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June 17, 2013

BY EMAIL & COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

Board File No. EB-2012-0160
Peterborough Distribution Inc. – 2013 Cost of Service Application
Energy Probe – Supplemental Interrogatories to Applicant

Pursuant to Procedural Order No. 3, issued by the Board on June 14, 2013, please find attached the Supplemental Interrogatories of Energy Probe Research Foundation (Energy Probe) in respect of Peterborough Distribution Inc. in the EB-2012-0160 proceeding.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh
Case Manager

cc: Byron Thompson, Peterborough Utilities (By email)
Randy Aiken, Consultant to Energy Probe (By email)
Interested Parties (By email)

Energy Probe Research Foundation 225 BRUNSWICK AVE., TORONTO, ONTARIO M5S 2M6

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Ontario Energy Board

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c. 15, (Schedule B), as amended;

AND IN THE MATTER OF an Application by Peterborough
Distribution Inc. for an Order or Orders approving or fixing just
and reasonable rates and other service charges for the
distribution of electricity, effective May 1, 2013.

**SUPPLEMENTAL INTERROGATORIES OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

June 17, 2013

**PETERBOROUGH DISTRIBUTION INC.
2013 RATES REBASING CASE
EB-2012-0160**

**ENERGY PROBE RESEARCH FOUNDATION
SUPPLEMENTAL INTERROGATORIES**

EXHIBIT 1 – ADMINISTRATIVE DOCUMENTS

1-Energy Probe-27s

Ref: 1-SEC-5

The response indicates that the closing 2012 rate base and the opening 2013 rate base would be \$150,745 lower if the half year rule had not been applied in 2012.

- a) Please confirm that the net book value at the end of 2012 and at the beginning of 2013 would actually be \$301,489 lower if the half year rule had not been applied in 2012.
- b) Please confirm that this means the opening NBV used for rate base calculations purposes would be \$301,489 lower at the beginning of 2013 and at the end of 2013. If this cannot be confirmed, please explain.
- c) Please update this response, if necessary, to reflect actual 2012 capital expenditures.

EXHIBIT 2 – RATE BASE

2-Energy Probe-28s

Ref: 2-Staff-6

Actual contributions and grants for 2012 were more than \$350,000 higher than forecast. What was the driver for this increase and please explain why it will not persist through the 2013 test year.

2-Energy Probe-29s

**Ref: 2-Energy Probe-6 &
2-Energy Probe-7**

Please provide an updated Table 2-13 for 2013 that reflects the actual capital expenditures shown in the response to 2-Energy Probe-7 for 2012 and the revised 2013 test year net book values shown in Table 2-6 in the response to 2-Energy Probe-6.

2-Energy Probe-30s

Ref: 1-VECC-2

Table 1-VECC-2 shows the impact on the gross revenue deficiency for changes, among others, of the lower capital expenditures in 2012, updated cost of capital parameters, and the updated cost of power. These items change the level of rate base and the return on equity, along with the CCA available for PILs purposes.

- a) Please explain why there is no change in the PILs shown in Table 1-VECC-2.**
- b) Please provide an updated RRWF and Table 1-VECC-2 that results from any additional changes adopted by PDI as a result of the supplemental interrogatories and/or any changes to the original version based on corrections required.**

2-Energy Probe-31s

Ref: 2-VECC-6

- a) Is the project noted in the response to part (b) that is in the discussion phase with the City of Peterborough with an estimated cost of \$750,000 included in projects identified in Table 2-17? If yes, please indicate where it is.**
- b) If the project is not included in Table 2-17, please indicate whether or not it will (or may) proceed in 2013 and whether the entire cost would be funded by the City.**

EXHIBIT 3 – OPERATING REVENUE

3-Energy Probe-32s

**Ref: 3-Energy Probe-16 &
Exhibit 2, Tab 4, Schedule 1**

- a) Please explain why there is no impact on the purchases shown in Table 3-27 in the interrogatory response relative to the original figures shown in Table 3-27.**
- b) How did PDI adjust the purchases to reflect the CDM reduction of 15 GWh in the cost of power calculations used for the working capital allowance calculation shown in Table 2-24? In particular, please reconcile the sum of the RPP and non-RPP volumes shown in that table with the power purchase figure shown in the original Table 3-27 and indicate how the reduction in purchased volumes has been reflected in the power purchased figures.**
- c) If necessary, please provide a similar calculation for the cost of power that reflects the CDM reduction reflected in the response to 3-Energy Probe-16.**

3-Energy Probe-33s

**Ref: 1-VECC-2 &
3-Energy Probe-17 &
3-VECC-17 &
6-Energy Probe-23**

There appears to be an increase in other revenues in 2013 of \$50,000 (3-VECC-17) for specific service charges and \$5,800 (3-Energy Probe-17) for SSS administration charges. These two changes are shown in Table 1-VECC-2.

- a) Please reconcile the change in other revenues of \$55,800 with the change in Revenue Offsets of \$50,000 as shown in the RRWF provided in response to 1-VECC-2.**
- b) Please confirm that the total other revenue forecast based on the responses noted above, has been increased from \$1,263,000 to \$1,318,800 as shown in the response to 6-Energy Probe-23. If this cannot be confirmed, please show the revised total other revenue forecast and reconcile it to the increases noted in 3-Energy Probe-17 and 3-VECC-17.**

EXHIBIT 4 – OPERATING COSTS

4-Energy Probe-34s

**Ref: 4-Staff-22 &
Exhibit 4, Tab 2, Schedule 4**

- a) Please provide the dollar value associated with the non-union percentage increases shown in the response to 4-Staff-22 for each of 2010 through 2013.**
- b) Please provide the dollar impact of the 2.6% increase in union wages noted on page 4-29 of Exhibit 4, Tab 2, Schedule 4.**

4-Energy Probe-35s

**Ref: Exhibit 4, Tab 2, Schedule 7 & 2-
Energy Probe-7 & 1-VECC-2**

- a) Please provide a revised Table 4-44 from Exhibit 4, Tab 2, Schedule 7 that shows the impact on the depreciation expense in 2013 that results from the use of the actual 2012 capital additions as reflected in the response to 2-Energy Probe-7.**
- b) Please indicate where the change in depreciation expense in 2013 as a result of the change in capital additions closed to rate base in 2012 is reflected in Table 1-VECC-2.**

4-Energy Probe-36s

**Ref: Exhibit 4, Tab 2, Schedule 7 &
Exhibit 1, Tab 2, Schedule 7 &
2-Energy Probe-30s**

- a) Please reconcile the depreciation expense of \$2,959,645 shown in Tab 4-44 of Exhibit 4, Tab 2, Schedule 7 with the figure of \$2,673,856 as found in the Revenue Requirement page of the RRWF found in Exhibit 1, Tab 2, Schedule 7. In particular, has the difference of \$285,789 been reallocated from depreciation expense to OM&A expenses?**
- b) Please provide a similar reconciliation of the depreciation expense based on the updated/corrected RRWF requested in 2-Energy Probe-30s that reflects the impacts on the depreciation expense of the 2012 actual capital expenditures.**

- c) Tables 4-42 and 4-43 in Exhibit 4, Tab 2, Schedule 7 show different totals for depreciation expenses based on the calculations in the tables and those in the fixed asset continuity schedules. Which set of figures does PDI use for financial accounting purposes?
- d) Please provide corresponding tables for 2009 and 2010 to that for 2011, along with an update to Table 4-43 that reflects actual data for 2012.

EXHIBIT 7 – COST ALLOCATION

7-Energy Probe-37s

Ref: 7-Energy Probe-24

- a) The weighting factor for services for the GS > 50 class have increased from 10.0 to 41.30, but the response part (c) shows no change in costs allocated to this class for the change in weighting factors for services. Please explain.
- b) What is the approximate break down of costs between billing and collection that are covered by the billing weighting factors shown in Table 7-2?
- c) Part (c) of the response is not complete in that no table was provided to show the change in allocated costs for the meter reading weighting factor shown in Table 7-4 shown in the response to part (b). Please provide the requested table.