

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 Erie Thames
Powerlines Corporation for an order approving just and
reasonable rates and other charges for electricity distribution to
be effective September 1, 2012.

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

October 1, 2012

**ERIE THAMES POWELINES CORPORATION
2012 RATES REBASING CASE
EB-2012-0121**

**ENERGY PROBE RESEARCH FOUNDATION
TECHNICAL CONFERENCE INTERROGATORIES**

Interrogatory #40

Ref: Energy Probe Interrogatory #1

- a) Is the installation of smart meters complete?
 - *The installation of Smart meters is complete.*
- b) What is the Net Book Value of smart meters in account 1555 at the end of 2011?
 - *The Net Book Value of smart meters in account 1555 at the end of 2011 is \$2,534,629.41.*
- c) What is the impact on the revenue requirement if smart meters were added to rate base at the end of 2011 and stranded meters were removed from rate base at the end of 2011?
 - *If Smart meters were added to rate base and stranded meters were removed at the end of 2011 then revenue requirement would increase by \$106,714.*

Interrogatory #41

Ref: Energy Probe Interrogatory #5a

The response indicates that there are no costs included in the application for any of Erie Thames Powerlines Board of Directors. Please confirm that the answer should be that there are no costs included in the application for any of Erie Thames Powerlines affiliate Board of Directors.

- ***Erie Thames Confirms that the answer should be that there are not costs included in the application for any of Erie Thames Powerlines affiliate Board of Directors.***

Interrogatory #42

Ref: Board Staff Interrogatory #1

Please explain the difference in the gross assets for 2011 and 2012 between the Excel spreadsheet ETPL Board Staff 1 (Rate Base tab) and the Excel spreadsheet ETPL Board Staff IR 1 Gross Assets ETPL.

- ***The difference in the 2011 gross asset balances between the two Spreadsheet is account 1915 Office Furniture and Equipment (5 Years) from Appendix 2 B for \$5,594 was not included in the gross asset table in error.***
- ***The difference in the 2012 gross asset balances between the two spreadsheets is the gross asset table does not include account 1980 system supervisory equipment additions for \$200,000. Once these two amounts are included from appendix 2B then the figures tie and the gross asset table matches the rate base calculations.***

Interrogatory #43

Ref: Energy Probe Interrogatory #22

- a) The response to part (a) refers to Board Staff #1, which does not provide actual 2011 data. Please provide actual 2011 data in the same level of detail as the original table.**
 - ***The response to part A did include the 2011 actual data but the columns were hidden if the hidden columns are opened it shows the updated 2011 Actual figures.***

	2010 Actual	2011 Bridge	Variance from 2010 Actual	2011 Bridge	2012 Test	Variance from 2011 Bridge	YTD 2012
OTHER DISTRIBUTION REVENUE							
<u>Other Distribution Revenue</u>							
Retail Services Revenues	\$20,595	\$26,296	\$5,702	\$26,296		-\$26,296	-\$13,014
Service Transaction Requests (STR) Revenues	\$10,854	\$654	-\$10,200	\$654	\$37,204	\$36,550	-\$6,385
Electric Services Incidental to Energy Sales	\$0		\$0	\$0		\$0	
Rent from Electric Property	\$104,362	\$110,624	\$6,261	\$110,624	\$156,609	\$45,985	-\$6,498
Other Utility Operating Income	\$324,253	\$129,609	-\$194,645	\$129,609	\$167,352	\$37,743	
Other Electric Revenues	\$0		\$0	\$0		\$0	-\$62,469
Late Payment Charges	\$84,480	\$139,262	\$54,782	\$139,262	\$143,440	\$4,178	-\$87,047
Sales of Water and Water Power	\$0		\$0	\$0		\$0	
Miscellaneous Service Revenues	\$10,716	\$450,627	\$439,910	\$450,627	\$428,454	-\$22,173	-\$21,540
TOTAL	\$555,261	\$857,072	\$301,811	\$857,072	\$933,058	\$75,986	-\$196,953

b) The response to part (b) is incomplete. Please provide a table that shows the most recent year to date figures for 2012 as shown in the original table, along with the corresponding figures for the same year-to-date period in 2011. Please also indicate the year-to-date period being used.

- Please see the table below that includes the same YTD period for 2011.

	2010 Actual	2011 Bridge	Variance from 2010 Actual	2011 Bridge	2012 Test	Variance from 2011 Bridge	YTD 2012	YTD 2011
OTHER DISTRIBUTION REVENUE								
<u>Other Distribution Revenue</u>								
Retail Services Revenues	\$20,595	\$26,296	\$5,702	\$26,296		-\$26,296	-\$13,014	-\$19,511
Service Transaction Requests (STR) Revenues	\$10,854	\$654	-\$10,200	\$654	\$37,204	\$36,550	-\$6,385	-\$7,514
Electric Services Incidental to Energy Sales	\$0		\$0	\$0		\$0		
Rent from Electric Property	\$104,362	\$110,624	\$6,261	\$110,624	\$156,609	\$45,985	-\$6,498	-\$10,935
Other Utility Operating Income	\$324,253	\$129,609	-\$194,645	\$129,609	\$167,352	\$37,743	-\$62,469	-\$56,885
Other Electric Revenues	\$0		\$0	\$0		\$0		
Late Payment Charges	\$84,480	\$139,262	\$54,782	\$139,262	\$143,440	\$4,178	-\$87,047	-\$93,800
Sales of Water and Water Power	\$0		\$0	\$0		\$0		
Miscellaneous Service Revenues	\$10,716	\$450,627	\$439,910	\$450,627	\$428,454	-\$22,173	-\$21,540	-\$21,151
TOTAL	\$555,261	\$857,072	\$301,811	\$857,072	\$933,058	\$75,986	-\$196,953	-\$209,797

c) Please explain why SSS admin fees, microfit revenues and interest income have not been included as other operating revenue.

- SSS admin fees are included in ETPL's chart of accounts as part of USofA account 4080 and were inadvertently missed. Microfit revenues were overlooked as well since they are posted to account 4080 as part of distribution revenue. Microfit

revenue if forecast to be approximately \$2,500 for 2012 at \$5.25 per connection based on 33 connections for 12 months.

- **Lastly interest income should be included. 2012 YTD amounts will be provided as a basis for the forecast to be included in rates.**

- d) **Is any of the interest in the figures provided in the response to part (e) associated with deferral and variance accounts? If yes, please provide the figures split between deferral and variance account interest and all other interest on both a historical and forecast basis.**

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Interrogatory #44

Ref: Energy Probe Interrogatory #24

- a) **The response to part (b) refers to SEC IR #8. Please confirm that the table provided in that response includes actual data for 2011. If it does not, please update the table to include actual data for 2011.**

SUMMARY OF OPERATING COSTS	2008 Board Approved	2008 Actual	2009 Actual	2010 Actual	2011 Bridge	2012 Test
OM&A expenses						
Operation (Working Capital)	\$34,756	\$275,864	\$262,100	\$284,838	\$307,305	\$282,215
Maintenance (Working Capital)	\$1,461,897	\$1,951,406	\$629,843	\$768,548	\$868,332	\$724,349
Billing and Collections	\$1,073,486	\$923,393	\$971,351	\$1,172,439	\$1,039,343	\$1,183,131
Community Relations	\$28,879	\$48,057	\$248,494	\$183,856	\$222,831	\$148,783
Administrative and General Expenses	\$1,594,790	\$2,682,570	\$3,558,052	\$3,557,661	\$3,268,638	\$3,391,759
Total Operating Costs	\$4,193,808	\$5,881,291	\$5,669,841	\$5,967,342	\$5,706,450	\$5,730,237

- b) **The response provided in VECC IR #39A does not answer the question posed in part (c). Please provide a complete response to the question asked.**

SUMMARY OF OPERATING COSTS		2012 YTD August	2011 YTD August
OM&A expenses			
Operation (Working Capital)		\$187,134	\$300,908
Maintenance (Working Capital)		\$605,519	\$701,414
Billing and Collections		\$713,758	\$574,785
Community Relations		\$149,502	\$166,747
Administrative and General Expenses		\$2,267,637	\$2,028,343
Total Operating Costs		\$3,923,550	\$3,772,197

Interrogatory #45

Ref: Energy Probe Interrogatory #30 & 31

- a) Please explain why the CCA deduction shown in the first reference is only \$1,218,452 for 2012 when the CCA deduction calculated in the second reference for 2012 is \$1,464,244.
 - *The updated CCA in the second reference should be implemented in the first reference.*
- b) Does the CCA calculation for 2012 include any component for the vehicles transferred to ETPL from its affiliate in 2009? If not, why not?
 - *The CCA calculation does include a component for the vehicles transferred to ETPL from its affiliates.*

Interrogatory #46

Ref: Energy Probe Interrogatory #28 &
Board Staff Interrogatory #1

The following table has been produced from Appendix 2M provided in the response to Energy Probe IR #28 and the Excel spreadsheet ETPL Board Staff IR Appendix B provided in the response to Board Staff IR #1.

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	
Depreciation Expense	1,246,850	1,360,577	1,567,078	1,799,422	1,944,573	EP IR 28 App. 2M
Additions to Acc. Dep.	<u>1,185,279</u>	<u>1,299,760</u>	<u>1,507,785</u>	<u>1,798,962</u>	<u>2,026,550</u>	Board Staff IR 1 App. 2B
Difference	61,571	60,817	59,293	460	(81,977)	

- a) Please confirm the above figures are correct and represent the most recent information available. If this cannot be confirmed, please provide an updated table.
- ***The above figures are correct and represent the most recent information.***
- b) Please explain why the depreciation expense in Appendix 2-M is different from the additions to accumulated depreciation found in the continuity schedules in Appendix 2-B.
- ***Board Staff IR is correct with respect to the fixed asset amounts, but has not been updated for changes based on amortization. EP IR 28 appendix 2M when updated for the changed on the capital side to correspond with Board Staff IR1 APP 2B correctly calculations the amortization expense.***
 - ***Both tables require updates and are provided in this response.***
- c) Please provide an example of the different calculations used to calculate the depreciation expense and the addition to accumulated depreciation using account 1835 in 2010 which resulted in a depreciation expense of \$393,738 and an addition to accumulated depreciation of \$366,490.
- ***See the response above.***

Interrogatory #47

Ref: Board Staff Interrogatory #5

- a) Has ETPL filed the updated RRWF that was requested? If not, please file the updated RRWF.
- ***ETPL has filed an updated RRWF.***
- b) Please provide a summary of the changes that were incorporated into the updated RRWF along with a reference to the interrogatory response/evidence that is the basis for the change for each change made.
- ***ETPL updated the rate base calculation to utilize actual 2011 results as per Board staff IR#1.***
 - ***ETPL updated the rate base to change the working capital % utilized to 13% as per VECC IR # 18.***
 - ***ETPL updated the rate base to change the cost of power figures utilized as per Energy Probe IR # 14.***

- *ETPL updated the PILs included in revenue requirement as per Energy Probe IR # 30.*
- *ETPL updated the amortization expense as per Energy Probe IR # 28.*