



**PUBLIC INTEREST ADVOCACY CENTRE**  
**LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC**

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November 23, 2007

**VIA MAIL and E-MAIL**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge St.  
Toronto, ON  
M4P 1E4

Dear Ms. Walli:

**Re: Vulnerable Energy Consumers Coalition (VECC)**  
**Notice of Intervention: EB-2007-0746**  
**Barrie Hydro Distribution Inc. – 2008 Electricity Distribution Rate**  
**Application**

Please find enclosed interrogatories of the Vulnerable Energy Consumers Coalition (VECC) in the above-noted proceeding.

Yours truly,

Michael Buonaguro  
Counsel for VECC  
Encl.

cc: Mr. Stephen Perry  
Barrie Hydro Distribution Inc.

**Barrie Hydro Distribution Inc. (Barrie)**  
**2008 Electricity Rate Application**  
**Board File No. EB-2007-0746**

**VECC's Interrogatories**

**Question #1**

**Reference:** i) Exhibit 1/Tab 1/Schedule 5, page 15 of 46

- a) Please indicate which of the deferral accounts listed Barrie:
- Currently uses versus
  - Those it is requesting approval to use in the future.

**Question #2**

**Reference:** i) Exhibit 1/Tab 1/Schedule 5, page 16 of 46

- a) Why hasn't Barrie sought approval for common Retail Transmission – Network and Retail Transmission – Line and Connection charges that would be applicable to both the GS 50 to 4999 kW TOU and non-TOU customers?
- b) What are the issues/problems involved in developing a common charge?
- c) Does Barrie currently have any Standby Power customers? If so, are they merchant generators or load displacement generators?

**Question #3**

**Reference:** i) Exhibit 1/Tab 1/Schedule 5, page 17 of 46

- a) Please provide more details regarding the scope of the Smart Meter pilot project. In particular, will the project involve testing interactions with the IESO's meter data management and repository system?

**Question #4**

**Reference:** i) Exhibit 1/Tab 2/Schedule 1, page 34 of 46

- a) Why hasn't Barrie proposed a change in its Standby Power charge?

### **Question #5**

**Reference:** i) Exhibit 1/Appendix 1-3

- a) Please explain what line item – “Net Adjustments per 2008 PILS” represents, i.e, (\$267,132).

### **Question #6**

**Reference:** i) Exhibit 1/Tab 3/Schedule 4, page 44 of 46

- a) Please provide Barrie’s overhead capitalization policy.

### **Question #7**

**Reference:** i) Exhibit 1/Tab 3/Schedule 5, page 45 of 46

- a) Please provide copies of any Service Agreements between Barrie Hydro Distribution Inc. and its affiliates as required under Section 2 of the OEB’s Affiliate Relationships Code.

### **Question #8**

**Reference:** i) Exhibit 2/Tab 2/Schedule 1, pages 6-11 of 43

- a) Please explain the \$738,483 adjustment to Account 1815 in 2006 (page 7).
- b) Please explain why there are no entries for either General Plant (Accounts 1908 and 1910) or Services & Meters (Account 1855).
- c) Please provide a Schedule that for each Asset Group shows the capital spending and capital additions for each of the years 2005 through 2008.

### **Question #9**

**Reference:** i) Exhibit 2/Tab 3/Schedule 1, page 22 of 43

- a) Please provide a Schedule that shows the capital spending and capital additions for each of the years 2005 through 2008 for each of the following asset categories:
- Land and Buildings (Accounts 1805, 1806, 1808, 1906, and 1810)
  - TS Primary Above 50 kW (Account 1815)
  - DS (Account 1820)
  - Poles and Wires – Overhead (Accounts 1830 and 1835)

- Underground (Accounts 1840 and 1845)
- Line Transformers (Account 1850)
- Services and Meters (Accounts 1855 and 1860)
- IT Assets
- Equipment
- Other Distribution Assets

### **Question #10**

**Reference:** i) Exhibit 2/Tab 1/Schedule 2, page 3 of 43

**Preamble:** The last time Barrie's rates were based on a "cost of service" type approach was for 2006. In that process, rate base was determined by making various adjustments to 2004 year end actual values. Barrie is currently seeking approval for its 2008 rate base.

- a) Please provide a continuity schedule for Barrie's Net Plant, Property and Equipment similar to reference (i) but that:
- Starts as of December 31, 2004.
  - Also shows separately:
    - The capital expenditures during the year
    - The in-service asset additions during the year
    - Year end assets under construction (CWIP)

### **Question #11**

**Reference:** i) Exhibit 2/Tab 3/Schedule 1, Appendix 2-1

- a) Please provide details on all projects with a capital budget exceeding \$200,000 I.e., 1% of the total 2007 capital budget) that were not identified and discussed in pages 27-31 of 43. This would include the projects with ID #13, #14, #15, #16, #17, #44, #45, #46 and #47. In each case please discuss the external factors giving rise to the need for the expenditure.
- b) Please provide details for the following 2008 capital project spending areas:
- Computer Hardware - \$726,000
  - Computer Software - \$1,915,000

### **Question #12**

**Reference:** i) Exhibit 2/Tab 3/Schedule 1 (page 35 of 43)

- a) How much of the \$1,915,000 capital spending on computer software is accounted for by the ERP Software?
- b) Please describe what the ERP Software does. Please indicate how the internal estimate for the purchased cost of software was developed and what processes were used to validate the estimate.
- c) Are there other major software purchases (replacement or new) planned for 2008 (e.g., exceeding \$200,000)? If so please indicate what they are, the 2008 budgeted spending and the basis for the spending estimate.

### **Question #13**

**Reference:** i) Exhibit 2/Tab 4/Schedule 1, page 43 of 43

- a) Please indicate how the forecasts for the 2007 and 2008 for the various cost of power components were developed.

### **Question #14**

**Reference:** i) Exhibit 3/Tab 2/Schedule 1, pages 6-10 of 19

- a) Please confirm whether the # of customers reported/forecast by customer class are year-end or mid-year values (page 6).
- b) Please provide the year to date (i.e., end of October) 2007 actual growth in Residential, GS<50 kW and GS>50 kW customer numbers.
- c) Please provide the trend analysis used to project the # of customers in Residential, GS<50 and GS>50 classes (page 8).
- d) What types of customers make up the GS <50 kW class such that its load is weather sensitive (while the GS>50 kW is not) {page 9}?
- e) With respect to page 10, please explain what the “2004 Board Approved” values represent.

### **Question #15**

**Reference:** i) Exhibit 3/Tab 3/Schedule 3, page 15 of 19

- a) Please indicate where the revenues from the Standard Supply Service charge are accounted for.

### **Question #16**

**Reference:** i) Exhibit 4/Tab 3/Schedule 2, Appendix 4-1

- a) Please provide a schedule that sets out for the years 2006 (actual) through 2008 the total expenses for each of the following expense categories:
- Operation Total
  - Maintenance Total
  - Billing and Collecting Total
  - Community Relations Total
  - Administrative and General Total
- b) Please provide an explanation of any year over year change of more than 5%. In doing so, please discuss the external factors/drivers giving rise to the change.

### **Question #17**

**Reference:** i) Exhibit 4/Tab 3/Schedule 2, Appendix 4-2

- a) What is captured under the Administrative Costs associated with Corporate Services? Is there any allocation to water/sewer/water heating for general corporate overheads (e.g., HR, President&CEO, etc.)? If not, why not?

### **Question #18**

**Reference:** i) Exhibit 4/Tab 2/Schedule 6, page 11 of 18

- a) Please indicate how the tree trimming spending requirements for a “normalized spending year” were established.
- b) To what specifically is the additional \$95,000 in IT costs for 2008 attributed to?

### **Question #19**

**Reference:** i) Exhibit 1/Tab 5/Schedule 3, Appendix 5.1  
ii) BHD 2006 Annual Report, page 14  
Exhibit A/Schedule 11/Tab 1

- a) Please provide a schedule reconciling the Net Regulatory Asset balance reported in the 2006 Annual Report {(\$1,657,769)} with the value reported in Appendix 5.1 {(\$669,072)}.

### **Question #20**

**Reference:**

- i) Exhibit 8/Tab 1/Schedule 2, page 4-5 of 5
- ii) Exhibit 9/Tab 1/ Schedule 8, Appendix 9-1

- a) Please confirm that the bill impact on the Street Light class is 2.5 % for the total bill.
- b) How much additional revenue could be moved to the Street Light class and still maintain total bill impact of no more than 5%? What would be the resulting revenue to cost ratio for this class.
- c) Please provide Barrie's rationale for allocating the recovery of the transformer discount only to the GS>50 kW customer class.
- d) Please provide the relevant "pages" from Barrie's Cost Allocation Informational filing showing the allocation of the transformer discount under the previous and the proposed approaches.
- e) With respect to Table #3 (page 5), how much of the change in the Residential Revenue to Cost ratio was due to a) the reallocation of costs between Street Lights and Residential and b) the change in allocation treatment of the transformer discount?

### **Question #21**

**Reference:**

- i) Exhibit 9/Tab 1/Schedule 5, page 5 of 21

- a) Please provide a copy of Sheet O2 (Monthly Fixed Charge Min & Max Worksheet) from Barrie's Cost Allocation Informational filing to the OEB.

### **Question #22**

**Reference:**

- i) Exhibit 4/Tab 1/Schedule 1

- a) Was any OM&A expense capitalized as overhead cost for construction projects in 2006, 2007 or 2008? If not, why not?
- b) If the response to (a) is yes, please indicate the OM&A amounts that were capitalized as overheads in 2006, 2007 and 2008 and provide schedules setting out how the amounts for each were determined.

### **Question #23**

**Reference:** i) Exhibit 9/Tab 1/Schedule 8, Appendix 9-1

- a) Based on a recent 12 consecutive months of actual billing data, please indicate the percentage of total residential customers that:
- Consume less than 100 kWh per month
  - Consume 100 -> 250 kWh per month
  - Consume 250 -> 500 kWh per month
  - Consume 500 -> 750 kWh per month

### **Question #24**

**Reference:** i) General

- a) Please provide copies of all Board Decisions pertaining to Barrie's rates issued since December 31, 2004.