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May 24, 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: Amended EB-2012-0165 Sioux Lookout Hydro Inc.

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

Yours truly,

Michael Janigan
Counsel for VECC

Cc: Sioux Lookout Hydro - Deanne Kulchyski - dkulchyski@tbaytel.net

REQUESTOR NAME	**VECC**
INFORMATION REQUEST ROUND NO:	**# 2**
TO:	**Sioux Lookout Hydro Inc. (Sioux Lookout or SLH)**
DATE:	**May 23, 2012**
CASE NO:	**EB-2012-0165**
APPLICATION NAME	**2013 Cost of Service Electricity Distribution Rate Application**

NB: Interrogatories numbered from last VECC IR #37.

1. GENERAL (Exhibit 1)

1.0-VECC- 38 Reference: 1-Staff-5

a) Please provide the list of construction and development fees included in SLHI's Conditions of Service.

b) It appears from the response to the interrogatory that SLHI does earn revenues from these fees, but that they are offset by equal costs. Please confirm this is correct and if so please provide the revenues and costs (and providing a description of the costs) for 2012 from these services and the forecast for 2013.

c) If this is not correct then please explain why, if SLHI does not earn any revenues from these fees (i.e. they are not charged to anyone), it continues to include them in its Conditions of Service.

1.0-VECC- 39 Reference: Updated RRWF

a) Please explain the change shown at Tab 6 of the revised RRWF form (V3_20130516) - Taxes-PILS where the "*Adjustments required to arrive at taxable utility income"* are reduced from $162,444 to $97,170.

3. LOAD FORECAST/OPERATING REVENUE (Exhibit 3)

3.0-VECC – 40 Reference: 3-VECC -13

a) Given the GS<50 customer count increased in 2012 (over 2011) as opposed to decreasing as forecast by SLHI, is there a need to revise the forecast customer count for this class for 2013? If yes, what is SLHI's view as to what the revised forecast should be? If no, why not?

3.0-VECC – 41 Reference: 3-VECC -14

a) If available, please provide a copy of the OPA's preliminary 2012 CDM report for SLHI.

3.0-VECC – 42 Reference: 3-Staff-13

a) For those classes that are demand billed (GS>50 and Street Lights), please indicate what the 2013 billing demand values would be for the LRAMVA and explain how they were determined.

3.0-VECC – 43 Reference: 3-VECC-15

a) Are there any activities, apart from participation in the OPA's CDM programs< that contribute to the Revenues and Expenses reported for 2012 in accounts #4375 and #4380 respectively?

b) If yes, please explain what they are and provide a schedule that separates out the actual 2012 and forecast 2013 values for these two accounts as between those that are related to OPA CDM programs and those that are related to other activities.

4. OPERATING COSTS (Exhibit 4)

4.0 - VECC- 44 Reference: 4-VECC16/ 4-VECC-20

a) Is the $78,832 in smart meter maintenance and operations costs discussed in the interrogatory response the total of the incremental costs related to the ongoing use of smart meters? If not, please identify all the smart meter incremental OM&A costs.

b) Please provide the amount of any offsetting reduction in costs related to meter reading.

4.0 - VECC- 45 Reference: 4-Staff-17

a) What portion of the $81,370 identified in the interrogatory response as the incremental costs for the 2013 cost of service application and the change in capitalization, due solely to the change in capitalization policy?

7. COST ALLOCATION (Exhibit 7)

7.0-VECC – 46 Reference: 7-Staff-24 b)

a) Please confirm if the GS<50 ratio is set at the Status Quo value of 115.2% then the resulting Residential ratio that would maintain revenue neutrality is 94.3%. If not, what is the correct value?

9. DEFERRAL AND VARIANCE ACCOUNTS (Exhibit 9)

9.0-VECC- 47 Reference: Exhibit 2, Tab 5, Schedule 4

a) *Preamble: SLHI is seeking to make an adjustment of $24,722 to depreciation expense in order to refund, over four years, the difference in this expense as a result of changes in capitalization and asset lives. However, no amount is provided for interest as it done with similar changes when made under account 1575 and when a utility is changing to IFRS accounting. In a number of 2013 Cost of Service Settlements the parties have agreed that account 1576 and 1575 should be treated similarly (see or example Innisfil Hydro Distribution Settlement Agreement EB-2012-0139 pgs. 37 & 47).*

Please calculate the weighted average capital costs (for the 4 years) for the PP&E adjustment and comment on the appropriateness of making this additional adjustment (credit) to the final revenue requirement.

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