

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 Peterborough
Distribution Inc. for an Order or Orders approving just and
reasonable distribution rates and other service charges for the
distribution of electricity, effective May 1, 2013.

INTERROGATORIES

ON BEHALF OF THE

SCHOOL ENERGY COALITION

1. Administration

1-SEC-1

Please confirm that there are 34 schools in the Applicant's franchise area. Please advise the number of schools in each of the GS<50 and GS>50 classes.

1-SEC-2

Please refer to the attached table entitled "2011 Comparisons of Distributor Data – Peterborough":

- (a) Please confirm that the figures are accurate to the best of the Applicant's knowledge.
- (b) Please advise if there are any material facts known to the Applicant that make any of the comparisons misleading or invalid.
- (c) Please provide copies of any internal comparisons with other distributors, including but limited to any performance benchmarking by the Applicant using data from other utilities.

1-SEC-3

[1/1/10]

Please provide details of the reallocation of administrative costs from affiliates to 5615, including the dollar impact for each year from 2009 through 2013.

1-SEC-4

[1/1/14]

Please provide the 2012 financial statements (audited when available) for each of PDI, PUI, PUC, and PUSI.

1-SEC-5

[1/1/16]

Please provide a detailed calculation of the impact on January 31, 2013 rate base of applying the half year rule in 2012.

1-SEC-6

[1/2/2, p 1-47 and 1/2/4]

Please confirm that, but for the accounting changes totalling \$1,350,856, the deficiency in the test year would be \$1,955,604, requiring a 13.6% weighted average rate increase. Please confirm that, but for the reduction in interest rates from 2009 Board Approved to forecast 2013 costs, the deficiency would be a further \$1,000,000 higher, or approximately \$2,950,000, requiring a 20.5% weighted average rate increase.

1-SEC-7

[1/App. A, p. 15]

With respect to the 2010 Financial Statements of PDI:

- (a) Please explain in detail how capital expenditures are incurred by affiliates for the account of PDI, including the need for affiliate involvement, the nature of the payments, and the cash flow and working capital implications.
- (b) Please provide a copy of the current Unanimous Shareholders Declaration for any of the companies in the Peterborough Utilities Group.

1-SEC-8

[1/App. B]

With respect to the 2011 Annual Report of PDI:

- (a) First page (pages are not numbered). Please provide the document comparing rates that shows that the Applicant's "rates are some of the lowest in the region".
- (b) Third page. Please confirm that PUI does not charge less for MDMA/MSP Metering services to any third party than it does to PDI.
- (c) Sixth page. Please provide details of any drop in costs from 2011 to 2012 and 2013 as a result of the "four severe thunderstorms" in 2011.
- (d) Tenth page. For each of the individuals listed on this page, please provide their most recent time allocation estimates for each of the entities in PUG, and the resulting percentage allocation of their costs to each of those entities for the Test Year.

2. Rate Base

2-SEC-9

[Ex.2/1/1 p.2-4]

Please provide the "analysis of what measures...indices" referred to.

2-SEC-10

[Ex.2/1/1 p.2-5]

Please provide any long term system plan currently in use by the Applicant (other than the Asset Management Plan).

2-SEC-11

[Ex.2/1/1 p.2-6]

Please provide the “departmental Budget Plans” referred to.

2-SEC-12

[Ex.2/2/4 p.2-28]

Please explain why there is no negative amortization for 1995 Contributions and Grants.

2-SEC-13

[Ex.2/3/2 p.2-46]

Please explain how pole replacement was handled prior to the new program started in 2008.

2-SEC-14

[Ex.2/3/2 p.2-46 and following]

Please confirm that the cost per pole in 2010 was \$16,752, and in 2011 was over \$21,000. Please provide a table for each year from 2009 through 2013 showing the total costs for pole replacement, the total number of poles replaced, and the cost per pole. Please reconcile those figures with the cost of \$7,436 per pole forecast by Hydro One for 2013 (EB-2012-0136, Ex. B/2/3, p. 9) and the Applicant’s own estimate of \$5,000 per pole (Ex. 2/App. C, p. 9).

2-SEC-15

[Ex.2 App.C]

With respect to the Asset Management Plan:

- (a) Please advise the circumstances in which this document was prepared. Please confirm whether it is an operating document, or solely for regulatory compliance purposes.
- (b) Please advise what external advisors, if any, were used in the production of the Plan, and their role in its development.
- (c) P. 3. Please advise in whose franchise area is the bulk of the growth in the Peterborough metropolitan area. If it is possible to provide a map, that would be optimal.
- (d) P. 5. Please provide a list of all asset categories that are currently operated on a run to failure basis. If that policy has changed in the last five years, please provide the previous list before the change in policy. Please relate each of these lists to Table 11 on page 23.
- (e) P. 8. Please advise whether conversion of MS#19 to 44-27.6 kV was considered instead of building the new MS#65. If it was, please explain briefly why that option was not chosen, and the cost implications of that result.
- (f) P. 9 and 25. Please explain why the Applicant is not using 60 years as the TUL for wood poles. Please provide any reports, memoranda, or other documents dealing with the condition of the wood poles, and the expected useful lives of the poles that have been tested. Please provide details of any other asset categories in which the TUL in the Kinectrics Report is inconsistent with the Applicant’s data on its own assets.

3. Operating Revenue

3-SEC-16

[Ex. 3/1/1 Tables 3-1 and 3-2]

Please reconcile the Board-approved revenues for 2009 in each of these two tables.

4. Operating Costs

4-SEC-17

[Ex. 4/1/1 p.4-2]

Please provide details of any changes in accounting methods or policies between 2009 and 2010 that would cause A&G to increase but the other three categories to decrease.

4-SEC-18

[Ex. 4/1/1 p.4-2]

Please reconcile the 2011 OM&A Cost per Customer of \$196.41 with the \$201.07 listed in the 2011 Yearbook.

4-SEC-19

[Ex. 4/1/1 p.4-7]

Please provide the document referred to as the “total labour budget by department” for the Test Year.

4-SEC-20

[Ex. 4/2/3 p.4-23]

Please explain why moving the VP Electric Utility into PDI resulted in a change in cost to PDI. How did the basis of allocation of responsibility for that person’s costs change as a result of that move?

4-SEC-21

[Ex. 4/2/4 p.4-31]

With respect to Appendix 2-K:

- (a) Please refile with Executive, Management and Non-Union separately identified in all areas of the table.
- (b) Please confirm that this is electric only. If so, please provide a similar table, for all years and with full breakdowns, for PUSI.

4-SEC-22

[Ex. 4/2/5 p.4-53]

With respect to Table 4-30 and 4-31:

- (a) Please confirm that the total PUSI budget for 2013 is \$17,511,825 (\$9,806,622/.56) and for 2009 Board approved was \$14,885,515 (\$8,291,232/.557).
- (b) Please provide a table for each of 2013 budget, 2012 actuals, 2011 actuals, and 2009 Board approved showing the total PUSI budget in each expense category (at least the

categories listed in Table 4-30), how much of that budget is allocated to each entity within the PUG, and the basis of the allocation.

4-SEC-23

[Ex. 4/App. G]

With respect to the opinion of the accountants:

- (a) Please provide details of the expertise of the firm providing the opinion in the policies and practices of the OEB.
- (b) Please provide a detailed list of all accounting, consulting and other engagements by Collins Barrow Kawarthas LLP or any related firm since 2012 with any of the Peterborough Utilities Group, the City of Peterborough, or any related entity.

7. Cost Allocation

7-SEC-24

[Ex. 7/1/1 p.7-2]

Please provide a detailed rationale for the 41.3 services weighting for GS>50.

7-SEC-25

[Ex. 7/1/1 p.7-3]

Please confirm that all GS>50 customers' meters are being replaced with smart meters. Please advise the meter costs for cost allocation purposes applicable to GS>50 customers with smart meters.

8. Rate Design

8-SEC-26

[Ex. 8/1/1 p.8-4]

Please confirm that, if the GS>50 fixed charge were set at the Min. System with PLCC, i.e. \$86.31, the volumetric charge including the cost of the transformer allowance would be \$3.1654/kW.

Submitted by the School Energy Coalition on this 3rd of May, 2013.

Jay Shepherd

2011 Comparisons of Distributor Data - Peterborough

#	Metric	Peterborough	AVERAGES	Brantford	Chatham- Kent	Essex Powerlines	Haldimand County	Halton Hills	Kingston	Milton	Newmarket	North Bay	PUC Distribution	Westario	Welland
1	Number of Customers	35,270	27,669	37,964	32,132	28,094	21,070	21,232	26,844	30,485	33,338	23,850	32,998	22,257	21,768
2	Density (customers/km.)	63.78	44.23	58.50	39.62	60.42	12.15	14.50	74.15	32.09	40.17	38.59	44.77	43.22	72.56
3	Residential Revenue %	51.29	57.67	54.95	52.83	66.06	64.27	56.15	54.43	60.72	53.93	52.37	53.20	59.34	63.82
4	OM&A/Customer	\$212.07	\$231.32	\$176.65	\$268.60	\$205.78	\$349.23	\$225.95	\$242.86	\$209.83	\$202.18	\$178.41	\$261.86	\$209.58	\$244.88
5	Net Fixed Assets/Customer	\$1,400	\$1,500	\$1,645	\$1,540	\$1,391	\$1,741	\$1,485	\$1,135	\$1,770	\$1,549	\$1,811	\$1,471	\$1,425	\$1,035
6	Cap. Adds as % of Dep'n	181.1%	212.8%	117.3%	141.5%	236.9%	166.3%	198.6%	288.0%	268.3%	141.0%	253.1%	385.6%	215.3%	141.9%
7	FTEs	63	51	65	43	44	50	49		46	57	46	82	33	42
8	Res. Typical 2012 Dx. Bill	\$254.28	\$307.11	\$270.00	\$301.20	\$295.20	\$471.36	\$302.40	\$289.08	\$312.60	\$313.80	\$294.96	\$251.64	\$272.40	\$310.68
9	GS<50 Typical 2012 Dx. Bill	\$574.80	\$617.17	\$453.72	\$674.28	\$669.48	\$836.40	\$578.88	\$550.20	\$596.28	\$809.76	\$648.60	\$612.00	\$470.04	\$506.40
10	GS>50 Typical 2012 Dx. Bill	\$10,276.08	\$11,333.70	\$11,337.42	\$11,494.38	\$8,690.94	\$15,659.22	\$13,366.08	\$9,088.56	\$8,446.80	\$15,333.24	\$9,616.50	\$15,031.08	\$9,593.70	\$8,346.48

Sources: Lines 1-7 - 2011 OEB Electricity Distributors' Yearbook (except PDI line 7, from this Application)

Lines 8-10 - Final Rate Orders for all LDCs (Res. = 800 kwhr; GS<50 = 2000 kwhr; GS>50 = 250 kW)