***PUBLIC INTEREST ADVOCACY CENTRE***

***LE CENTRE POUR LA DEFENSE DE L’INTERET PUBLIC***

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Michael Janigan

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Counsel for VECC

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October 05, 2012

 **VIA 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: Erie Thames Powerlines Corporation (EPTC)**

 **2012 Distribution Rate Application (EB-2012-0121)**

**Questions for Technical Conference**

Set out below are specific questions that the Vulnerable Energy Consumers Coalition (VECC) will be asking at the October 10th Technical Conference.

VECC continues to review the evidence and may at the Technical Conference (or before if possible) have further questions of clarification on all the issues responded to in the interrogatories.

Yours truly,



Michael Janigan

Counsel for VECC

Encl.

cc. OEB@eriethamespowerlines.com

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**ERIE THAMES POWERLINES CORPORATION (ETPC)**

**2012 RATE APPLICATION (EB-2012-0121)**

**VECC TECHNICAL CONFERENCE QUESTIONS**

**LOAD FORECAST**

**VECC TCQ #1**

**Reference:** VECC #22 b)

**Preamble**: The response describes how the demand characteristics of the Residential class were established.

1. Please confirm whether the same approach was used for the GS<50 class to derive the values in Table 12 of Section 4 of the Application. If not, please describe how they were derived.

**VECC TCQ #2**

**Reference:** VECC #22 c)

1. Please confirm that the only reason that Residential and GS<50 have different load shapes for purposes of cost allocation (i.e., relationship between kWh, NCP and CP values) is because the weightings applied to the NSLS’s for each service area differ as between the two classes.

**VECC TCQ #3**

**Reference:** VECC #24 d)

1. The value for 2012 Erie Thames GS>50 sales set out at Step #8 (28,870,097 kWh) does not match that in the Table 15 of the Application. Please reconcile.

**VECC TCQ #4**

**Reference:** VECC #22 e)

1. Please confirm that the IESO growth rates used were for total load, including Residential and GS<50 customers. If not, what customers’ loads are reflected in the IESO growth rates?
2. If yes, why is it appropriate to apply these growth rates to specific GS customer classes?

**VECC TCQ #5**

**Reference:** VECC #31 a) & b)

1. According to part (a), the total number of Residential, GS<50 and GS >1000-2999 customers as of year-end 2011 were 16,229, 1,877 and 8 respectively. Based on the response to part (b), it would appear that the total number of customers in each of these classes declined in first half of 2012. Please confirm if this was the case or whether the responses need to be revised.

**VECC TCQ #6**

**Reference:** VECC #32 d)

1. In response to a similar request other 2012 COS filers have provided the OPA’s 2011 year-end report. Why is ETPC’s report not available?

**VECC TCQ #7**

**Reference:** Board Staff #21 b) & c)

1. Please confirm that the years listed in part (b) should be 2011-2014 so as to match the period covered by the CDM target. If not, please explain why.
2. Please confirm that the 2012 target set out in part (c) should be 20% and not 10% of the cumulative total. If not, please explain why.

**OTHER REVENUES**

**VECC TCQ #8**

**Reference:** VECC #33 b)

1. Is Late Payment Charge revenues the only area where the values shown in the table at Exhibit 3, Tab 3, Schedule 3, page 1 are for the ETPL service area only as opposed to the combined entity.
2. Please provide a revised table that sets out the 2010 Other Revenues for each category based on the total entity.

**VECC TCQ #9**

**Reference:** Energy Probe 22 e)

1. What is ETPC’s forecast interest income forecast for 2012? Also, please explain how it was derived.

**COST ALLOCATION**

**VECC TCQ #10**

**Reference:** VECC 49 g) and 50 a)

1. Both responses state that the revenues at current rates in the cost allocation model (Sheet o1) don’t match those reported in Exhibits 6 and 7 because the cost allocation had to use one set of billing determinants and one set of rates per class. Why couldn’t it be possible to determine a set of rates for each customer class that, when applied to the aggregated 2012 billing determinants for the class yields the equivalent revenues?
2. Please confirm that the transformer ownership allowance is currently $0.60 in all three of the former service areas?
3. If the response to part (b) is yes, why does the transformer allowance create a problem in reconciling the revenues as suggested in response to VECC #49 g)?

**VECC TCQ #11**

**Reference:** VECC #50 f)

1. In the revised version of Appendix 2-O, the total costs, costs by class and reported status quo revenue to cost ratios do not match those in either the original CA filing or the updated one filed with Board Staff #59. Please provide a corrected version of Appendix 2-O that reconciles with Board Staff #59.

**VECC TCQ #12**

**Reference:** VECC #52 b) & c)

 Board Staff #59

1. Please explain why, in the updated CA model per Board Staff #59, the dollar value for the transformer allowance does not match that provided in response to VECC #52 b).

**RATE DESIGN**

**VECC TCQ #13**

**Reference:** VECC #52 d)

1. The response appears to be incomplete. Please clarify how the cost of the transformer allowance is recovered.

**VECC TCQ #14**

**Reference:** VECC #55 b) and c)

1. Please clarify what the second table of the 2nd page is meant to reflect.
2. In first four tables, are “revenues” meant to represent the revenues from ETPC’s customers and the “expenses” meant to reflect the amounts paid to Hydro One?
3. Why does the $608,834 in Hydro One costs for 2011 equal the sum of the revenues earned by each of the service areas?

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