



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

September 30, 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-2012-0109 Brantford Power Inc.

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

Yours truly,

Michael Janigan
Counsel for VECC

Encl.

cc. Brantford Power Inc.
Attn: Ms. Heather Wyatt
e-mail: hwyatt@brantford.ca

REQUESTOR NAME	VECC
INFORMATION REQUEST ROUND NO:	# 1
TO:	Brantford Power Inc. (Brantford or BPI)
DATE:	September 30, 2013
CASE NO:	EB-2012-0109
APPLICATION NAME	2013 Cost of Service Electricity Distribution Rate Application

1. GENERAL

1.0- VECC- 1

**Reference: Exhibit 1, Tab 2, Schedule 5, pg. 1/
2013_Rev_Req_Work_Form_V3_March13 2013, 201130717**

- a) Please explain the discrepancy between the revenue deficiency of \$1,409,559 given at page 1 of E1/T2/S5/pg.5 and the amount of \$3,503,478 shown in the RRWF Excel spreadsheet.

1.0- VECC- 2

Reference: Exhibit 1, Tab 2, Schedule 1, pg. 4

- a) Please explain what portion of the 2013 revenue deficiency is being sought for recovery for the period between November 1, 2013 and April 30, 2014.

2. RATE BASE (Exhibit 2)

2.0-VECC – 3

Reference: Exhibit 2, Tab 1, Schedule

- a) BPI notes that it undertakes capital projects for one of 4 reasons: (1) Renewal; (2) Security; (3) Capacity; and (4) Reliability. Please provide a breakdown of the capital expenditures from 2009 through 2013 by these categories.

2.0-VECC – 4

Reference: Exhibit 2, Tab 3, Schedule 2, Appendix 2-A, Capital Projects Table.

- a) Using Appendix 2-A, please show the capital contributions by project.

2.0-VECC – 5

Reference: Exhibit 2, Tab 3, Schedule 2, Appendix 2-A

- a) Please provide an update to Appendix 2-A showing the amounts spent to-date on each project, the estimated (or actual) date of completion or in-service and, if applicable, the forecast updated budget (or remaining amount forecast to be spent on the project).

2.0-VECC – 6

Reference: Exhibit 2, Tab 3, Schedule 4, Table 2.19

- a) In order to understand the materiality of BPI's proposed departures from the Kinectrics Study recommendations, please provide an estimate of the revenue requirement impact of maintaining the useful within the Kinectrics Study range.

2.0 – VECC – 7

Reference: Exhibit 2, Tab 3, Schedule 6

- a) Please provide the causes of service interruptions by category (see sample table below – or use similar descriptors employed by BPI).

Description	2009 Totals	2010 Totals	2011 Totals	2012 Totals
Scheduled				
Supply Loss				
Tree Contact				
Lightning				
Def. Equip.(other than pole)				
Pole Failure				
Weather				
Animals, Vehicle				
Unknown				
Total				

2.0-VECC – 8

Reference: Exhibit 2, Tab 4, Schedule 1

- a) Does BPI monthly or bi-monthly bill its customers? Has the billing cycle changed since the last Board cost of service rebasing?

2.0-VECC – 9

Reference: Exhibit 2, Tab 5, Schedule 1

- a) Please provide the capital and OM&A (separately) costs for 2013 that BPI expects to fund through distribution rates.

3. LOAD FORECAST/ OPERATING REVENUE (Exhibit 3)

3.0-VECC – 10

Reference: Exhibit 3, Tab 1, Schedule 1, page 2

- a) With respect to the Summary of Operating Revenue Table provided, please clarify the footnoted with the double star (**), by indicating, for each year, in which row under Other Distribution Revenue are Revenues from the Standby class included and what the annual values are.

3.0-VECC – 11

Reference: Exhibit 3, Tab 2, Schedule 1, page 3

- a) Are the 2013 billed kWh values reported in Table 3.1 after the manual adjustment for CDM?
- b) The text states that the numbers for Street Lights, Sentinel Lights and Unmetered reported in Table 3.2 are connections. However, Tab I6.2 of the Cost Allocation model reports 645 connections whereas Table 3.2 reports 10,355 for 2013. Please reconcile.

3.0-VECC – 12

Reference: Exhibit 3, Tab 2, Schedule 1, pages 6- 7

- a) Please confirm that the values used for the Negative Impact Variable were calculated based on the net CDM savings from CDM programs implemented starting in 2006 through to programs implemented in 2012.
- b) What are the savings attributed to 2012 CDM programs as used in the regression analysis based on?
- c) If available, please provide a copy of the OPA's final 2012 CDM Report for BPI? If this is not available, please provide any preliminary reports the OPA has produced regarding 2012 CDM program results.
- d) What other variables did BPI test in developing its load forecast model and why were they excluded?
- e) How does BPI interpret the -5.71 coefficient value that is calculated for the Negative Impact Variable?

- f) Is it reasonable to use, for load forecasting purposes, a model that assumes each kWh of CDM leads to an almost 7 kWh reduction in purchases? If so, why?
- g) Please re-estimate the model excluding the Negative Impact Variable, provide the resulting equation and statistics and provide a forecast for 2013 using the revised model.

3.0-VECC – 13

Reference: Exhibit 3, Tab 2, Schedule 1, page 10

- a) Please confirm whether the forecast 2013 values shown in Table 3.6 are after the manual CDM adjustment for 2013 programs.
- b) Please provide a table that for the years 2011 and 2012 sets out:
 1. The actual purchased kWh
 2. The Actual HDD and CDD values for each year
 3. The assumed weather normal HDD and CDD values
 4. The difference between the Normal and Actual HDD values multiplied by 15,963 for each year
 5. The difference between the Normal and Actual CDD values multiplied by 110,374 for each year
 6. The Addition of items (1), (4) and (5) from above for each year

3.0-VECC – 14

Reference: Exhibit 3, Tab 2, Schedule 1, page 11

- a) Please provide a schedule that for 2013 sets out:
 - The projected purchases as forecast using the regression model (and indicate where in the Excel Load Forecast model this value is found)
 - The adjustment for 2013 CDM programs (and indicate whether the 2,584,069 kWh value used is purchases or billed energy)
 - The adjustment for losses, and
 - The resulting billed kWh forecast of 919.9 GWh.

3.0-VECC – 15

Reference: Exhibit 3, Tab 2, Schedule 1, page 12

- a) What was the actual customer count by class as of June 30, 2013?

3.0-VECC – 16

Reference: Exhibit 3, Tab 3, Schedule 1, pages 3-9

- a) Please explain why there are actual sales reported to both Embedded Distributor and Standby for 2008-2012 but they are not included in the forecast developed in Tab 2, Schedule 1.
- b) Are the volumes sold to these two classes not reflected in BPI's monthly purchases and, if not, why not?
- c) What is the basis for the 2013 sales volumes shown for Embedded Distributor and Standby in Table 3.33?

3.0-VECC – 17

Reference: Exhibit 3, Tab 3, Schedule 4, page 2

- a) Please explain more fully BPI's concerns regarding the privacy implications of providing Arrears Certificate.
- b) What would give rise to BPI having to install/remove a load control device after hours?

3.0-VECC – 18

Reference: Appendix 2-F: Other Operating Revenue

- a) How many MicroFit customers does BPI currently have and where is the associated revenue reported?

4. OPERATING COSTS (Exhibit 4)

4.0 - VECC-19

Reference: Exhibit 4, Tab 2, Schedule 1, pg. 4 / Schedule 3, Tables 4-13 to 4-17

- a) The evidence states that the 2012 bridge year is a forecast. If this is correct please provide the year end actual 2012 OM&A spending in detailed format (i.e. Appendix 2-G).

4-VECC- 20

Reference: Exhibit 4, Tab 2, Schedule 1, pg. 4 / Schedule 3, Tables 4-13 to 4-17

- a) Please provide a similar update for 2013, but showing 2013 actual spending to-date (ending 3rd quarter) and the forecast remaining budget.

4.0 - VECC- 21

Reference: Exhibit 4, Tab 2, Schedule 4

- a) Please provide a breakdown of the meter reading expense in 2013 as compared to 2008. Also provide the number of meters read in 2008 and the projected number of meters to be read in 2013. If the frequency of meter reads has changed during the period please explain the impact on costs.

4.0 - VECC- 22

Reference: Exhibit 4, Tab 2, Schedule 1, pg. 3

- a) Please provide the calculation which shows the derivation of the proposed \$20,900 in LEAP funding for 2013. Specifically, did BPI use the Service Revenue Requirement before or after Revenue offsets for the purpose of this calculation?

4.0 - VECC- 23

Reference: Exhibit 4, Tab 1

- a) Please provide the association fees paid to the EDA for each of the years 2008 through 2013.
- b) Separately provide and describe the cost of all other association memberships.

4.0 - VECC- 24

Reference: Exhibit 4, Tab 2, Schedule 3, pg.1

- a) Please confirm that the 2013 is the first year BPI applied its new capitalization policy.

4.0 - VECC- 25

Reference: Exhibit 4, Tab 2, Schedule 4

- a) Please provide and detail all one-time costs incurred in 2012 related to the restructuring (e.g. severances, studies, moving costs, etc.).
- b) Please provide all one-time costs budgeted in 2013 related to corporate restructuring.

4.0 - VECC- 26

Reference: Exhibit 4, Tab 4, Schedule 1, pg. 10 / Attachment 2

- a) Please provide the 2013 incremental ongoing costs as compared to 2008 for:
 - (1) Smart meter reading and billing (show any reductions due to meter reading changes separately)
 - (2) Smart meter maintenance as compared to prior generation of meters.
 - (3) Ongoing cost due corporate restructuring. Please show the both the pre and post restructuring cost. For example, for customer service please show the 2012 (or last pre-restructuring year cost) as compared to the same functions after restructuring.

4.0 – VECC – 27

Reference: Exhibit 4, Tab 2, Schedule 3 / Schedule 4, pg.12

Preamble: *BPI shows a very large change in OM&A due to changes to its capitalization policy. The amount shown in Table 4.18 is a total of \$972,502.*

- a) Please explain if (or how) the corporate restructuring which substitutes some contracting services with direct employment impacts the capitalization costs. For example, would the dollar impact of the capitalization policy change been significantly different under the previous corporate structure? If so, would the difference have been material?

4.0 - VECC- 28

Reference: Exhibit 4, Tab 2, Schedule 3, pg.1

- a) Please explain what activities are accounted for under account 5410 – Community Relations – Sundry. Please also explain what has caused these costs to have increased by over 30% since 2008.

4.0-VECC – 29

Reference: Exhibit 4, Tab 2, Schedule 3, pg.6

- a) Does BPI currently do billing in-house or is this service contracted out with the City (or some other party)? If the service is contracted out please explain how customer services, which BPI has indicated were brought in- house in 2013 (E4/T2/S3/pg.3) are integrated with the billing system.

4.0-VECC – 30

Reference: Exhibit 4, Tab 2, Schedule 5, Appendix 2-k

- a) Please revise Appendix 2-K to show only the actual FTEs employed by BPI in 2008 through to 2013 (or confirm that is what the current table shows).

4.0-VECC – 31

Reference: Exhibit 4, Tab 2, Schedule 6, pg.7

- a) Please list the IT systems that were supported by the City Affiliate in 2008 and compare that to the services provided in 2013. If workstation support is included please provide the number of workstations supported in 2008 and 2013.
- b) Does BPI employ any IT professionals directly? If yes, please describe their activity and cost.

4.0-VECC – 32

Reference: Exhibit 4, Tab 2, Schedule 6, pg.7-9

- a) Please list the facilities that were provided by the City Affiliate in 2008 (747k) and in 2013 (538k).

4.0-VECC – 33

Reference: Exhibit 4, Tab 2, Schedule 6, pg.7-9

- a) Please list all in the insurance policies covering BPI liabilities.
- b) Is BPI covered by any policy issued by the MEARIE group? If yes please provide the cost of the policy and describe its coverage.

4.0-VECC – 34

Reference: Exhibit 4, Tab 2, Schedule 6, pg.7-9

- a) Please describe of list of the activities provided by the Treasury, Purchasing department of the City Affiliate in 2008 and compare that to the same category of services provided (or to be provided) in 2013.

4.0-VECC – 35

Reference: Exhibit 4, Tab 2, Schedule 6, pg.7-9

- a) When was the last time BPI tendered for forestry management?
Please explain how BPI ascertains that the forestry service it receives from the City Affiliate is competitive with other providers of this service?
- b) Does the City Affiliate provide this service through its own employees or is the service contracted to a third party? If the latter, please explain why BPI does not contract with the party directly.

COST ALLOCATION (Exhibit 7)

7.0-VECC – 36

Reference: Exhibit 7, Tab 1, Schedule 1, page 2

- a) Where does BPI record the cost of service drops for USL, Street Lighting, Sentinel Lighting, Embedded Distributor and underground GS assets?
- b) What are the estimated 2013 values (Gross Book and Accumulated Depreciation) for the services?

7.0-VECC – 37

**Reference: Exhibit 7, Tab 1, Schedule 2, pages 3-4
Cost Allocation Model, Tabs I2, I6.1.**

- a) Please explain why there is no kWh value attributed to the Embedded Distributor Class (Tab I6.1).
- b) When was BPI's Standby rate last adjusted?
- c) Please explain fully how BPI's standby charges are applied and provide an example of how the monthly charge is calculated.
- d) How was the 2013 expected revenue from Standby charges determined?

7.0-VECC – 38

Reference: Exhibit 7, Tab 1, Schedule 2, page 5

- a) Please explain more fully why the additional revenue from the Sentinel Light class is used to reduce the ratio for the Embedded Distributor

when the ratios for other customer classes are above and further away from 100%.

DEFERRAL AND VARIANCE ACCOUNTS (Exhibit 9)

8.0-VECC – 39

Reference: Exhibit 9, Tab 4, Schedule 1/Excel Spreadsheet Chapter 2 Appendices Links Broken_20130717

- a) Please reconcile the stranded gross asset value of \$5,274,800 show in Table 9.22 with the amount of \$5,269,572 shown in the 2012 Excel spreadsheet Continuity Statement for 2012.
- b) Please provide the gross residential and gs<50 meter additions to account 1860 made in years 2009 through 2012.
- c) Please explain why Table 9.22 shows an increase in the gross value of stranded meters from 2009 to 2010.

8.0-VECC – 40

Reference: Exhibit 9, Tab 3, Schedule 1, pg. 9

- a) Is the Smart Meter Disposition rider a credit to customers? If yes, why does BPI propose a longer recovery period than 1 year?

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