



***PUBLIC INTEREST ADVOCACY CENTRE***  
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March 01, 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-2012-0139 Innisfil Hydro Distribution Systems Limited**

Please find enclosed the supplementary interrogatories of VECC in the above-noted proceeding.

Yours truly,

Michael Janigan  
Counsel for VECC

Encl.

cc. Innisfil Hydro - Brenda Pinke - [brendap@innisfilhydro.com](mailto:brendap@innisfilhydro.com)

|                         |                                 |
|-------------------------|---------------------------------|
| REQUESTOR NAME          | VECC                            |
| INFORMATION REQUEST NO: | # 2                             |
| TO:                     | InnisfilHydro or IHDSL          |
| DATE:                   | March1, 2013                    |
| CASE NO:                | EB-2012-0139                    |
| APPLICATION NAME        | 2013Cost of Service Application |

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**NB: Continues from VECC IR # 35**

## **RATE BASE**

### **2-VECC-36**

**Reference: 2.0-OEB -6 (see also OEB 2.0-Staff-70s)**

- a) Please update Tables 2.1 and 2.2 so as to be consistent with the revised RRWF.

### **2-VECC-37**

**Reference: 2-OEB-Staff-11**

- a) What is the lot size of the 13M3 transformer station property? Where is the property located?
- b) Given the anticipated date for use is 2022 what, if any, plan does Innisfil have to derive income from this property in the interim?

### **2-VECC-38**

**Reference: 2-Energy Probe – 13**

- a) Has Innisfil's rate base calculations been updated to reflect the deferment to 2014 of Capital Projects DO-015 (\$191,876) and DO-019 (\$154,850) and DO-21 (\$20,200)?
- b) If not please provide this update in a revised RRWF filed with the supplementary interrogatories.

### **2-VECC-39**

**Reference: 13-VECC**

- a) Do the SAIDI and SAIFI targets (or 2013 “expectations”) relate in any manner to compensation or incentives. If yes, please explain how.

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

### **3.0 – VECC – 40**

**Reference: Staff #67 a) & b)  
VECC #17 b)**

- a) The purported 2011 final reported CDM results shown in Staff #67 a) and b) do not match those from the OPA's final 2011 CDM report (see VECC #17 b)) which shows a net 2011 CDM savings from 2011 programs of 555,895 kWh. Please provide corrected responses.

### **3.0 – VECC-41**

**Reference: VECC #16 a) & b)**

- a) Please update the 2013 load forecast (both purchases and sales by customer class so as to include Hydro One Load Transfer for 2013.
- b) How are the annual payments received from HON accounted for (i.e., with reference to Application Table 3.1 where are they recorded and formally what USOA account is used)?

### **3.0 – VECC – 42**

**Reference: VECC #17 c) & d)**

- a) Please confirm that, for any given year, the difference between gross and net OPA reported savings does not reflect all of the CDM activity that will take place without any incentive being provided. If not confirmed, please explain why.
- b) Does Innisfil agree that the historical consumption values for each customer class will have been impacted by the total CDM activity that has occurred each year without any incentive being provided (and not just that associated with OPA CDM programs)?
- c) Can Innisfil provide any estimates of the total savings in each year 2002-2011 from CDM activity that has would have taken place in its service area without any incentive (as opposed to just that associated with OPA programs)? If so, please do so and indicate how the savings amounts were determined.

### **3.0 – VECC – 43**

**Reference: VECC #19 a)**

- a) Please provide as schedule setting out the derivation of the 251.1 GWh purchase value for 2013.

### **OTHER OPERATING REVENUE**

### **3.0 – VECC – 44**

**Reference: Staff #36 a) & b)**

- a) Please explain why it is appropriate for Innisfil to change the useful lives used for depreciation purposes in the middle of an IRM period – since its rates for the IRM period are anchored on a revenue requirement rebased using the pre-existing service lives.

### **3.0 – VECC – 45**

**Reference: Energy Probe #21 b)  
VECC #20 c)**

- a) There are two versions of Table 3.3.9 in the Application – one at Exhibit 3, Tab 3, Schedule 2, page 5 and another at Exhibit 3, Tab 3, Schedule 3, page 1. Both information requests asked for an update of the second table based on 2012 actual results. Please provide.

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

### **4-VECC-46**

**Reference: 27.0 VECC**

- a) Please provide the EDA (Electricity Distributor Association) membership fees for the years 2009 through 2013 .

### **4-VECC-47**

**Reference: 22.0-VECC**

- a) Please respond to the original interrogatory.

#### **4-VECC-48**

**Reference: 23-VECC**

- a) We are unable to locate a response to this interrogatory.

#### **COST OF CAPITAL (Exhibit 5)**

#### **5-VECC-49**

**Reference: 5-Energy Probe-31 (e) / VECC 29.0**

- a) Please identify the various bondholders associated with the Town of Innisfil loan?
- b) Is the loan made between Innisfil Hydro and the Town or the referred to debenture holders?
- c) VECC 29 is seeking to ascertain whether the loan is callable. The response was that IHSDL had not attempted to renegotiate the loan. Is the loan between Innisfil Hydro and the Town callable and/or are the terms between the Town and the lenders callable on demand?

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

#### **7.0 – VECC – 50**

**Reference: Staff #56 a)  
VECC #30 c)**

- a) Please confirm that the service connections for Street Light, Sentinel Light and USL customers are owned by the customer and that Innisfil is not responsible for maintenance or replacement.

#### **7.0 – VECC – 51**

**Reference: Staff #57 a) – c)  
VECC #30 d) & e)  
CA Model Results, Sheet O5  
Exhibit 7, Schedule 1, page 3**

- a) Please reconcile the following differences between the Billing and Collecting costs by class as set out in Exhibit 7 and those shown in Sheet O5, where the latter are based on the weighting factors calculated by Innisfil.

| Customer Class | Allocated Billing & Collecting Costs |             |
|----------------|--------------------------------------|-------------|
|                | Exhibit 7, Schedule 1                | CA Sheet O5 |
| Residential    | \$704,521.13                         | \$816,030   |
| GS<50          | \$67,638.54                          | \$5,023     |
| GS>50          | \$41,378.78                          | \$223       |
| Street Light   | \$156.02                             | 0           |
| Sentinel Light | \$7,413.47                           | \$144       |
| USL            | \$312.04                             | 0           |
| Total          | \$821,420                            | \$821,420   |

- b) With respect to Staff #57 a), please explain why the size to the residential class is relevant when the weighting factors are supposed to be on a per customer per bill basis.
- c) Please confirm that based on the costs set out in Exhibit 7, Schedule 1 the unit cost of Billing and Collecting for a GS>50 customer is \$627 (\$41,378/66) whereas the unit cost for a Residential customer is \$50 (\$704,521/14,176).
- d) If part c) is confirmed and both classes have 12 bills per customer per year please explain how the weighting factor for GS>50 can be 0.06 relative to a value of 1.0 for Residential.
- e) Please correct the cost allocation weighting factors as required and provide a revised model run.

## 7.0 – VECC – 52

### Reference: VECC #30 f)

- a) What is the estimated cost in 2013 of the meter reading services provided by Oshawa Hydro for GS>50 customers?
- b) In what USOA account are these costs recorded and are they all allocated to the GS>50 class? If yes, how is this accomplished?

## **RATE DESIGN**

### **8.0 – VECC – 53**

**Reference: VECC #31**

- a) The revised version of Table 8.3 does not appear to have been included with the interrogatory responses. Please provide.

## **DEFERRAL AND VARIANCE ACCOUNTS (Exhibit 9)**

### **9-VECC-53**

**Reference: 35.0-VECC**

- a) There does not appear to be a response to this interrogatory. Please respond or advise where the response may be found.

### **9-VECC-54**

**Reference: 34.0 / 9.0-Staff 104s**

- a) In Board Staff Supplementary 104s Innisfil Hydro is asked to recalculate the stranded meter rate rider based on its 2009 cost allocation study. Please also show the riders that would result if stranded meters were allocated based on the average cost of installed smart meters for the residential and gs <50 class. Please show the calculation and comment as to which of the three methods Innisfil believes is most appropriate.

**\*\*\*End of Document\*\*\***