

**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 Toronto  
Hydro-Electric System Limited for an order approving just and  
reasonable rates and other charges for electricity distribution to  
be effective May 1, 2012, May 1, 2013 and May 1, 2014.

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**INTERROGATORIES OF  
BUILDING OWNERS AND MANAGERS ASSOCIATION TORONTO  
("BOMA")**

**PRELIMINARY ISSUE**

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**October 13, 2011**

**TORONTO HYDRO-ELECTRIC SYSTEM LIMITED  
2012, 2013 & 2013 RATES REBASING CASE  
EB-2011-0144**

**BUILDING OWNERS AND MANAGERS ASSOCIATION TORONTO  
INTERROGATORIES**

Due to the preliminary nature of this proceeding, we did not deem it prudent to review THESL's evidence in detail, thus, the answers to some of our questions may be already in the evidence. If that is the case, please provide the reference to the evidence, rather than reproducing the material in the Interrogatory Response.

**Interrogatory #1**

**Ref: Ex. A, T1, Sch. 2, p 24, D, T7, Sch. 6, pp 7 and 84**

(a) THESL appears to have filed the second annual version of its capital plan, entitled the Electrical Distribution Capital Plan ("EDCP"), 2012-2021 in this proceeding. The current version (1.42) apparently updates and supersedes Version 1.0, 2011-2020 EDCP, filed in August 2010 as part of EB-2010-0142 (D, T8, Sch. 10). You note at p 7 of the Current Version (1.42) that:

"The EDCP focuses on capital investment programs to be executed over the next ten-year period, but does not provide details on specific projects to be executed within this time period. That is, the EDCP captures the *total* investments relating to the operational electrical and civil assets within the electrical distribution system operated by THESL. The information presented here does not cover investments relating to the GEA, corporate investments, or investments relating to IT, facilities, fleet, metering or street lighting services."

The plan shows CAPEX of \$499.6M, \$519.5M, and \$540.1M for the years 2012, 2013, and 2014, respectively, while the CAPEX numbers shown at A, T, Sch. 2, p 24 for those years as \$590M; \$615M, and \$640M. I assume all or most of the difference is accounted for the categories of CAPEX outlined in the above quote. Could you reconcile the two sets of CAPEX numbers, for each of the years 2012, 2013, and 2014, by providing a breakdown of

the additional CAPEX by category and/or project, that is not included in the Capital Plan, but is included in the table on p 24 of Ex. A, T1, Sch. 2?

- (b) Would you outline, at a high level, the changes that the current Capital Plan makes to the CAPEX for 2012, 2013, and 2014, from the amounts shown for those years in Version 1.0 of the Capital Plan?
- (c) Was version 1.0 the first version of the Long Term Capital Plan, or were there earlier versions or earlier Capital Plans? If so, please identify them in the evidence of previous cases, and briefly discuss the transition to comprehensive Long Term Capital Plan.

### **Interrogatory #2**

**Ref: Ex. A, T1, Sch. 2**

Can you provide, for at least the last five years, year by year, the company's:

- capital expenditures, both proposed and approved, either in a Settlement Conference or in a Board Decision;
- depreciation;
- excess of proposed and approved capital expenditures over depreciation ("CEED");

### **Interrogatory #3**

**Ref: Ex. A, T1, Sch. 2**

Would you provide, beginning from the beginning of the period during which the Ontario Electricity distributors were rate-regulated by the OEB, in what years THESL submitted cost-of-service applications and cost-of-service "rebasings applications" or "IRM annual adjustment" applications. Please note the type of application submitted in each year, and in respect of each year's application, whether the OEB provided, as part of its decision in that proceeding, any explicit direction on what type of submission, "COS", "COS rebasing" or IRM adjustment THESL should file in the subsequent year? Has THESL ever made an IRM annual adjustment filing?

#### **Interrogatory #4**

**Ref: Ex. A1, T1, Sch. 2**

Is THESL aware of any proceeding before the Board in either the natural gas or electricity sector, since the restructuring of the gas markets and the electricity markets, in which the Board has asked parties to advise the Board on the relative merits of cost-of-service and incentive rate-making approaches to ratemaking (as opposed to different types of IRM), where parties were asked to provide evidence based on Ontario's experience to date with both methods in both sectors, and which takes into account the interests of both utilities and ratepayers; if THESL is aware of such a proceeding, would it file the Board Decision or Report in such proceeding(s)?

#### **Interrogatory #5**

**Ref: Ex. A, T1, Sch. 2, p 28, Table 5**

Could you provide the calculation that shows the derivation of the equity returns and ROEs under PCI BDRR shown in the Tables entitled ROE Consequences of IRM-PCI for the years 2012, 2013, and 2014?