

IN THE MATTER of the *Ontario Energy Board Act 1998*, Schedule B to the *Energy Competition Act*, 1998, S.O. 1998, c.15;

AND IN THE MATTER OF an Application by Bluewater Power Distribution Corp. for an Order or Orders approving just and reasonable rates and other service charges for the distribution of electricity, effective on May 1, 2013.

SUPPLEMENTARY INTERROGATORIES

FROM THE

SCHOOL ENERGY COALITION

[Note: All questions have been assigned to Exhibits for ease of reference. However, please provide answers that respond to each question in full, without being restricted by the issue or category. Many questions have application to multiple issues and exhibits, but all have been asked only once to avoid duplication.]

Exhibit 1 – Administrative Documents

SEC - 40 [1.0 EP-2] Please describe in more detail the proposed deferral or variance account, including what would be charged or credited to the account, and how it would be cleared.

SEC - 41 [1.0 SEC-4] Please provide the requested financial statements, which are needed to assess the reasonableness of the allocations of costs between the regulated entity and its various affiliates.

SEC - 42 [1.0 SEC-5(b)] With respect to this response:

- a. Please confirm that neither the Applicant nor its parent company has a written strategic plan. If confirmed, please describe the long-term framework within which business decisions are made, and provide any documents that establish, approve, or describe that framework.
- b. Please provide the monthly reviews referred to with respect to November 2012, April 2012, June 2011 and August 2010.

SEC - 43 [1.0 SEC-11] Please provide the requested payroll budget with all names of individuals, positions, and other identifying features removed. Restating the document to aggregate the budget numbers by department would also be acceptable.

SEC - 44 [1.0 SEC-12] Please explain why the Applicant does not believe the agreed percentages reflect weighted average rate increases.

Exhibit 2 – Rate Base

SEC - 45 [2.0 Staff-12] Please provide any reports, analyses, memoranda, presentations, forecasts, or other documents dealing with the anticipated impact of e-billing on postage and other billing costs, collections, or working capital requirements, or on how billing costs should be allocated between the Applicant and its affiliates.

SEC - 46 [2.0 Staff-13] Please provide a breakdown of the figure of \$543,886.

SEC - 47 [2.0 Staff-15] Please provide a space plan including detailed floor plan for the renovated building. If such a plan is not available, please break down the 28,000 square feet of space into categories, including at least

- a. Offices
- b. Meeting rooms
- c. Reception and similar areas
- d. Areas for cubicles or other common office areas
- e. Training facilities
- f. Locker room and similar facilities
- g. Workshops and similar operational areas
- h. Garages
- i. Other

SEC - 48 [2.0 Staff-15] Please provide any reports, analyses, memos, presentations, or other documents relating to the expansion of the building, including any presentations to the City connected with the approval of that expansion plan. With respect to the presentation to the Board of directors, please explain the “second floor future provision”.

SEC - 49 [2.0 SEC-18] Please confirm that the review of the depreciation rates, and the decisions with respect to the new rates, were made without any documentation whatsoever. If not confirmed, please provide any documentation of that review and those decisions.

Exhibit 4 – Operating Costs

SEC - 50 [4.0 Staff-26] Please provide all documentation associated with the “internal assessment that management ratios were low”.

SEC - 51 [1.0 EP-4(c)] Please provide the full calculations showing the how the change in cash flow for monthly billing was determined, with all assumptions, and how the change was converted into an interest figure.

SEC - 52 [4.0 SEC-22] Please quantify (an estimate is OK) each of the OM&A cutbacks described. Please confirm that these reductions in OM&A activity were not treated as offsets to the smart meters spending for the purposes of calculating the amounts to be included in the deferral account. Please provide an analysis of the impact in 2013 of regular employees returning to their positions. Please explain why those employees are cost-effective when the Applicant has found that they could be replaced at lower cost for a two year period.

SEC - 53 [4.0 SEC-24] Please confirm that no presentation or report was ever made to the Board of Directors with respect to the Asset Management Program Review, Asset Management Strategy, or Asset Management Plan. If not confirmed, please provide those presentations or reports.

SEC - 54 [4.0 VECC-38] Please explain the reductions in allocations for Billing Administration, Building, Vehicle Usage and Shared Employees.

SEC - 55 [1.0 SEC-13] Please provide the monthly invoices requested. The Board and parties are entitled to review source documents to test the evidence provided by the Applicant. Twenty-four documents is not excessive for this purpose. If there is a reason why this results in a large production, please describe in detail.

SEC - 56 [4.0 SEC-34] Please provide the calculations of the hourly charges for 2013, including all components of each and all assumptions underlying the calculations.

SEC - 57 [4.0 SEC-36] Please provide the calculations for each “surcharge for enabler resources” assumed or used for 2013.

SEC - 58 [4/2/2, p. 7] Please provide all reports, presentations, memos or other documents provided to senior management or the Board of Directors dealing with the change in focus to increased asset management, and the related changes to personnel.

Exhibit 5 – Cost of Capital and Rate of Return

SEC - 59 [5.0 EP-30] Please explain why the lower interest Infrastructure Ontario loan was repaid rather than higher interest debt.

Respectfully submitted on behalf of the School Energy Coalition this 22nd day of February, 2013

Jay Shepherd