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September 25, 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: Vulnerable Energy Consumers Coalition (VECC)
Submission of VECC Interrogatories EB-2012-0135
Hydro-One Brampton Networks Inc. (HOBNI)

Please find enclosed the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Thank you.

Yours truly,

Michael Janigan
Counsel for VECC
Encl.

cc: Hydro-One Brampton Networks Inc.
Scott Miller

ONTARIO ENERGY BOARD

IN THE MATTER OF

the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15 (Schedule B), as amended;

AND IN THE MATTER OF an Application by
Hydro One Brampton Networks Inc. (HOBNI)
for an order or orders approving or fixing just and reasonable
distribution rates to be effective January 1, 2013.

Information Requests of the Vulnerable Energy Consumers Coalition (VECC)

Lost Revenue Adjustment Mechanism

VECC Question # 1

References: Tab 2, Schedule 6.0, Page 2

Preamble: HOBNI states “Regarding this claim for persisting lost revenues from pre-2011 CDM programs, HOBNI submits that its load forecast for its 2011 cost of service application has not been updated with respect to its 2010 CDM programs, for which persistent lost revenue is sought. HOBNI makes this LRAM claim pursuant with the updated CDM Guidelines and Filing Requirements.”

- a) Please explain this statement in the context of HOBNI’s approved load forecast and the Board’s LRAM decision in HOBNI’s 2012 IRM application EB-2011-0174.

VECC Question # 2

References: Tab 2, Schedule 6.0, Page 4

Preamble: HOBNI indicates that it used the most recent input assumptions available at the time of the program evaluation when calculating its LRAM amount, which were obtained from the final measure-level evaluation report from the OPA for 2010 OPA programs. The IndEco report at Tab 7 indicates the lost revenue estimates for the persistent savings from 2010 programs is based on final OPA approved program evaluations provided on the measure level, as provided by OPA 2011a: Ontario Power Authority 2006-2010 Final OPA CDM results, Hydro One Brampton Networks Inc. dated 23 November 2011.

- a) Please confirm these results are the most recent and appropriate final evaluation report from the OPA.

- b) Please provide a copy of the most recent OPA CDM results report for HOBNI.

Incremental Capital Module

VECC Question # 3

References: Tab 8, Appendix A, Page 1

Preamble: HOBNI indicates its approach in this application is consistent with the information that HONI provided in its submissions on the Board's Renewed Regulatory Framework (RRFE).

- a) Please discuss how the Board's plan to provide details on its RRFE in the near future impacts the current application.

VECC Question # 4

Reference 1: Tab 8, Appendix A, Page 4

Reference 2: OEB Filing Requirements For Electricity Transmission and Distribution Applications, June 28, 2012

Preamble: At reference 1 HOBNI states that typical capital spending is reviewed in detail at cost of service rebasing hearings and does not require further detailed review during the period of the IRM.

At reference 2 The Board's Guidelines state that "The Board requires that a distributor requesting relief for incremental capital during the IRM3 plan term must include comprehensive evidence to support the claimed need.

- a) Please provide the reference in the Board's guidelines that HOBNI relies upon to support Reference 1: "typical capital spending is reviewed in detail at cost of service rebasing hearings and does not require further detailed review during the period of the IRM."
- b) Please reconcile references 1 and 2 above.

VECC Question # 5

References: Tab 2, Schedule 8, Appendix A

Preamble: The application indicates that HOBNI is not in a position due to credit rating issues through its parent company, Hydro One Inc., to invest in rate base for which there is no return on investment. Adding to this pressure HOBNI's parent company, Hydro One Inc. was recently downgraded by Moody's by one notch. Also, Standard and Poors has revised Hydro One Inc.'s outlook from stable to negative.

- a) Please summarize the circumstances that have contributed to HONI's decrease in ratings.
- b) Please comment on HOBNI's current credit rating.

VECC Question # 6

References: Tab 2, Schedule 8.0, Appendix A, Page 7

Preamble: HOBNI indicates that an unintended outcome is not replacing or refurbishing assets when it is economically beneficial to do so. Planning for replacement and refurbishment and executing the plan is less costly than simply replacing or refurbishing assets when they break.

- a) Please provide the analysis HOBNI relies upon to support this statement.

VECC Question # 7

References: Tab 2, Schedule 8.0, Appendix A, Table 4

Preamble: Table 4 shows the Typical Capital Spending for the historic, base year (2011) and IRM years.

- a) Please add the columns 2011 Actual, 2012 Bridge and 2012 Year to Date (YTD) to Table 4.
- b) Please provide a capital spending schedule that sets out, on a comparative basis, Board approved 2011 spending, 2011 actual, 2012 bridge and the proposed spending for 2013 using the categories from HOBNI's 2011 COS application EB-2011-0132.
- c) For the 2013 typical capital forecast spending, please list each project and include project details, justification of capital budget, expected in-service date, identification of New Capital projects and discretionary or non-discretionary.
- d) Please identify any projects that were unanticipated.
- e) Please identify any projects where the incremental revenue requested will be recovered through other means.
- f) Please provide HOBNI's analysis to demonstrate that the typical capital amounts will have a significant influence on the operation of HOBNI.
- g) Please demonstrate that HOBNI's decision to incur the amounts in 2013 represents the most cost-effective option (not necessarily least initial cost) for ratepayers.

- h) Please describe the actions HOBNI will take in the event that the Board does not approve HOBNI's proposed 2013 typical capital spending request.

VECC Question # 8

References: Tab 2, Schedule 8, Appendix C

Preamble: Table 1 shows the main distribution feeder enhancement & reinforcement program.

- a) Please add the columns 2011 Actual, 2012 Bridge and 2012 Year to Date (YTD) to Table 1.
- b) Please demonstrate that HOBNI's decision to incur the amounts in 2013 represents the most cost-effective option (not necessarily least initial cost) for ratepayers.
- c) Please describe the actions HOBNI will take in the event that the Board does not approve HOBNI's proposed 2013 escalated capital spending request.

VECC Question # 9

References: Tab 2, Schedule 8, Appendix C, Page 3

- a) Please confirm the year HOBNI's system peak demand is expected to grow by 22.3 MW over the actual 2011 maximum demand representing a 2.74% growth.

VECC Question # 10

References: Tab 2, Schedule 8, Appendix D, Page 2

Preamble: Table 1 shows the expenditures for developer works and residential lot servicing program.

- a) Please add the columns 2011 Actual, 2012 Bridge and 2012 Year to Date (YTD) to Table 1.

VECC Question # 11

References: Tab 2, Schedule 8, Appendix D, Page 3

Preamble: HOBNI indicates that since 2009, residential lost servicing began to increase and returned to pre-recession growth rates in 2011 and are expected to continue to grow in 2013 as a result of favourable market conditions.

- a) Please comment on the current market conditions compared to August 3, 2012 when this application was filed and if HOBNI believes residential lot servicing will continue to grow at the level expected.