

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 Thunder Bay
Hydro Electricity Distribution Inc. for an order approving just
and reasonable rates and other charges for electricity
distribution to be effective May 1, 2013.

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

January 28, 2013

**THUNDER BAY HYDRO ELECTRICITY DISTRIBUTION INC.
2013 RATES REBASING CASE
EB-2012-0167**

**ENERGY PROBE RESEARCH FOUNDATION
INTERROGATORIES**

EXHIBIT 1 – ADMINISTRATIVE DOCUMENTS

1-Energy Probe-1

Ref: Exhibit 1, Tab 1, Schedule 13

- a) Does each of the affiliates, including the holding company, have their own Board of Directors?**
- b) Has Thunder Bay Hydro included any costs associated with the Board of Directors for the holding company or either of the affiliates in its 2013 revenue requirement? If yes, please quantify and explain why ratepayers should pay these costs.**
- c) Please show the composition of the Board of Directors of Thunder Bay Hydro Electricity Distribution Inc. and Thunder Bay Hydro Corporation.**

EXHIBIT 2 – RATE BASE

2-Energy Probe-2

Ref: Exhibit 2, Tab 2, Schedule 1

Please explain the disposals related to accumulated depreciation in accounts 1830, 1935, 1850, 1855 and 1860 in 2009, 2010 and 2011 where there does not appear to be any disposals shown for these accounts related to the costs.

2-Energy Probe-3

**Ref: Exhibit 2, Tab 2, Schedule 1 &
Exhibit 2, Tab 1, Schedule 1**

- a) Please reconcile the fixed assets opening and closing balances shown in Table 2-1.1 in Exhibit 2, Tab 1, Schedule 1 with the figures shown in Tables 2-2.1 through 2-2.5 in Exhibit 2, Tab 2, Schedule 1.**
- b) Please provide an updated Table 2-2.4 that reflects actual data for 2012. If actual data for all of 2012 is not yet available, please update the table to reflect as many months of actual data as is currently available, along with an estimate for the remaining months in 2012.**
- c) Is Table 2-2.5 based on CGAAP or MCGAAP? If the former, please provide a table based on MCGAAP.**
- d) Please explain why the fixed assets opening balance in Table 2-1.1 for 2013 CGAAP and 2013 MCGAAP are not the same. In particular, why is the 2013 opening balance under CGAAP not equal to the closing balance in 2012?**

2-Energy Probe-4

**Ref: Exhibit 2, Tab 3, Schedule 1 &
Exhibit 2, Tab 2, Schedule 1**

- a) Has the Mary Street Substation been decommissioned as of the end of 2012? If yes, has it been removed from rate base and if so, please show where in Table 2-2.4 (Exhibit 2, Tab 2, Schedule 1) this is shown.**
- b) The evidence indicates that the Brock Street Substation will be decommissioned by the end of 2013. Please show where in Table 2-2.5 (Exhibit 2, Tab 2, Schedule 1) this is shown.**

2-Energy Probe-5

Ref: Exhibit 2, Tab 3, Schedule 1, page 7

- a) Please provide, by year, the capital expenditures associated with the spending required to meet the needs of the Green Energy Act that Thunder Bay Hydro is seeking in its renewable generation funding adder.**

- b) **Please confirm whether or not these capital expenditures have been included in the capital expenditures closed to rate base for revenue requirement purposes.**

2-Energy Probe-6

Ref: Exhibit 2, Tab 3, Schedule 2, page 7

- a) **Could Thunder Bay Hydro delay the purchase of any of the three trucks shown on page 7 to 2014? If not, why not?**
- b) **Are the trucks being purchased replacement vehicles or are they net new additions to the fleet? If the former, please describe the vehicles being replaced and confirm that that these vehicles are fully depreciated.**

2-Energy Probe-7

Ref: Exhibit 2, Tab 3, Schedule 2, page 15

Please confirm that the expenditures related to the GEA Plan Reclosers have not been closed to rate base in 2012 since the in-service date is March, 2013.

2-Energy Probe-8

Ref: Exhibit 2, Tab 3, Schedule 3

Please expand Table 2-3.5 to reflect actual data for 2012 and the forecast for 2013.

2-Energy Probe-9

Ref: Exhibit 2, Tab 4, Schedule 1

Please update the 2013 cost of power shown in Table 2-4.2 to reflect the October 17, 2012 Regulated Price Plan Price Report. Please use the applicable "term average" HOEP forecast for the period that reflects calendar 2013.

EXHIBIT 3 – REVENUE

3-Energy Probe-10

Ref: Exhibit 3, Tab 2, Schedule 1

- a) Please explain how the figures in Table 3-2.13 are calculated. Are they year-end numbers, mid-year numbers, averages of the opening and closing numbers or an average of the ending monthly figures?**
- b) Please update Table 3-2.15 to reflect actual data for 2012. If actual data for all of 2012 is not yet available, please provide the number of customers/connections for the last month available in 2012 for each class. Please also provide the corresponding figures for the same month in 2011.**
- c) Please update Table 3-2.18 to reflect actual data for 2012. If actual data for all of 2012 is not yet available, please provide the kWh usage for the most recent year-to-date period available for 2012 for each class shown. Please also provide the corresponding figures for the same year-to-date period in 2011.**

3-Energy Probe-11

Ref: Exhibit 3, Tab 3, Schedule 3

- a) Please update Table 3-3.13 to reflect actual data for 2012. If actual data for all of 2012 is not yet available, please provide the most recent year-to-date actual available for 2012 for each line shown. Please also provide the corresponding figures for the same year-to-date period in 2011.**
- b) Does Table 3-3.13 include interest related to regulatory assets (deferral and variance accounts, stranded meters, etc.)? If yes, please provide a revised table excluding interest on regulatory assets.**
- c) Does Table 3-3.13 include any OPA related CDM activities or renewable generation activity in revenues from non-utility operations and/or expenses of non-utility operations? If yes, please provide a revised table excluding the revenues and expenses associated with both renewable generation owned by the distributor and any OPA related CDM activities.**
- d) Please explain the loss on retirement of \$30,000 shown for 2013. Please provide specific details as to what the utility property is and why it is reflected as a loss.**

- e) Please explain the difference between the gain of \$49,850 shown for 2013 CGAAP and the loss of \$14,120 for 2013 MCGAAP shown for the gain on disposition. Please indicate what assets this gain is associated with.
- f) Please explain what the \$12,712 shown as government assistance credited directly to income is related to.
- g) Please explain why it appears that Thunder Bay Hydro is operating at a loss with respect to revenues and expenses from non-utility operations.

EXHIBIT 4 – OPERATING COSTS

4-Energy Probe-12

Ref: Exhibit 4, Tab 1, Schedule 1

- a) Please update Table 4-1.2 to reflect actual data for 2012. If actual data for all of 2012 is not yet available, please provide the most recent year-to-date actual costs for each of the lines shown, along with the figures for the corresponding period in 2011.
- b) Please update Table 4-1.4 to reflect actual data for 2012. If actual data for all of 2012 is not yet available, please update the table to reflect a forecast for 2012 that reflects all of the actual data available for 2012 along with an estimate for the remainder of 2012.

4-Energy Probe-13

Ref: Exhibit 4, Tab 2, Schedule 3

- a) Please explain the rationale for including costs incurred in 2006 through 2011 in the 2012 costs as noted in Table 4-2.8 and Note 12 (b).
- b) Please provide a copy of the specific section(s) of the Accounting Procedures Handbook referred to in Note 12 (b).
- c) Has Thunder Bay Hydro recovered the smart meter costs noted in Note 12 (b)?
- d) What is the annual wage increase for 2013 for union and non-union employees?

- e) **What is the impact on the revenue requirement if the annual wage increase is reduced by 1 percentage point for each of the union and non-union working groups?**
- f) **Does Thunder Bay Hydro bill all of its customers on a monthly basis? If yes, please indicate how long this has been the practice. If no, please indicate which classes are billed monthly and which are billed bi-monthly.**

4-Energy Probe-14

Ref: Exhibit 4, Appendix 2-G

- a) **Please explain the \$110,062 shown in account 5415 (Energy Conservation). Is this amount over and above costs incurred and revenues received from the OPA for the delivery of CDM programs? If yes, please provide more details on what energy conservation services are being provided by Thunder Bay Hydro.**
- b) **What is the actual bad debt expense recorded in 2012?**
- c) **Please explain the \$20,000 increase in advertising expenses (account 5515) forecast for 2013.**
- d) **Please explain the significant increase forecast for 2013 in the community safety program (account 5420).**

4-Energy Probe-15

Ref: Exhibit 4, Tab 2, Schedule 5 & Appendix 2-G

Please provide the historical and forecast property taxes to be paid to the City of Thunder Bay and please indicate in which account shown in Appendix 2-G these costs are recorded.

4-Energy Probe-16

Ref: Exhibit 4, Tab 2, Schedule 7

- a) **For each of 2009 through 2011 and for 2012 if actual data is available, please show the actual depreciation booked for capital additions in the year, reflecting when the asset was available for use. Please also show the depreciation expense that would have been booked if the half year methodology had been used in each of the years.**

- b) Please confirm that the depreciation methodology used by Thunder Bay Hydro is unchanged from that used in the 2009 cost of service application. If this cannot be confirmed, please explain any changes made.**
- c) Please explain the \$12,712 added to the 2013 MCGAAP depreciation expense as shown in Table 2-2.24.**

EXHIBIT 5 - COST OF CAPITAL AND CAPITAL STRUCTURE

5-Energy Probe-17

Ref: Exhibit 5, Tab 1, Schedule 1

- a) Please reconcile the RFP (#12-54) noted on page 2 for a five year financing agreement with the terms of 25 years shown in Table 5-1.3.**
- b) What is the current status of the loans that are shown for amounts of \$5,800,000, \$6,150,000 and \$2,768,526?**
- c) Is the "annualized debt" shown really just the difference between the deemed amount of long-term debt and the actual long-term debt?**