***PUBLIC INTEREST ADVOCACY CENTRE***

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Michael Janigan

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Counsel for VECC

613-562-4002

July 26, 2012

 **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: EB-2011-0322 Chapleau Public Utilities Corporation – Supplemental Interrogatories**

Please find enclosed the interrogatories of VECC in the above-noted proceeding.

Yours truly,

*Original signed*

Michael Janigan

Counsel for VECC

Encl.

cc. Chapleau Public Utilities Corporation

Attn: Ms. Marita Morin

chec@onlink.net

|  |  |
| --- | --- |
| **REQUESTOR NAME** | **VECC** |
| **INFORMATION REQUEST ROUND NO**: | **# 2 Supplementary** |
| **TO:** | **Chapleau Public Utilities Corporation (CPUC)** |
| **DATE:**  | **July 25, 2012** |
| **CASE NO:**  | **EB-2011-0322** |
| **APPLICATION NAME** | **2012 Cost of Service Electricity Distribution Rate Application** |

**#29 Reference: VECC #7 b)**

1. In response to a similar interrogatory other LDCs have filed an OPA SaveOnEnergy Q4 2011 Conservation and Demand Management Status Report for their utility (e.g. Espanola EB-2011-0319, VECC #9 c)). Has the OPA produced a similar report for Chapleau? If yes, please file.

**#30 Reference: VECC #8 b)**

1. Please explain why the Cost & Expense of Merchandising (Account #4430) exceeds the Revenues ((Account #4325) and why this is forecast to continue in 2012.
2. Please explain why Chapleau has “added” the Cost & Expense of Merchandising to the sum of the other revenues sources in its determination of total Other Operating Revenue.

**#31 Reference: VECC #16 a)**

1. The question asked for the unadjusted O1 Sheet. Please explain why the Miscellaneous Revenue for Residential shown in this worksheet (Appendix A) do not equal the results for 22-44 km allocation ($28,085) as shown on page 179 of the Application. Is the reason solely due to Appendix A using the updated total revenue requirement of $850,756 as opposed to the initial revenue requirement of $864,765, along with the revised load forecast incorporating CDM?

**#32 Reference: VECC #16 c)**

1. Please confirm that for km values of 0-22, Chapleau would be classified as a high density utility for purposes of minimum system designation and that for km values of 23-44 it would be classified as a medium density utility for purposes of minimum system designation.
2. Given that the km value for Chapleau is 27 (reasonably within the 23-44 range) please explain more fully why the adjustment proposed by Chapleau is required?
3. What input values for the Cost Allocation model did Chapleau change in order to produce the results for the 0-22 km run?

**#33 Reference: VECC #17 c)**

1. The assumptions set out it the question were meant to be taken together (i.e. with the ratios for Sentinel Lighting, Residential, GS<50 and Street Lighting set as specified what would be the ratio for GS>50 and USL if they were set following the process outlined in the last bullet so as to maintain the overall revenue requirement?). Please provide a response based on the updated cost allocation.

**#34 Reference: VECC #18 c)**

1. The schedules filed as part of Appendix G to the Staff IR responses show an allocation of Miscellaneous Revenues to Residential of $27,886. However, the Miscellaneous Revenues allocation to Residential in both Appendix D and the updated cost allocation filed with the IRRs is $27,764. Please reconcile and provide corrected schedules as necessary.

**#35 Reference: VECC #23 a)**

1. What was the new practice as of 2009? Which practice is appropriate for purposes of determining loss factors and why?

**#36 Reference: VECC #24 b)**

1. If the load forecast for 2008 used in setting 2008 rates was based on an average of actual use in 2006 and 2007 please explain why it would not reflect the actual CDM savings that were achieved in 2006 and 2007, as these savings would be reflected the actual loads for those years.

**#37 Reference: Board Staff #5 g)**

1. Please provide a schedule that sets out the 2012 adjustment for CDM by customer class and, for those classes that are demand billed, also include the associated kW billing demand reduction.

**#38 Reference: Board Staff #16 e) and #20**

1. Do the meter costs set out in Sheet I7.1 reflect the updated expenditure through to 2012?
2. If yes, please reconcile these values with the unit costs by meter type implicit in the response to Board Staff #20.
3. If not, please provide a schedule setting out the unit costs by meter type that Chapleau proposes to use in its cost allocation and reconcile the values with the response to Staff #20.

**#39 Reference: VECC IR #3**

The purpose of this interrogatory was to find out why it would not be appropriate to use the Board’s most up-to-date estimate for calculating working capital adjustments for utilities which do not perform their own lead/lag studies.

1. Please calculate the working capital adjustment to revenue requirement at 13% and compare this with the requirement at 15%.
2. Other than the lower revenue requirement is there any reason for Chapleau to believe its working capital allowance should be higher than that calculated by the new default value set by the Board?

**#40 Reference: VECC IR #15**

1. Statistics for the cohort of utilities for all Ontario LDCs are published by the Ontario Energy Board (Annual Yearbook – Unitized Statistics). All 2012 cost of service applicants have been asked to file their OM&A per customer as compared to their cohort. Chapleau was classified into the “Small Northern LDC” cohort. Within this cohort were Atikokan Hydro, Sioux Lookout Hydro, Espanola Regional Hydro, Fort Frances Hydro, Hearst Power and Northern Ontario Wires. Please file the cohort comparison for OM&A per customer as can be found in the OEB’s latest publication.

**#41 Reference: Board Staff IR #19**

1. Please confirm that the number of GS< 50 customers who will be charged a reduced rate in 2012 is 28 of the projected 161 class customers.
2. If this number is less that the total rate class number of the 161 please explain how Chapleau intends to recover the lost revenue from the GS<50 class (i.e. the entire class or the rate reduced sub-group).

**#42 Reference: Board Staff IR #20**

1. Is Chapleau revising its application to adopt the recalculated class specific SMDR shown in the response to Board Staff IR #20?

**#43 Reference: VECC Board Staff IR #22**

1. Please revise the summary table of disposition of deferral and variance accounts found at page 217 (item 3) of the application (group 1 and 2 accounts).

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