



PUBLIC INTEREST ADVOCACY CENTRE

LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC

ONE Nicholas Street, Suite 1204, Ottawa, ON K1N 7B7

Tel: 613 562-4002 ext.26 Fax 613 562-0007 e-mail: mjanigan@piac.ca

March 8, 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-2012-0167 Thunder Bay Hydro Electricity Distribution Inc.

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

Yours truly,

A handwritten signature in blue ink, appearing to read 'Michael Janigan'.

Michael Janigan
Counsel for VECC

Thunder Bay Hydro - Cindy Speziale - cspeziale@tbhydro.com

REQUESTOR NAME VECC
INFORMATION REQUEST ROUND NO: # 2
TO: Thunder Bay Hydro Electricity Distribution Inc. (TBH or Thunder Bay)
DATE: March 8, 2012
CASE NO: EB-2012-0167
APPLICATION NAME 2013 Cost of Service Electricity Distribution Rate Application

NB: These interrogatories continue from the last VECC number 46

1. GENERAL (Exhibit 1)

1.0-VECC-47s

Reference: 1-Staff-32

- a) Please explain why Thunder Bay is not proposing to update its Application (and hence the RRWF) for the changes in 2012 actual capital expenditures and other changes made as part of the responses to the first set of interrogatories?
- b) Upon completing the responses to all interrogatories please provide an updated RRWF with any corrections or adjustments.
- c) Please provide a table in the format shown below and which shows all the proposed adjustments made from the original filing in both the first and supplementary interrogatories. An example of the table requested is shown below:

Reference	Item	Regulated Return On Capital	Regulated Rate Of Return	Rate Base	Working Capital	Working Capital Allowance	Amortization	PIs	OM&A	Service Revenue Requirement
	Original Submission October 2012	2,875,064	6.97%	41,694,299	51,873,750	6,743,588	1,379,137	-	6,325,500	10,579,701
Board Staff IR#4, Board Staff IR#5c(b) & EP IR#7	Update of Smart Meter Model and Capital Contingency Schedule to reflect actual SM addition for 2012 & proposed 2013	6,067		87,000	0	-	6,000		-	12,067
		2,881,131	6.97%	41,781,299	51,873,750	6,743,588	1,385,137		6,325,500	10,591,768

2. RATE BASE (Exhibit 2)

2.0 – VECC – 47s

Reference: Exhibit 2, Tab 3, Schedule 1, pg. 2 / Appendix 2-A

- a) Please explain how the \$800,000 target capital expenditure gradient referred to in this interrogatory was arrived at (the components of, and rationale for).
- b) Has it been Utility policy to since 2009 to increase capital expenditures by 800k per annum? Was this policy approved by the Utility's Board of Directors? If yes, please provide the analysis that was presented to the Board in support of this figure.

2.0 – VECC – 48s

Reference: 2-AMPCO-5

- a) Please update the Application for the changes in 2012 and 2013 rate base (see also 2-Energy Probe 5; 1-VECC-47s).

2.0 – VECC – 49s

Reference: 2-VECC-1

- a) Please explain the significant change in capital contributions from the City from years 2010 through 2013 (forecast).
- b) Are the 2012 figures reported in this interrogatory actuals or a forecast?

2.0 – VECC – 50s

Reference: 2-VECC-6

- a) Is TBH applying for a variance account to be used in association with its GEA spending? If not, what methodology does it propose to use to collect (or refund) any variance in the planned GEA spending?

3. LOAD FORECAST (Exhibit 3)

3.0 – VECC – 51s

**Reference: Staff #12 c)
VECC #15**

- a) With respect to VECC #15 a), if the difference between gross and net savings does not represent the CDM that would have occurred even without a CDM program, please provide Thunder Bay's understanding as to what the difference represents.
- b) With respect to Staff 12 c), 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.

3.0 – VECC – 52s

Reference: VECC #8 b)

- a) Please re-do the regression analysis in VECC #8 b) but exclude "number of customers" as an explanatory variable and provide the resulting equation and its statistical properties. Please provide a projection for 2013 Residential use based on the resulting equation.

3.0 – VECC – 53s

Reference: VECC #9 b)

- a) Please provide a projection for 2013 GS<50 use based on the equation estimated in part (b) – (ii).

OTHER OPERATING REVENUE

3.0 – VECC – 54s

Reference: VECC #18 a)

- a) Please respond to the second part of the question, i.e. is Thunder Bay proposing that its Application be based on CGAAP or MCGAAP?

3.0 – VECC – 55s

Reference: Energy Probe #11 a)

- a) Actual Other Operating Revenues for 2012 are materially higher (i.e. by roughly \$150,000) than forecast in the Application. Please explain why and whether or not the forecast for 2013 should be adjusted upwards.

4. OPERATING COSTS (Exhibit 4)

4.0 - VECC- 55s

Reference: 4-Energy Probe 12

- a) 2012 OM&A was approximately 470k less than forecast. Please explain main reasons for the underspending in 2012.

4.0 - VECC- 56s

Reference: Exhibit 4, Tab 2, pg. 4

- a) Please explain the methodology for estimating the bad debt amount of \$130,000.

COST ALLOCATION (Exhibit 7)

7.0 – VECC – 57s

Reference: VECC #28

- a) With respect to VECC 28 (a), the Services Weighting factor is intended to reflect the relative investment in service assets (i.e. Account #1855) for each class on a per customer basis. Please confirm that the service connections for Street Light, Sentinel Light and USL customers are owned by the customer and that Thunder Bay is not responsible for maintenance or replacement.
- b) With respect to VECC 28 (b), please confirm that the weighting factors were calculated based on the resources required “per bill” as opposed to “per class”.

- c) With respect to VECC 28 (b), please explain why a GS<50 customer requires less resources on a per bill basis than Residential when for both classes the billing parameters are the same and the billing quantities are provided by the SME/IESO.
- d) With respect to VECC 28 (e), the question was with respect to meter reading not billing. Please explain fully why the meter reading for GS>1000 requires less time per customer than that for Residential or GS<50.

RATE DESIGN

8.0 – VECC – 58s

Reference: VECC #32 b)

- a) Both Atikokan and Kenora have recently had their rates rebased using an updated cost allocation. For each utility, please indicate the value of the Residential service charge in the rebasing year and compare this with the “ceiling” value as determined by Sheet O2 of its cost allocation.

-End of Document-