

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 E.L.K. Energy
Inc. for an order approving just and reasonable rates and other
charges for electricity distribution to be effective October 1,
2012.

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

February 8, 2013

**E.L.K. ENERGY INC.
2012 RATES REBASING CASE
EB-2011-0099**

**ENERGY PROBE RESEARCH FOUNDATION
TECHNICAL CONFERENCE QUESTIONS**

EXHIBIT 2 – RATE BASE

2.0 Energy Probe # 35

**Ref: AMPCO #5 &
Exhibit 2, Tab 1, Appendix 2-B &
Exhibit 2, Tab 1, Schedule 3**

- a) Please reconcile the statement that ELK owns one transformer station as indicated in the AMPCO response with the statement in Section 1.2 of the Green Energy Act Plan that ELK distributes energy distributes power from 5 transformer stations which are all shown as being owned by Hydro One.**
- b) Please indicate which account shown in Tables 2-18 (2011) and 2-20 (2012) include the costs and accumulated depreciation of the transformer station owned by ELK.**
- c) Please show where in Table 2-20 the removal of the transformer station owned by ELK that was decommissioned in the Q3 of 2012 is reflected.**
- d) What was the net book value of the transformer station owned by ELK when it was decommissioned in the Q3 of 2012?**

2.0 Energy Probe # 36

**Ref: AMPCO #6 &
Exhibit 2, Tab 1, Schedule 3 &
SEC #7c**

- a) Does each of the tables shown in the interrogatory response include forecasted and actual capital contributions?**
- b) Please confirm that for 2006 through 2009, the actual capital expenditures shown in the AMPCO response correspond with the 'total capital additions before capital contributions' line in Table 2-7B in Exhibit 2, Tab 1, Schedule 3.**

- c) Please explain the difference between the \$1,134,994 actual figure for 2010 shown in the interrogatory response and the \$844,745 shown in Table 2-7B in Exhibit 2, Tab 1, Schedule 3 for 2010.
- d) Please explain the difference between the \$866,369 actual figure shown in Appendix to SEC #7c for 2011 and the figure of \$671,975 shown in Table 2-7B of Exhibit 2, Tab 1, Schedule 3.
- e) Please confirm that the budget figure of \$1,242,250 shown in the interrogatory response for 2011 is comparable to the actual figure of \$671,975 shown in Table 2-7B in Exhibit 2, Tab 1, Schedule 3.

2.0 Energy Probe # 37

Ref: AMPCO #9

Does ELK bill all of its customers on a monthly basis? If not, please indicate which rate classes are billed monthly, bi-monthly, etc.

2.0 Energy Probe # 38

Ref: Energy Probe #7

The answer provided was not complete. Please provide an updated Table 2-2 that reflects either actual data for all of 2012 or data for the most recent year-to-date information available for 2012, along with estimates for the remaining months of 2012.

2.0 Energy Probe # 39

**Ref: Energy Probe #8 &
Exhibit 2, Tab 1, Schedule 3**

- a) If ELK is unable to provide the requested information in part (a) for 2012 on actual basis for the most recent year-to-date information available and an estimate for the remainder of the year, please provide the actual capital expenditures (including contributions and grants) for the most recent year-to-date period for which this information is available.
- b) If ELK now is in a position to provide an adequate response to part (d) please provide it. If unable, please provide a detailed explanation of why the information is not available on a best estimate basis.

- c) If ELK is unable to provide the tables requested in part (b) above, please confirm the status at the end of 2012 of each of the following projects, including cost and placement into service of the following projects shown in Table 2-21 of Exhibit 2, Tab 1, Schedule 3:

- i) Cottam Conversion,
- ii) Replace Trans in Inventory,
- iii) Other Misc.

For the Other Misc. category, please provide the actual capital expenditures placed in service by the end of 2012 for each the accounts shown (1860, 1908, 1915, 1920, 1925, 1940).

EXHIBIT 4 – OPERATING COSTS

4.0 Energy Probe # 40

Ref: Energy Probe #20

The response to part (a) of the questions is unresponsive. Please provide the company's best current estimate of the OM&A expenses for 2012 in the level of detail as shown in Table 4.1. If the company is still unable to provide this information, please provide the most recent year-to-date actual information available for 2012, along with the figures for the corresponding period in 2011 in the same level of detail as in Table 4.1.

4.0 Energy Probe # 41

Ref: Energy Probe #21

Please provide the 6 months of actual data referred to in the response for 2012 and the figures for the corresponding period in 2011 in the same level of detail as shown in each of Tables 4.10 through 4.14.

4.0 Energy Probe # 42

Ref: Energy Probe #25

Does ELK begin recording depreciation expense in the month that an asset is placed into service, or is the depreciation expense based on the half year rule resulting in 6 months depreciation regardless of when the asset is placed into service in the current year?

4.0 Energy Probe # 43

Ref: Energy Probe #27 & #28

Please provide a revised CCA schedule for 2012 that reflects the corrections related to transportation equipment in Energy Probe #27 brought forward to 2012, along with the correction to computer equipment in Energy Probe #28.

4.0 Energy Probe # 44

Ref: EnWin #13

Did ELK employ any specialized staff to operate and maintain its one substation before it was removed from service?

4.0 Energy Probe # 45

Ref: Exhibit 4, Tab 2, Schedule 6

Please update Table 4.26 to reflect the actual number of FTEs and costs for 2012. If actual data is not available for all the line items, please provide a table that reflects the actual data that is available.

EXHIBIT 5 - COST OF CAPITAL AND RATE OF RETURN

5.0 Energy Probe # 46

Ref: Energy Probe #29

Based on the responses to parts (d) and (e) is it correct to conclude that the amount of the TD commercial loan outstanding over 2012 was \$6,316,214, based on an interest cost of \$134,914.33 divided by the interest rate of 2.136%? If not, please provide the average amount outstanding of this loan and the calculations supporting the amount.