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613-562-4002

February 22, 2013

**VIA MAIL and 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: EB-2012-0107 Bluewater Power Distribution Corp.**

Due to an administrative error one interrogatory was missed in our filing of January 14, 2013 in the above proceeding. Attached is the interrogatory. A copy has been provided to the Applicant. We apologize for any inconvenience this may have caused.

Yours truly,

Michael Janigan  
Counsel for VECC

Attachment (2 pgs.)

cc. Bluewater Power Distribution Corporation

Attn: Mr. Alex Palimaka

[apalimaka@bluewaterpower.com](mailto:apalimaka@bluewaterpower.com)

<b>REQUESTOR NAME</b>	<b>VECC</b>
<b>INFORMATION REQUEST ROUND NO:</b>	<b># 2 Supplemental IRs</b>
<b>TO:</b>	<b>Bluewater Power Distribution Corporation. (BWP or Bluewater)</b>
<b>DATE:</b>	<b>February 22, 2013</b>
<b>CASE NO:</b>	<b>EB-2012-0107</b>
<b>APPLICATION NAME</b>	<b>2013 Cost of Service Electricity Distribution Rate Application</b>

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NB: Interrogatories continue from last VECC number 63

### **LOAD FORECAST (Exhibit 3)**

#### **3.0-VECC – 64**

**Reference: Staff #21 a)  
Staff #21 b) (iii)**

- a) Please re-do the regression analysis for the GS<50 class omitting the employment variable and provide the resulting equation, regression statistics and projected consumption for 2013.
- b) Does Bluewater have any evidence that the trends (to box mall type locations outside the LDC's service area) discussed in Staff #21 b) are actually occurring in Sarnia? If yes, please provide.
- c) The response to Staff #21 b) suggests that GS<50 customers in (downtown) Sarnia have been closing. However, page 4 of the Elenchus Load Forecast indicates that the customer count has been increasing. Please reconcile.

#### **3.0-VECC – 65**

**Reference: Staff #22 c)**

- a) Please re-do the regression analysis for the Customer B omitting the employment variable and provide the resulting equation, regression statistics and the change in projected consumption for 2013 for Customer B.
- b) Please provide revised versions of Tables 11 and 13 from the Elenchus Load Forecast using the results from part (a) for Customer B.

### **3.0-VECC – 66**

**Reference: VECC 15 b)**

- a) Given the response to Staff #21 a) (i) regarding the significance of results with a t-ratio of 1.1 in empirical studies such as load forecast, please discuss the appropriateness of using the equation estimated in response to VECC 15 b) to forecast Residential load.
- b) Please provide a forecast of 2013 residential load based on the equation estimated in response to VECC 15 b).

### **3.0- VECC – 67**

**Reference: VECC #14 a)**

- a) Please confirm that the “net LU kWh” shown in Table 16 of the Elenchus load forecast is based on the three existing LU customers. If not, what do the annual values represent?
- b) If part (a) is confirmed, please explain why annual growth rates are not the same as those shown in the response to VECC #14 a) – which is also based on the three current LU customers.

### **OTHER REVENUE (Exhibit 3)**

#### **3.0-VECC – 68**

**Reference: Energy Probe #16**

- a) Please explain the material variance in the 2012 forecast vs. actual Other Income and Deductions.
- b) Please explain the material variance in the 2012 forecast vs. actual Investment Income.

### **OM&A (Exhibit 4)**

#### **4.0-VECC – 69**

**Reference: 4-VECC-27 & 29**

- a) Please provide the proposed LEAP funding Bluewater is proposing to include for recovery in 2013 rates.
- b) Please provide the list of other agencies that Bluewater intends to support in 2013 and the amount for these agencies it has included under Account 5410 Sundry.

#### **4.0-VECC – 70**

**Reference: 4-VECC-37**

- a) Please provide more detail as to how spending performance impacts incentive pay. Specifically explain what is meant by “*Gross Operating & Maintenance spending () must be **within** the company’s annual budget...*” (emphasis added). That is, does within the budget mean not to exceed or some other metric?

#### **4.0-VECC – 71**

**Reference: 4-VECC-35**

- a) What is Bluewater’s estimate of FTE’s in 2014 and after anticipated retirements in 2013?

#### **4.0-VECC – 72**

**Reference: 4-VECC-32 & 41**

- a) Please explain the large increase in Comprehensive Liability as between 2012 (\$61,750) and 2013 (\$82,584). Is the increase related to the recent fatality at Bluewater?

#### **4-VECC – 73**

**Reference: 4-VECC-46**

- a) What is the total annual storage rental fees collected by Bluewater for street lighting and water inventory in 2012 and forecast for 2013?
- b) Please explain how the “knowledge of the local market” was obtained (e.g. did Bluewater use the services of a real-estate professional or the knowledge of an employee, etc.).

### **COST ALLOCATION (Exhibit 7)**

#### **7.0-VECC- 74**

**Reference: Staff #43 / VECC #62**

- a) With respect to VECC #62 c), please explain how the fact that the IESO/SME processes and validates Bluewater’s Residential and GS<50 TOU meter data for billing purposes is taken into account in the derivation of the billing & collecting weighting factors.

- b) Please indicate which classes are billed based on the HOEP and hourly data and explain on how the increased complexity of billing for hourly use for these classes as opposed to TOU period use for Residential and GS<50 customers is reflected in the billing & collecting weighting factors.
- c) Do any of the GS>50 customers have interval or smart meters? If yes, how is the meter data processed in order to establish billing quantities for commodity sales?
- d) Does Bluewater undertake periodic audits of the number and nature of the connections associated with those classes that are not metered? If not, why not?
- e) If the response to part (d) is affirmative, then with respect to Staff #43, how do the billing & collecting weighting factors for Sentinel Lighting (as well as Street Lights and USL) account for the cost of these periodic audits?
- f) With respect to Staff #43 (pg. 2), please confirm that the 2013 test year costs will include maintenance and licencing cost for all billing software in use. If so, please respond to the issue raised by Board Staff.

#### **7.0-VECC- 75**

**Reference: AMPCO #12 e)**

- a) Please confirm that for customer classes other than intermediate and large use, the load profiles used to “scale to the 2013 forecasted energy” were based on those developed by Hydro One using 2004 data. If not, on what year’s data were the profiles based and where/how were the profiles developed?

#### **RATE DESIGN (Exhibit 8)**

#### **8.0-VECC – 76**

**Reference: Staff #47 / VECC #57**

- a) Please provide a schedule setting out the derivation of the revised 2013 LV cost estimate (\$189,412).
- b) Please provide the total kWh associated with Bluewater’s determination of the commodity costs underlying its 2013 working capital calculation.

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