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January 10, 2012

BY EMAIL & 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-2011-0178
Kingston Hydro Corporation – 2011 IRM Rates Application
Energy Probe – Interrogatories

Pursuant to the Notice of Application and Hearing issued by the Board on December 12, 2011, attached please find the Interrogatories of Energy Probe Research Foundation (Energy Probe) in the EB-2011-0178 proceeding.

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

Yours truly,

David S. MacIntosh
Case Manager

cc: Randy Murphy, Kingston Hydro (By email)
Nancy Taylor, Utilities Kingston (By email)
Randy Aiken, Aiken & Associates (By email)
Interested Parties (By email)

Energy Probe Research Foundation 225 BRUNSWICK AVE., TORONTO, ONTARIO M5S 2M6

Phone: (416) 964-9223 Fax: (416) 964-8239 E-mail: EnergyProbe@nextcity.com Internet: www.EnergyProbe.org

Ontario Energy Board

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c. 15, Sched. B, as amended;

AND IN THE MATTER OF an application by Kingston
Hydro Corporation for an Order or Orders pursuant to section
78 of the *Ontario Energy Board Act, 1998* approving or fixing
just and reasonable rates and other service charges for the
distribution of electricity and related matters as of May 1, 2012.

**INTERROGATORIES OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

January 10, 2012

**KINGSTON HYDRO CORPORATION
2012 IRM CASE
EB-2011-0178**

**ENERGY PROBE RESEARCH FOUNDATION
INTERROGATORIES**

Interrogatory #1

Ref: Exhibit 5, pages 9-11

- a) Please confirm that the price cap index will need to be updated to reflect the price escalator when updated data becomes available.
- b) Please confirm that Kingston Hydro is still in Cohort 2, with a corresponding stretch factor of 0.4%, based on the December 1, 2011 Third Generation Incentive Regulation Stretch Factor Updates for 2012 (EB-2011-0387).
- c) Please provide a corrected version of page 9 that corrects that data pulled into sheet E1.1 in the calculation of the growth factor.
- d) Please provide a revised page 10 that reflects the use of the growth factor calculation in part (c) above, along with the GDP-IPI price escalator of 1.7%, as calculated by the Ontario Energy Board on November 10, 2011 for distributors with a January 1, 2012 effective date. (Note: Energy Probe notes that Kingston Hydro is requesting an effective date for rates of May 1, 2012 so that the 1.7% will not be applicable; however, the increase from 1.3% to 1.7% is likely to be maintained or even increased further when the Board calculates the rate to be used for May 1, 2012 increases.)
- e) What is the projected in-service date for each of the four non-discretionary projects shown on page 11?

Interrogatory #2

Ref: Exhibit 6

Please confirm that the labour and/or vehicle costs shown in the cost breakdown for each of the four projects are incremental costs and would not be incurred if the projects did not proceed. If this cannot be confirmed, please explain.

Interrogatory #3

Ref: Exhibit 7

- a) Please provide an expanded Table 1 that includes all forecast capital expenditures for 2012, including general plant.**
- b) Please provide a Capital Spending Schedule that sets out, on a comparative basis, 2010 Actual, 2011 Approved (EB-2010-0136), 2011 Actual (or preliminary actual if actuals are not yet available) and 2012 Forecast (excluding the four projects listed in Exhibit 6) using the level of detail by account shown in Exhibit 2, Tab 3, Schedule 1, pages 4 & 5 (a copy of which is attached for convenience).**
- c) Please provide explanations for any variances in excess of 5% between the 2011 Approved figures and the 2011 Actual additions, including any amounts that were deferred to 2012 or advanced from 2012.**
- d) Please confirm that Kingston Hydro does not believe that any of the expenditures shown in Table 1 are non-discretionary. If this is not the case, please identify and quantify any expenditures included in Table 1 that are discretionary in 2012.**
- e) Please provide the actual capital expenditures for 2009, 2010 and 2011 for each of the type of projects shown in Table 1. For example, please provide the historical actual capital expenditures for the period requested for 'Deteriorated Overhead and Underground Infrastructure Replacement' and 'Transformer Vault Electric Upgrades', 'Meters' and so on.**
- f) Please explain any significant variances for 2012 compared to previous years based on the response to part (e) above.**

Interrogatory #4

Ref: Exhibit 8 & EB-2010-0136, Exhibit 2, Tab 4, Schedule 8, Attachment A

- a) Please provide a reconciliation of the 2012 capital expenditures shown on page 1 of Exhibit 8 (\$6,025,000) with the expenditures (\$4,700,000) shown in Attachment A to Exhibit 2, Tab 4, Schedule 8 in EB-2010-0136. Are the four non-discretionary projects that total \$3,500,000 and included in the table on page 1 of Exhibit 8 included in the \$4.7 million forecast from EB-2010-0136?**
- b) Please provide a reconciliation of the 2013 capital expenditures shown on page 2 of Exhibit 8 (\$6,100,000) with the expenditures (\$12,650,000) shown in Attachment A to Exhibit 2, Tab 4, Schedule 8 in EB-2010-0136.**

Interrogatory #5

Ref: Exhibit 9, Table 1

- a) Are the savings shown for 2006 through 2009 the total annual savings for each of the years shown, or only the savings in each of those years that persist into 2010?**
- b) Do the calculations shown on Table 1 for dollars in the LRAM Award (Cumulative) for 2010 assume that all of the savings shown for 2006 through 2009 persist into 2010?**