

Ontario Energy Board

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

AND IN THE MATTER OF an application by PowerStream
Inc. for an order approving just and reasonable rates and other
charges for electricity distribution to be effective January 1,
2014.

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

November 15, 2013

**POWERSTREAM INC.
2014 IRM CASE
EB-2013-0166**

**ENERGY PROBE RESEARCH FOUNDATION
INTERROGATORIES**

Interrogatory #1

Ref: 2014 IRM Application

Please reconcile the distribution revenue growth factor of 0.92% shown on page 15 (line 11) with the 0.88% factor shown on Sheet E1.1 in Appendix F-1.

Interrogatory #2

Ref: 2014 IRM Application, Appendix F-1

- a) What is the source of the stretch factor of 0.3% as shown on page 11?
- b) Does PowerStream propose that the price escalator shown on page 11 be updated to reflect the figure approved by the Board for January 1, 2014? Please explain.

Interrogatory #3

Ref: 2014 IRM Application

- a) For each of the projects/line items shown in Table 4-2, please provide the corresponding actual expenditures in each of 2010 through 2013, along with any forecasts, if available, for 2015 through 2018.
- b) Please explain why the Eligible Capital Projects shown in Table 4-2 that total \$33,886,187 appear to be the sum of the Incremental Capital CAPEX of \$33,106,612 and the Amortization Expense of \$779,575 shown in Table 4-3.

Interrogatory #4

Ref: 2014 IRM Application

- a) Please confirm that PowerStream has followed the Filing Requirements and has included a full year of depreciation expense in the calculation of the revenue requirement shown in Table 4-4.

- b) Please confirm that PowerStream has followed the Filing Requirements and has included a full year of capital cost allowance in the calculation of PILs in the calculation of the revenue requirement shown in Table 4-4.
- c) Please confirm that the use of the full year of depreciation noted in (a) above is different than PowerStream's depreciation methodology used for regular capital additions.
- d) Please confirm that when the requested capital additions are moved from Account 1508 to rate base upon rebasing, the net book value to be transferred will be based on the accumulated amortization of the assets in Account 1508, and not on PowerStream's normal depreciation policy.

Interrogatory #5

Ref: 2014 IRM Application, Appendices G & H

- a) Please confirm that the numbers in the following table are accurate and reflect the information provided in Appendices G-1 through G-5 and H-1 through H-5. If required, please provide any corrections.

| <u>Non-Discretionary Capital Additions</u> | <u>2014</u> | <u>2013</u> | <u>Change</u> |
|---------------------------------------------------|--------------------|--------------------|----------------------|
| Pole Replacement Program | 4,775,873 | 4,895,466 | (-119,593) |
| Cable Remediation | 20,183,168 | 19,358,647 | 824,521 |
| Switching Units & Transformers | 3,931,290 | 3,530,841 | 400,449 |
| Station and Automated Switch Replacement | 1,063,733 | 1,574,727 | (-510,994) |
| System Capacity Relief | <u>3,933,123</u> | <u>4,564,637</u> | <u>(-631,514)</u> |
| Total - Appendix G | 33,887,187 | 33,924,318 | (-37,131) |
| Customer Service Work | 12,462,448 | 12,693,767 | (-231,319) |
| Third Party Infrastructure Development | 11,716,684 | 6,406,909 | 5,309,775 |
| Mandated Service Obligations | 1,533,227 | 2,579,056 | (-1,045,829) |
| Emergency Replacement | 8,721,411 | 10,208,271 | (-1,486,860) |
| Information Communication | <u>1,495,660</u> | <u>1,428,063</u> | <u>67,597</u> |
| Total - Appendix H | 35,929,430 | 33,316,066 | 2,613,364 |
| Total - Appendix G & H | 69,816,617 | 67,240,384 | 2,576,233 |

- b) Please explain why PowerStream has used the five projects shown in Appendix G to justify the incremental capital CAPEX as shown in Table 4-3 given that the total expenditures for these projects is actually less than that incurred in 2013.
- c) Why did PowerStream not use Third Party Infrastructure Development as one of the projects to justify the incremental capital CAPEX shown in Table 4-3 given that it has the biggest increase in 2014 relative to 2013?
- e) Please confirm that the incremental non-discretionary CAPEX in 2014 relative to 2013 is actually \$2,576,233, as shown in the table above.
- f) The second column in Table 4-3 is labeled "Incremental Capital CAPEX". Please explain what these figures are incremental to.
- g) Please add a column to the above table showing the Board approved 2013 non-discretionary capital expenditures in the same level of detail. Please include new line items if all of the non-discretionary expenditures do not fit in the existing line items.

Interrogatory #6

Ref: 2014 IRM Application &
EB-2012-0161 Decision and Settlement Agreement

- a) Please confirm that the agreed to level of capital expenditures in 2013 was \$114,279,000. If this cannot be confirmed, please provide the agreed upon figure.
- b) What is the projected actual level of capital expenditures in 2013?
- c) Based on the Settlement Agreement and the Board Decision, what was the level of additions to rate base (net of the capital contributions) approved for 2013?
- d) What is the projected actual level of additions to rate base for 2013, again net of capital contributions.