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July 23, 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-2011-0249
Wellington North Power Inc. – 2012 Cost of Service Application
Energy Probe – Supplemental Interrogatories

Pursuant to Procedural Order No. 3, issued by the Board on July 18, 2012 please find attached the Supplemental Interrogatories of Energy Probe Research Foundation (Energy Probe) in respect of Wellington North Power in the EB-2011-0249 proceeding.

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

Yours truly,

David S. MacIntosh
Case Manager

cc: Judy Rosebrugh, Wellington North Power (By email)
Richard Bucknall, Wellington North Power (By email)
Randy Aiken, Aiken & Associates (By email)
Intervenors of Record (By email)

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

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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 Wellington
North Power Inc. for an order approving just and reasonable
rates and other charges for electricity distribution to be
effective May 1, 2012.

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

July 23, 2012

**WELLINGTON NORTH POWER INC.
2012 RATES REBASING CASE
EB-2011-0279**

**ENERGY PROBE RESEARCH FOUNDATION
SUPPLEMENTAL INTERROGATORIES**

Supplemental Interrogatory #1

**Ref: Energy Probe Interrogatory #5 &
Exhibit 2, Tab 2, Schedule 3**

Please confirm that the net capital expenditures for 2011 are \$597,297 after taking into account the capital contributions and grants and that this amount is comparable to the \$516,428 shown in Exhibit 2, Tab 2, Schedule 3, page 203.

Supplemental Interrogatory #2

Ref: Energy Probe Interrogatory #11c

- a) Has WNPI received any capital contributions and grants year to date in 2012? If yes, please quantify.**
- b) Does WNPI now expect to receive any additional capital contributions and grants for the remainder of 2012? If yes, please quantify.**

Supplemental Interrogatory #3

**Ref: Energy Probe Interrogatory #13 &
Exhibit 3, Tab 2, Schedule 1, Table 3-2**

- a) Based on the scenarios provided in Table 3-2 of Exhibit 3, Tab 2, Schedule 1, please confirm that WNPI did not include a regression equation that contained the number of customers as an explanatory variable in any scenario model.**
- b) Please re-estimate Scenario Model F with the following changes:
 - i) include the number of customers as explanatory variable; and**
 - ii) include 2011 actual data for purchases, heating and cooling degree days, etc.****

Please provide a revised Table 3-13 and Table 3-14 (including 2011 data) to reflect the revised regression requested.

- c) Please provide the forecast for 2012 based on the equation requested in part (b) above.
- d) Please provide a revised Table 3-22 to reflect the forecast in part (c) above.
- e) Please provide the actual number of heating and cooling degrees for 2011.

Supplemental Interrogatory #4

Ref: Energy Probe Interrogatory #15

- a) The response to part (c) is not complete. Please provide the calculations that result in an increase in the deficiency of \$7,166 due to an increase in the cost of power of \$71,953. In particular, please show the increase in rate base and the return on this incremental rate base, along with the increase in taxes associated with the \$71,953 in the cost of power component of the working capital rate base.
- b) The question asked for the change in the revenue deficiency, not in the revenue requirement. Part of the change in the revenue deficiency is the change in revenues at existing rates. Please show the change in revenues associated with the 3 accounts based on the forecast in part (b).

Supplemental Interrogatory #5

Ref: Energy Probe Interrogatory #15

Please provide the consumption for the three customers for the most recent year-to-date period available for 2012, along with the consumption for the corresponding period in 2011 for both kWh and kW.

Supplemental Interrogatory #6

Ref: Energy Probe Interrogatory #17

- a) The question in part (d) was not answered. Please provide the information requested.
- b) The 2012 Trended figures shown in the response to part (c) have not correctly utilized the Excel trend function. Please use the trend function that uses the y figures, x figures, x forecast and a constant. Please confirm that the 2012 Trended figure using the correct trend function is 0.325032 for the GS 50 - 999 kW class. Please provide a corrected table for all rate classes.

- c) Please confirm that the linear trends for the GS 50-999 and GS 1,000-4,999 classes are statistically significant at the 95% probability level, while the linear trends for the streetlighting and sentinel classes are not statistically significant at the 95% probability level.

Supplemental Interrogatory #7

**Ref: Energy Probe Interrogatory #18 &
Exhibit 3, Tab 2, Schedule 1, Table 3-26**

Please explain the reductions in the billed and purchased kWh's and the billed kW's shown for 2012 in the response to the interrogatory as compared to the original evidence.

Supplemental Interrogatory #8

**Ref: Energy Probe Interrogatory #19 &
Exhibit 3, Appendix 3A**

The response to part (c) is not clear. Please confirm that the "purchased including losses" column shown in Appendix 3A to Exhibit 3 include the losses associated with the three "sensitive" customers that have had their billed consumption removed.

Supplemental Interrogatory #9

Ref: Energy Probe Interrogatory #20

- a) Please explain why interest and dividend income is negative in all the years shown in the table provided in response to part (a).
- b) Please explain the difference in all years for interest and dividend income between the tables provided in the response to part (a) and (c).

Supplemental Interrogatory #10

Ref: Energy Probe Interrogatory #21

The response indicates that the MIFRS application is identical to CGAAP with a change in depreciation rates.

- a) Please confirm that WNPI changed the depreciation rates in both 2011 and 2012.

- b) Please provide continuity schedules for 2011 and 2012 where the depreciation rates used for 2011 are the same as those used for 2010 and the 2012 depreciation rates are the new rates proposed by WNPI.**
- c) Please show the impact on the 2012 test year rate base of this change in depreciation rates used for 2011.**

Supplemental Interrogatory #11

Ref: Energy Probe Interrogatory #22

What was the additional cost in salaries, wages and benefits associated with the 3 month overlap between the "former" manager of operations and the new appointment?

Supplemental Interrogatory #12

Ref: Energy Probe Interrogatory #32

Has WNPI entered into any agreements for long-term debt other than the instruments shown in the original evidence?

Supplemental Interrogatory #13

Ref: Energy Probe Interrogatory #34 & Exhibit 10, Tab 1, Schedule 1

Please explain why the proposed distribution charges have changed in the rate impact tables provided in the interrogatory response compared to those filed in the original evidence.

Supplemental Interrogatory #14

Ref: Energy Probe Interrogatory #35

- a) Please explain why there is no change in the 2011 CGAAP additions and depreciation figures from the original evidence.**
- b) Please explain why the MIFRS depreciation number is significantly larger than that shown in the original evidence.**

Supplemental Interrogatory #15

Ref: VECC Interrogatory #1

- a) Please prioritize the capital expenditures in 2012 related to office renovations and office equipment.**
- b) Which expenditures have been undertaken to date in 2012? Please provide the expenditures made to date for each of the projects that comprise the \$334,000.**
- c) Which projects could be deferred to 2013?**

Supplemental Interrogatory #16

Ref: Board Staff Interrogatory #5

- a) Please provide further details on why the cost of power adjustment (account 4710) is required to calculate the cost of power.**
- b) Please explain what amounts go into account 4710.**
- c) Please provide a copy of an IESO invoice that shows the line item 0142 to which WNPI is referring.**

Supplemental Interrogatory #17

Ref: Board Staff Interrogatory #14

- a) Please update the tables provided in the response to part (a) with actual data for 2011.**
- b) Please provide a table for the 3 sensitive customers that shows the forecasted purchases by month along with the actual purchases by month for all months that are available for 2012.**
- c) Please provide a table for all the other customers that shows the forecasted purchases by month along with the actual purchases by month for all months that are available for 2012.**

Supplemental Interrogatory #18

Ref: Board Staff Interrogatory #48c

Please explain the following with respect to the continuity schedules provided for 2011 and 2012 under both MIFRS and CGAAP in response to this interrogatory:

- a) Please explain why the opening balance for 2011 cost is higher by about \$50,000 in MIFRS as compared to CGAAP.**
- b) Please explain why the opening balance for 2011 accumulated depreciation is about \$19,000 lower in MIFRS as compared to CGAAP.**
- c) Please explain the different additions to costs in 2011 under CGAAP and MIFRS.**
- d) Please explain the different depreciation expenses in 2011 under CGAAP and MIFRS.**
- e) Are any of the depreciation expenses shown (for MIFRS and CGAAP) for 2011 based on the new depreciation rates?**
- f) Please explain the \$144,722 reduction to accumulated depreciation shown for account 1820 in the 2011 MIFRS schedule.**
- g) Please explain the disposal of \$510,744 shown in the CGAAP and MIFRS schedules for 2012, along with the reduction in accumulated depreciation of \$309,511.**
- h) If the response to part (g) above is related to removal of the stranded meters, please explain why this adjustment was not made at the end of 2011 rather than in the 2012 test year. Does WNPI agree that if these stranded meters had been removed from rate base at the end of 2011, the opening net assets would be about \$200,000 lower and the 2012 rate base would be about \$100,000 lower?**
- i) As a result of the foregoing, please provide a continuity schedule for 2011 and 2012 based on CGAAP that incorporates actual 2011 data, includes smart meters in the closing balance for 2011, excludes stranded meters in the closing balance for 2011, uses the existing depreciation rates for 2011 and the proposed depreciation rates for 2012 and reflects the appropriate opening balances in 2011.**

Supplemental Interrogatory #19

**Ref: All Interrogatories &
File Wellington North_OEB_2012_Rev_Reqt_Work_Form_Kinectrics
June 12**

- a) Does the referenced file contain the revised revenue requirement calculations based on all changes/corrections proposed by WNPI as a result of the interrogatory process? If not, please provide such a work form.**
- b) Please provide a list of all the changes made in the referenced work form (or in the requested work form in part (a)) and a reference to the interrogatory response that relates to the change/correction.**