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August 27, 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-2012-0116
Collus PowerStream Corporation – 2013 Cost of Service Application
Energy Probe – Technical Conference Questions

Pursuant to Procedural Order No. 1, issued July 10, 2013, please find enclosed the prefiled Technical Conference Questions of Energy Probe Research Foundation (Energy Probe) in the EB-2012-0116 proceeding.

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

Yours truly,

David S. MacIntosh
Case Manager

cc: Cindy Shuttleworth, Collus PowerStream (By email)
Glen McAllister, Collus PowerStream (By email)
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Ontario Energy Board

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c. 15, Sched. B, as amended:

AND IN THE MATTER OF an application by Collus
PowerStream Corporation for an Order or Orders approving or
fixing just and reasonable rates and other service charges for
the distribution of electricity, effective September 1, 2013.

**TECHNICAL CONFERENCE QUESTIONS OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

August 27, 2013

**COLLUS POWERSTREAM CORPORATION
2013 RATES REBASING CASE
EB-2012-0116**

**ENERGY PROBE RESEARCH FOUNDATION
TECHNICAL CONFERENCE QUESTIONS**

(Please note that the numbering is based on the continuation of the interrogatories)

EXHIBIT 1 – ADMINISTRATIVE DOCUMENTS

1-Energy Probe-42s

Ref: 1-Energy Probe-2

The answer provided in part (a) indicates that no "sales transactions costs" are included in the capital, OM&A or other costs provided for 2012 or previous years. However, then the answer goes on to indicate that all "sales transaction costs" were 're-billed' to the shareholder and reimbursed by them.

- a) Does this mean that the "sales transactions costs" are included in the OM&A, capital or other categories in the figures provided for financial and/or regulatory purposes, along with an entry or entries for revenues to record the reimbursement received from the shareholder?
- b) If the response to part (a) is in the affirmative, please provide a breakdown of the expenses recorded for regulatory purposes in this application in 2012 and previous years for each of OM&A, capital and other expenses, along with the revenue recorded from the reimbursement.

1-Energy Probe-43s

Ref: 1-Energy Probe-2

In the response to part (a) Collus PowerStream indicates that it did incur some additional general and administrative costs that were not "sales transactions costs", but were incurred as a result of the transaction.

- a) For each of the three quantified expenses provided (extra audit, professional accounting fees, legal fees) please describe the expense and why it was incurred as a result of the transaction.
- b) Please confirm that these costs are included in the OM&A shown for 2012 and were not reimbursed by the shareholder.
- c) Are the three quantified expenses noted above in part (a) one-time costs incurred in 2012 as a result of the sales transaction? In other words, is there any continuation of these costs included in the 2013 forecast? If yes, please explain.
- d) Are there any OM&A, capital or other expenses or revenues included in the 2013 forecast associated with the sales transaction? If yes, please quantify, explain and indicate whether these are one time costs, or costs that are expected to remain for the term of the IRM plan.

1-Energy Probe-44s

Ref: 1-Energy Probe-2

The response to part (a) lists a number of activities (general travel, office, telephone, wages and benefits) where costs were incurred related to supporting the transaction process.

- a) Please explain why these costs are labelled as non-quantifiable. In doing so, please provide a description of the costs incurred for the each of the items listed. For example, did Collus PowerStream not track the hours of its executives that were involved in sales transaction?
- b) Please provide a best estimate of the total costs incurred by Collus PowerStream for the above noted activities (in aggregate only). If more appropriate, please provide a range which Collus PowerStream believes is a reasonable estimate of the minimum and maximum costs incurred.
- c) Given that these costs are non-recurring in 2013, how has Collus PowerStream adjusted the 2013 forecast for OM&A?

1-Energy Probe-45s

Ref: 1-Energy Probe-6

The response to part (b) indicates that the "on-going tracking, new forms, reporting, system setup, GIS system integration, disposal record keeping, and financial statement reporting create a significant increase in workload and resources on an on-going basis".

- a) Please quantify the dollar impact of this "significant increase".**
- b) Please describe the "system setup" activity and explain why it is an ongoing activity, rather than part of the one-time transitions costs to be recorded in Account 1508.**
- c) If the increase in OM&A costs associated with IFRS are not "specifically identifiable", please explain how the accounts impacted (5615 and 5630) have been adjusted to reflect the increase in workload and resources.**

EXHIBIT 2 - RATE BASE

2-Energy Probe-46s

Ref: 2-Staff-6

In Table Staff 6.1 - Reconciliation of Depreciation Amounts, an amount of \$192,047 is explained as moved to burden pools and shown on other lines.

- a) Please confirm that this amount is depreciation associated with transportation equipment.**
- b) Please indicate the breakdown of the transfer of the \$192,047, showing the amount included in OM&A and the amount capitalized in the 2013 test year.**

2-Energy Probe-47s

Ref: 2-Energy Probe-17

Please confirm that the response to part (c) indicating that effective January 1, 2013, additions will be added using the half year rule is applicable to both regulatory and financial accounting.

EXHIBIT 3 - OPERATING REVENUE

3-Energy Probe-48s

Ref: 3-Energy Probe-20

- a) What is the impact on the distribution revenue forecast for 2013 of the correction in the number of GS>50 customers from 114 to 117 as noted in the response to part (b)?
- b) Please explain why the forecast for the billed kW in 2012 for the GS>50 and streetlighting classes is lower than that calculated in the response to part (a). If the forecast were set equal to the figures calculated in the 2013* line in the table, what would be the impact on the distribution revenue forecast for 2013?

3-Energy Probe-49s

Ref: 3-Energy Probe-20 & 3-VECC-16

With respect to the company that filed for bankruptcy in 2012, please provide the following:

- a) Is the 37,161 kW figure shown in the response to part (a) reflective of an entire year of operations in 2012, or is it only reflective of a partial year of operation in 2012? If the latter, please provide the number of months that make up the 37,161 kW.
- b) Please reconcile the figure of 37,161 kW in 3-EP-20 with the figure of 36,052 kW in 3-VECC-16.
- c) Has Collus PowerStream provided the actual kW figures for the GS>50 and streetlighting classes for the 2008 through 2012 period in its evidence? If yes, please provide a reference to where this information is provided. If not, please expand the table provided in the response to part (a) of 3-EP-20 to reflect actual data for 2008 through 2012.
- e) In the calculation of the 2013 kW figure of 338,491 in the table provided in the response to part (a) it appears that Collus PowerStream has reduced the 2012 actual figure of 378,911 by multiplying it by 0.9914 and then subtracting 37,161.
 - i) Please confirm that the above calculation is correct.

- ii) Please explain the double counting of the removal of the bankrupt customer given that the 37,161 figure is reduced by 0.86% and then 100% is removed from the 2013 forecast.
 - iii) Please confirm that if the bankrupt customer demand is removed before the application of the 0.86% reduction, the 2013 kW forecast is 338,810 kW $((378,911-37,161) \times 0.9914)$.
- d) What is the status of the bankruptcy claim of the customer noted?
- e) What is the kW recorded on a year to date basis for 2013 for this customer?

3-Energy Probe-50s

Ref: 3-VECC-18

The response indicates that the 2013 load forecasts do not include any historical or forecasted loads for Nacan/Amaizingly Green (now AG Global).

- a) Please provide the most recent year-to-date figures available for the kWh and kW consumption associated with this plant.
- b) Please provide the distribution revenue billed year-to-date to this customer and please indicate whether or not the customer is continuing to pay their bills to Collus PowerStream.

3-Energy Probe-51s

Ref: 3-Energy Probe-22 & Exhibit 3, Tab 3, Schedule 1

- a) Please confirm that the response to part (b) indicates that there are no SSS Admin charges included in the original Table 2 in Exhibit 3, Tab 3, Schedule 1. If this cannot be confirmed, please show which account in Table 2 includes the 82,080 forecast for SSS Admin charges in 2013.
- b) The response to part (e) indicates that the difference in specific service charges between Tables 2 and 3 is related to service charges related to performing water and sewer billing.
 - i) Please provide the total revenue generated for performing the water and sewer billing for each of 2009 through 2012, along with the forecast for 2013.

- ii) Please provide the total OM&A cost associated with the water and sewer billing for each of 2009 through 2012, along with the forecast for 2013.
- iii) Are the OM&A costs related to providing these billing services included in the OM&A figures included in the 2013 revenue requirement? (or, for example, are the costs netted off the revenues, with the net revenues showing up in the specific service charges?)
- iv) How has Collus PowerStream estimated the capital related costs (depreciation, taxes, return on capital) associated with the assets used to do the billing for the water and sewer services?

c) The response and reference to part (h) indicate that microfit revenue of \$2,205 is included in Account 4080. However, Account 4080 is not listed in Table 2 of Exhibit 3, Tab 3, Schedule 1. Please indicate where in Table 2 the microfit revenue is included in Table 2.

EXHIBIT 4 - OPERATING COSTS

4-Energy Probe-52s

Ref: 4-Energy Probe-27

The response to part (b) has not been fully answered. In particular, please explain why the activities listed in the response (training, consultants, software, software support and overtime) are not considered a one-time cost or a transition cost that is recoverable through the deferral account for transition costs to IFRS.

4-Energy Probe-53s

Ref: 4-SEC-15

On pages 277 and 278 of the interrogatory responses, the table shows a positive cost driver of \$172,800 between 2012 and 2013. Note 6 explains that this is because of an accounting change where, beginning in 2013, this expense will be tracked separately.

a) What was the corresponding rent incurred in 2012?

b) Please show where in the OM&A table this increase in operations costs of \$172,800 is offset, or at least partially offset by the removal of the actual costs incurred in 2012 (see (b) above) in moving to the 2013 forecast.

4-Energy Probe-54s

Ref: 4-Energy Probe-29 & Exhibit 4, Tab 4, Schedule 5

- a) Is Collus PowerStream willing to provide the response to part (d) on a confidential basis?
- b) Is the cost of the retirement allowance incurred in 2012 higher or lower than the materiality threshold of \$50,000?
- c) If the response to part (a) is no, please show where the retirement allowance is included in the 2012 column of Table 1 in Exhibit 4, Tab 4, Schedule 5.

EXHIBIT 9 - DEFERRAL AND VARIANCE ACCOUNTS

9-Energy Probe-55s

Ref: 9-Energy Probe-41

The response indicates that Collus PowerStream has not removed the meters that were replaced up to the end of 2012 from rate base.

- a) Please indicate if Collus PowerStream added the replacement meters installed through to the end of 2012 to rate base.
- b) Please explain why Collus PowerStream believes it is appropriate to leave replaced meters that are neither used nor useful in rate base.
- c) Please provide the net book value at the end of 2012 of the meters that have been replaced but still continue to be included in rate base.
- d) What is the net book value of the meters that are forecast to be replaced in 2013, but remain in rate base for the entire test year?