATION									
Revised	THESL		Carrier's Consultants						
	Base Case	Blackwell		Brown	Ware				
	Ex8T2S1 AppB*	Evidence#		Evidence **	Evidence				
	Equal Allocation	Proportional	References	Page 8	Proportional				
<b>Key Assumptions</b>									
Attachers/Pole (excl THESL)	1.61	2.01		3					2
# of poles with Attachments	55,734	93,461	Table 19	?					
# of "Wireline" Poles	45,552	46,405	Ibid	?					
Total # Poles	135,936	135,986	para 175	?					175,000
<b>Direct Costs</b>									
<b>A</b> Administration Costs	5.03	2.27	Table 4 para 77	1.54					
<b>B</b> Loss in Prductivity	5.72	0.40	Table 7 para 104	0.33					
<b>C</b> Subtotal Direct Costs	<b>10.75</b>	<b>2.67</b>		<b>1.87</b>					
<b>Indirect Costs</b>									
<b>D</b> Net embedded cost/pole	1922.08	1574.50	Table 10 para 134	967.30					
<b>E</b> Depreciation Expense	58.64	42.30	Table 11 Para 148	42.30					
<b>F</b> Pole Maintenance Expense	5.46	4.77	Table 15 para 164	4.77					
<b>G</b> Capital Carrying Cost	118.98	97.46	Table 16 para 168	59.88					
<b>H</b> Subtotal Indirect cost/pole	183.08	144.53		106.95					
<b>I</b> Allocation Factor	0.305	0.156	Table 20 para 200	0.125					0.157
<b>J</b> Indirect Cost /Pole	55.75	22.55							
Indirect Cost/Attacher	34.63	22.49	ibid Table 20	13.41					
<b>K</b> Estimated Annual Cost	<b>66.50</b>	<b>25.22</b>	para 202	<b>15.28</b>					

**Notes:**

\*Updated May 19 2015

# Corrected Tr Vol X Pages 80-81

\*\* Corrected JTC3.16

Energy Probe Exhibit K							COMPARISON OF THESL AND CARRIERS' EQUAL COST ALLOCATION						
	THESL		THESL		THESL		CARRIERS		CARRIERS		CARRIERS		
	Base Case	Alternative Case A	Alternative Case B	Alternative Case B	Blackwell	Blackwell	Blackwell	Blackwell	Blackwell	Blackwell	Blackwell	Blackwell	
	Ex8T2S1 AppB*	JTC3.11	JTC3.11	JTC3.11	Evidence	Evidence	Evidence	Evidence	Evidence	Evidence	Evidence	Evidence	
	Equal Allocation	Equal Allocation	Equal Allocation	Equal Allocation	Equal Allocation <sup>#</sup>	Equal Allocation <sup>#</sup>	Equal Allocation <sup>#</sup>	Equal Allocation <sup>#</sup>	Equal Allocation <sup>#</sup>	Equal Allocation <sup>#</sup>	Equal Allocation <sup>#</sup>	Proportional	
<b>Key Assumptions</b>													
#Attachers/Pole (incl THESL)	1.61 (2.61)	2.01 (3.01)	2.51 (3.51)	2.51 (3.51)	2.51 (3.51)	2.51 (3.51)	2.51 (3.51)	2.51 (3.51)	2.51 (3.51)	2.51 (3.51)	2.01 (3.51)		
# of poles with Attachments	55,734	55,734	55,734	55,734	93,461	93,461	93,461	93,461	93,461	93,461	93,461		
# of "Wireline" Poles	45,552	45,552	45,552	45,552	46,405	46,405	46,405	46,405	46,405	46,405	46,405		
Total # Poles	135,936	135,936	135,936	135,936	135,936	135,936	135,936	135,936	135,936	135,936	135,986		
<b>Direct Costs</b>													
A Administration Costs	5.03	4.03	3.23	3.23	2.27	2.27	2.27	2.27	2.27	2.27	2.27		
B Loss in Productivity	5.72	4.58	3.67	3.67	0.40	0.40	0.40	0.40	0.40	0.40	0.40		
C Subtotal Direct Costs	10.75	8.61	6.89	6.89	2.67	2.67	2.67	2.67	2.67	2.67	2.67		
<b>Indirect Costs</b>													
D Net embedded cost/pole	1922.08	1633.77	1633.77	1633.77	1574.50	1574.50	1574.50	1574.50	1574.50	1574.50	1574.50		
E Depreciation Expense	58.64	49.50	49.50	49.50	42.30	42.30	42.30	42.30	42.30	42.30	42.30		
F Pole Maintenance Expense	5.46	5.46	5.46	5.46	4.77	4.77	4.77	4.77	4.77	4.77	4.77		
G Capital Carrying Cost	118.98	101.13	101.13	101.13	97.46	97.46	97.46	97.46	97.46	97.46	97.46		
H Subtotal Indirect cost/pole	183.08	156.44	156.44	156.44	144.53	144.53	144.53	144.53	144.53	144.53	144.53		
I Allocation Factor	0.305	0.258	0.218	0.218	0.156	0.156	0.156	0.156	0.156	0.156	0.156		
J Indirect Cost Allocated	55.75	40.42	34.10	34.10	31.54	31.54	31.54	31.54	31.54	31.54	31.54		
K Estimated Annual Cost	66.50	49.03	40.99	40.99	31.45	31.45	31.45	31.45	31.45	31.45	31.45		

**Notes**

# No adjustment for Common Space

Table 20 and Appendix B