

EB-2012-0167
Thunder Bay Hydro Electricity Distribution Inc.
2013 Cost of Service Electricity Rate Application
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EXHIBIT 2 - RATE BASE

2-AMPCO-1

Reference: Exhibit 1, Tab 1, Schedule 13, Page 2

- a) Please confirm the acronyms EBT, MV 90, ISD and VEE.
- b) Please discuss if Thunder Bay Hydro has quantified the efficiencies resulting from the arrangements with regional LDCs.

2-AMPCO-2

Reference: Exhibit 1, Tab 2, Schedule 2, Page 2

- a) Please discuss on what basis indirect costs are allocated to direct costs in the capital budget.

2-AMPCO-3

Reference: Exhibit 1, Tab 2, Schedule 5, Page 3

- a) Please explain the increase of approximately \$80,000 in Forestry Management outside service costs.

2-AMPCO-4

Reference: Exhibit 1, Appendix 1-G, Page 3

- a) Page 3 - Please explain more fully why the Board of Directors increased from 5 to 7 in 2011.
- b) Page 3 - Please provide the additional costs resulting from this increase in 2011, 2012 and 2013.
- c) Page 6 – The annual report states “Finding expertise to deal with these changes often means building external partnerships”. Please discuss any external partnerships that impact this application.
- d) Page 7 – Please provide the number of pole replacements in 2012 and 2013.

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2-AMPCO-5

Reference: Exhibit 2, Tab 1, Schedule 1, Page 1

- a) Please update Table 2-1.1 with 2012 actuals or 2012 year to date actuals with expected expenditures for the remaining period.

2-AMPCO-6

Reference: Exhibit 2, Tab 3, Schedule 1, Page 4

Preamble: The evidence indicates in 2012 the remaining overhead rebuild projects should be completed before the end of the third quarter, which will allow for the decommissioning of the Mary Street Substation by the end of the year.

- a) Please provide an update on this project and confirm its completion date.

2-AMPCO-7

Reference: Exhibit 2, Tab 3, Schedule 1, Page 4

- a) Please confirm the General Service customer requests total at December 31, 2012.
- b) Please confirm if the capital tool expenditures for 2012 included the purchase of a new dump truck and radial boom derrick cab & chassis.
- c) Please provide details of the remainder of the unit to be purchased in 2013.

2-AMPCO- 8

Reference: Exhibit 2, Appendix 2-D

- a) Please provide a Table showing Thunder Bay Hydro's MAIFI results by year from 2005 to 2011 in a format similar to Board Staff Interrogatory 2-Staff-7 and discuss any trends.
- b) Please provide Thunder Bay Hydro's SAIDI, SAIFI, CAIDI & MAIFI results for 2012 and discuss any trends.
- c) Please provide Thunder Bay Hydro's internal SAIDI, SAIFI & MAIFI targets for 2013.

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- d) Please provide a breakdown of SAIFI for 2009 to 2012 by outage cause.
- e) Please provide a further breakdown of defective equipment on the basis of cause and customer minutes.
- f) Please discuss how Thunder Bay Hydro's capital budget relates to its reliability results.
- g) Please discuss how Thunder Bay Hydro compares to other utilities in its cohort in terms of reliability.

EXHIBIT 4 – OPERATING COSTS

4-AMPCO-9

Reference: Exhibit 4, Tab 1, Schedule 1, Page 2

- a) Please confirm the reason for the one time building demolition cost.

4-AMPCO-10

Reference: Exhibit 4, Tab 2, Schedule 3, Page 1

- a) Please update Table 4-2.8 with 2012 actuals or 2012 year to date actuals with expected expenditures for the remaining period.

4-AMPCO-11

Reference: Exhibit 4, Tab 1, Schedule 1, Page 5

- a) Please discuss how Thunder Bay Hydro's OM&A costs per customer compare to other LDCs in its cohort.

4-AMPCO-12

Reference: Exhibit 4, Tab 2, Page 1

Preamble: The evidence outlines the operating work plans and the directives provided to each VP responsible for the preparation of the divisional budget.

- a) Please explain how productivity and efficiency measures are incorporated in the OM&A budget planning process.

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4-AMPCO-13

Reference: Exhibit 4, Tab 2, Page 4, Inflation in 2012 Bridge and 2013 Test Year

- a) Please confirm the cases/accounts beyond increase to wages where inflation has been applied and provide the corresponding inflation rate used and the source.

4-AMPCO-14

Reference: Exhibit 4, Tab 2, Schedule 1

- a) Please confirm Thunder Bay Hydro's tree trimming schedule for the years 2009 to 2013.

4-AMPCO-15

Reference: Exhibit 4, Tab 2, Schedule 1, Page 3

- a) Please confirm the frequency of "Work & Test" maintenance.

4-AMPCO-16

Reference: Exhibit 4, Tab 2, Schedule 1, Page 19, Executive Costs

- a) Please confirm the number of Executive Assistants and where the positions are included in Table 4-2.11 on Page 6 of Exhibit 4, Tab 2, Schedule 4.

4-AMPCO-17

Reference: Exhibit 4, Tab 2, Schedule 3, Pages 6 to 9

- a) Please provide a table summarizing the additional FTEs hired by year between 2009 and 2013 (i.e. position, class, permanent or contract, full-time or part-time)
- b) Please provide a table summarizing the decrease in FTEs by year between 2009 and 2013 (i.e. position, class, permanent or contract, full-time or part-time).
- c) Page 7 – Account 5065: Please discuss how the deferred hiring of a Meter Apprentice is reflected in the current application.

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4-AMPCO-18

Reference: Exhibit 4, Tab 2, Schedule 3, Page 7, Account 5105

- a) Please confirm the labour complement is the same compared to the last rebasing.

4-AMPCO-19

Reference: Exhibit 4, Tab 2, Schedule 3, Page 8, Account 5125

- a) Please provide Thunder Bay Hydro's overtime policy.
- b) Please discuss the customer requirements that result in overtime costs.

4-AMPCO-20

Reference: Exhibit 4, Tab 2, Schedule 3, Page 10, Account 5020

- a) Please discuss how the increase in labour to perform risk assessments is reflected in the current application in terms of headcount and FTEs.

4-AMPCO-21

Reference: Exhibit 4, Tab 2, Schedule 4, Page 5, Table 4.2-10 Additional Staff

- a) Please link the additional positions identified in the Table to the accounts identified under 2011 Actual Versus 2013 Test Year (Exhibit 4, Tab 2, schedule 3, Pages 10-12).

4-AMPCO-22

Reference: Exhibit 4, Tab 2, Schedule 4, Page 1, Merit Pay

- a) Please discuss the range in merit increases available in terms of percentages.
- b) Please confirm the meaning of "base line merit increases".

4-AMPCO-23

Reference: Exhibit 4, Tab 2, Schedule 4, Page 2, Incentive-Based Pay

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- a) Please provide a copy of Thunder Bay's Balanced Scorecard.
- b) Please discuss how continuous improvements and cost reductions have been achieved in the context of the Balanced Scorecard methodology.
- c) Please discuss how Thunder Bay Hydro tracks its efforts against outputs.

4-AMPCO-24

Reference: Exhibit 4, Tab 2, Schedule 4, Page 3, Management/Supervisory

- a) Please confirm the retirement in the Powerline Department occurred at the end of 2012 and the overlap and temporary increase in staff complement occurred in 2012.

4-AMPCO-25

Reference: Exhibit 4, Tab 2, Schedule 4, Page 3, Head Count

- a) Please reproduce Table 4-2.9 to include 2009 Board Approved, 2009 Actual and 2010 Actual and update 2012 Actual.

4-AMPCO-26

Reference: Exhibit 4, Tab 2, Schedule 4

- a) Please update Table 4.2-10 Additional Staff on Page 5 to reflect any changes including 2012 actual additions.
- b) Please update Table 4-2.11 Employee Compensation and Benefits to reflect 2012 actuals or 2012 year to date actuals with expected expenditures for the remaining period.
- c) Please confirm the existing number of unfilled vacancies in 2013 by class.

4-AMPCO-27

Reference: Exhibit 4, Tab 2, Schedule 4, Page 18, Apprentice Program Hiring

- a) Please provide a schedule summarizing the apprentice program hiring from 2009 to 2013 and include the number of apprentices that have left the program by year compared to the number retained.

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4-AMPCO-28

Reference: Exhibit 4, Tab 2, Schedule 4, Page 18, Efficiencies Achieved since the 2009 Cost of Service Application

- a) Please explain more fully how new salary schedules & variable percentage wage increases have resulted in efficiencies.
- b) Please explain how increased student funding is utilized and reflected in the current application.

4-AMPCO-29

Reference: Exhibit 4, Tab 2, Schedule 4, Page 23

- a) Please discuss if productivity improvements from the feedback loop have been measured and if so provide the results.

EXHIBIT 7 – COST ALLOCATION

7-AMPCO-30

Reference: Exhibit 7, Tab 1, Schedule 1, Pages 2-3

Preamble: Tables 7-1.1 to 7-1.4 provide Thunder Bay Hydro's proposed weighting factors.

- a) Please discuss further how the relative weightings between rate classes by account were derived.

7-AMPCO-31

Reference: Exhibit 7, Tab 1, Schedule 2, Page 2

- a) Please reproduce Table 7-1.5 Load Profile Scaling Percentages to show the Scaling Factor for the 2004 data by customer class.

7-AMPCO-32

Reference: Exhibit 7, Tab 1, Schedule 1, Pages 2-3

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Preamble: Tables 7-1.1 to 7-1.4 provide Thunder Bay Hydro's proposed weighting factors.

- a) Please discuss further how the relative weightings between rate classes by account were derived

7-AMPCO-33

Reference: Exhibit 7, Tab 1, Schedule 2

- a) Please provide a table with the revenue to cost ratios for the years 2009 to 2013.
- b) Please reproduce Table 7-1.7 with the proposed 2013 revenue to cost ratio for the GS 50 to 999 kW class set at 80%. Please rebalance based on reducing the revenue to cost ratio for the customer class farthest above unity and provide the corresponding bill impacts.
- c) Please provide the rationale for the significant increase compared to 2012 for the proposed 2013 revenue to cost ratio for the GS 1000 to 4999 kW customer class to the high end of the Board's target range (120%) instead of an increase to 80% at the low end of the Board's range.
- d) Please discuss why Thunder Bay Hydro does not propose phased movement towards unity in 2014 and 2015 for all customer classes.
- e) Please confirm Thunder Bay Hydro's starting point for the movement of revenue to cost ratios.
- f) Please provide Thunder Bay Hydro's perspective on the quality of Thunder Bay Hydro's data and modelling capability as reflected in its updated cost allocation model filed in this application.
- g) Please provide the bill impacts by customer class if the revenue to cost ratio for each rate class is unity.

EXHIBIT 8 - RATE DESIGN

8-AMPCO-34

Reference: Exhibit 8, Tab 1, Schedule 1, Page 3

- a) Please recalculate the volumetric rate and the fixed and variable percentages for the GS<999 kW and GS 1000 to 4999 kW customer classes such that the fixed charge does not

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exceed the "ceiling" as presented in the cost allocation model and Table 8-1.4 under the heading of "Customer Unit Cost per month - Minimum System with PLCC adjustment."