



PUBLIC INTEREST ADVOCACY CENTRE
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ONE Nicholas Street, Suite 1204, Ottawa, Ontario, Canada K1N 7B7

Tel: (613) 562-4002. Fax: (613) 562-0007. e-mail: piac@piac.ca. <http://www.piac.ca>

Michael Janigan
Counsel for VECC
613-562-4002

April 29, 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-2012-0162 PUC Distribution Inc.

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

Yours truly,

Michael Janigan
Counsel for VECC

Encl.

cc. PUC Distribution - Jennifer Uchmanowicz - Jennifer.Uchmanowicz@ssmpuc.com

REQUESTOR NAME
INFORMATION REQUEST ROUND
NO:

VECC
2

TO:

PUC Distribution Inc. (PUC)

DATE:

April 29, 2012

CASE NO:

EB-2012-0162

APPLICATION NAME

2013 Cost of Service Electricity
Distribution Rate Application

NB: Continues from last VECC IR #41

GENERAL (Exhibit 1)

1.0-VECC – 42

Reference: Exhibit 1, Appendix D, pg. 10

- a) Please provide a summary of proposed changes which show by interrogatory changes to the original application (example below).

Reference	Item	Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance	Amortization	PILs	OM&A	Service Revenue Requirement	Base Revenue Requirement	Gross Revenue Deficiency
Reference	Item	Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance	Amortization	PILs	OM&A	Service Revenue Requirement	Base Revenue Requirement	Gross Revenue Deficiency
	Original Submission August 2010	\$10,824,124	7.08%	\$152,808,317	\$125,598,185	\$18,839,728	\$7,816,331	\$1,212,310	\$10,183,838	\$30,036,603	\$28,980,640	\$5,012,440
OEB IR# 24 (a) & (b)	Adjust Infrastructure Ontario Debt to 1 Day Change	\$11,168,599 \$344,475	7.31% 0.23%	\$152,808,317 \$0	\$125,598,185 \$0	\$18,839,728 \$0	\$7,816,331 \$0	\$1,212,310 \$0	\$10,183,838 \$0	\$30,381,077 \$344,475	\$29,325,115 \$344,475	\$5,356,914 \$344,475
	PILs Correction - Input Error - Bldg amount in Class 1b Change	\$11,168,599 \$0	7.31% \$0	\$152,808,317 \$0	\$125,598,185 \$0	\$18,839,728 \$0	\$7,816,331 \$0	\$1,213,484 \$1,175	\$10,183,838 \$0	\$30,382,252 \$1,175	\$29,326,289 \$1,175	\$5,358,089 \$1,175
EP IR# 13 (e)	AFUDC Rate on Capitalized Interest Change	\$11,196,054 \$27,455	7.31% \$0	\$153,183,939 \$375,042	\$125,598,185 \$0	\$18,839,728 \$0	\$7,823,920 \$7,580	\$1,213,336 -\$148	\$10,183,838 \$0	\$30,417,147 \$34,800	\$29,361,185 \$34,800	\$5,392,984 \$34,800
EP TOQ # 9 & EP IR # 19 (a)	Adjust Purchase kWh for CDM Adjmts Change	\$11,196,054 \$0	7.31% \$0	\$153,183,939 \$0	\$125,598,185 \$0	\$18,839,728 \$0	\$7,823,920 \$0	\$1,213,336 \$0	\$10,183,838 \$0	\$30,417,147 \$0	\$29,361,185 \$0	\$5,279,238 -\$113,746
EP TOQ # 9 & VECC TOQ # 1 (b) & (c)	Adjust Purchase kWh for CDM Adjmts @ Application Power Rates Change	\$11,204,832 \$8,778	7.31% \$0	\$153,304,058 \$120,099	\$126,398,846 \$800,661	\$18,959,827 \$120,099	\$7,823,920 \$0	\$1,215,199 \$1,803	\$10,183,838 \$0	\$30,427,788 \$10,641	\$29,371,826 \$10,641	\$5,289,879 \$10,641
EP IR # 11 (b) & VECC TOQ # 1 (a)	Adjust Oct 15/10 Navigant Numbers, Power, GA & \$08.38 RPP Rates Change	\$11,202,097 -\$2,735	7.31% \$0	\$153,266,641 -\$37,417	\$126,149,397 -\$240,449	\$18,922,410 -\$37,417	\$7,823,920 \$0	\$1,214,619 -\$580	\$10,183,838 \$0	\$30,424,473 -\$3,315	\$29,368,510 -\$3,315	\$5,286,564 -\$3,315
VECC TOQ # 1 (b) & (c)	Adjust NW & CN kW for Purchase & CDM Adjmts Change	\$11,212,740 \$10,642	7.31% \$0	\$153,412,249 \$145,608	\$127,120,117 \$970,720	\$19,068,018 \$145,608	\$7,823,920 \$0	\$1,216,877 \$2,259	\$10,183,838 \$0	\$30,437,374 \$12,901	\$29,381,412 \$12,901	\$5,299,465 \$12,901
Decision EB-2010-0002	Adjust NW & CN kW for IESO & HONI January 1, 2011 Price Increases Change	\$11,221,588 \$8,848	7.31% \$0	\$153,533,306 \$121,057	\$127,927,161 \$807,044	\$19,189,074 \$121,057	\$7,823,920 \$0	\$1,218,755 \$1,878	\$10,183,838 \$0	\$30,448,100 \$10,720	\$29,392,137 \$10,720	\$5,310,191 \$10,720
OEB IR # 21	OMERS increase for 2012 & 2013 Change	\$11,222,972 \$1,384	7.31% \$0	\$153,552,243 \$18,938	\$128,053,411 \$126,250	\$19,208,012 \$18,938	\$7,823,920 \$0	\$1,219,049 \$204	\$10,310,088 \$126,250	\$30,576,028 \$127,028	\$29,520,065 \$127,028	\$5,438,118 \$127,028
EP IR 23 (c) / 29 (a) & (b) EP TOQ 14 (a)	Removal of Street Light Return & PILs Change	\$11,222,972 \$0	7.31% \$0	\$153,552,243 \$0	\$128,053,411 \$0	\$19,208,012 \$0	\$7,823,920 \$0	\$1,219,049 \$0	\$10,310,088 \$0	\$30,576,028 \$0	\$29,586,071 \$66,006	\$5,504,124 \$66,006
EP IR 40 & EP TOQ 21 (a)	PILs - Computer Hardware to Correct CCA Account Change	\$11,222,972 \$0	7.31% \$0	\$153,552,243 \$0	\$128,053,411 \$0	\$19,208,012 \$0	\$7,823,920 \$0	\$1,193,531 -\$25,518	\$10,310,088 \$0	\$30,550,510 -\$25,518	\$29,560,553 -\$25,518	\$5,478,606 -\$25,518
EP IR 41 / EP TOQ 21(b)	PILs - Land Rights CCA Change	\$11,222,972 \$0	7.31% \$0	\$153,552,243 \$0	\$128,053,411 \$0	\$19,208,012 \$0	\$7,823,920 \$0	\$1,192,976 -\$555	\$10,310,088 \$0	\$30,549,955 -\$555	\$29,559,998 -\$555	\$5,478,051 -\$555

RATE BASE (Exhibit 2)

2.0-VECC – 43

Reference: Board Staff IR 2-Staff-13

- a) With respect to the new service center and admin building, please show the adjustment, if any, to 2013 rate base which are made for the removal of assets no longer used and useful (e.g. furniture, etc.).
- b) Please confirm that no previous assets, land values or assets related to the buildings being replaced are recorded in the 2013 rate base calculation.

2.0-VECC – 44

Reference: IR 2-VECC-8

- a) Has PUC made adjustments in the RRWF (and continuity schedules) of this application for the actual 2012 actual capital expenditures?
- b) If not please make these adjustments or explain why the application is not being update.
- c) Please file a revised Appendix 2-A showing the actual 2012 capital projects and amounts.

2.0-VECC – 45

Reference: IR 2-VECC-10

- a) Please provide the list of all vehicles expected to be used by PUC Distribution in 2013 and provide the total cost of these vehicles to the utility.
- b) Please provide the same as a) used/incurred in 2008.

LOAD FORECAST (Exhibit 3)

3.0-VECC – 46

**Reference: Interrogatory Responses – Summary of PUC Proposal
Exhibit 3, Tab 2, Schedule 1, pages 12-13**

- b) Please confirm that PUC is no longer proposing to incorporate the net to gross adjustment factor in its determination of the 2013 manual CDM adjustment.

- c) Please explain why the billed CDM adjustment (6,654,894 kWh) was multiplied by a loss factor of 1.0489 in order to obtain the impact on purchases as opposed to the 1.0445 factor used in the Application (page 13) to adjust the regression model's purchased energy prediction to billed energy.

3.0 – VECC – 47

Reference: 3-VECC-21 c)

- a) Please confirm that the 31,593,974 kWh adjustments for losses converts the model predicted purchases to billed energy. If not, explain why not.
- b) If part (a) is confirmed, please explain why it is necessary to increase the proposed net CDM savings adjustment of 6,654,894 kWh for losses (i.e. shouldn't the billed energy prior to CDM adjustment simply be reduced by the assumed impact of CDM on billed energy?).

3.0 – VECC – 48

Reference: 3-VECC-22 a)

- a) For each of the following accounts please explain the variance between the forecast and actual values for 2012 and indicate why the higher actual value cannot be assumed to continue through 2013:
- Account 4225 (Late Payment Charge)
 - Account 4235 (Other Income and Expenses)
 - Account 4325 (Revenue from Merch. Jobbing)
 - Account 4390 (Misc. Non-operating Income)

3.0 – VECC – 49

Reference: 3-EP-13 d) & e)

- a) Based on the response to part (d), does the 2013 budget for Account 4235 need to be revised upwards?
- b) With respect to the response to part (e), please provide a similar breakdown for 2012 actuals and the 2013 forecast.

OM&A (Exhibit 4)

4.0-VECC – 50

Reference: IR 4-Staff-29

- a) The interrogatory requested completion of Appendix 2-K. The revised Excel file Chapter2Appendicies_20130404 shows; (1) no part-time employees, (2) no accrued pension and post-retirement benefits and (3) no amounts for overtime. Please confirm this information is correct or, if it is not, please complete Appendix 2-K.

4.0-VECC – 51

Reference: IR 4-SEC-26 (f)

- a) Please provide the total number of employees in PUC Services in 2008 and the total number allocated to the distribution company. Show the same for 2013.
- b) Please provide the total operating cost of PUC Services in 2008 and the total amount charged to distribution. Please provide the same for 2013.

4.0-VECC – 52

Reference: IR-VECC-27

- a) Please explain the “Asset charge” shown in the table of Meter Reading Expenses.

4.0-VECC – 53

Reference: IR 4-SEC-23 / 4-EP-16

- a) Please explain the “cost of capital/asset” charge in the table provided in response c).
- b) Please explain what activities the employees are engaged in in respect the Community relations-sundry. Please provide the FTEs and description of the positions.

COST ALLOCATION (Exhibit 7)

7.0-VECC – 54

Reference: 7-Staff-47

- a) Please confirm that the revised Cost Allocation Model filed with the first round IR responses included:
 - The revised allocator for meter reading expenses,
 - The revised load forecast, and
 - Updated demand allocators based on the revised load forecast.
- b) Were any other changes incorporated in the revised Cost Allocation Model? If yes, please indicate what they were.

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