EB-2012-0109

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 Brantford Power Inc. for an order approving just and reasonable rates and other charges for electricity distribution to be effective November 1, 2013.

SUPPLEMENTAL INTERROGATORIES OF ENERGY PROBE RESEARCH FOUNDATION (“ENERGY PROBE”)

December 12, 2013

BRANTFORD POWER INC.
2013 RATES REBASING CASE
EB-2012-0109

ENERGY PROBE RESEARCH FOUNDATION
SUPPLEMENTAL INTERROGATORIES

EXHIBIT 1 – ADMINISTRATIVE DOCUMENTS

1-Energy Probe-33s

Ref: 1-Staff-1

Please provided an updated response to 1-Staff-1 (RRWF and table showing adjustments) as the result of any changes or corrections resulting from the supplemental interrogatories.

1-Energy Probe-34s

Ref: 1-Energy Probe-2

The response indicates that 60% of the BEC Board of Directors costs were allocated to BPI beginning in 2009.

a) **Is this still the case for 2013?**

b) **If the answer to part (a) is yes, please provide the amount included in the 2013 revenue requirement associated with the BEC Board of Directors.**

c) **Please provide the historical actual amounts associated with the BEC Board of Directors paid by BPI in each of 2008 through 2012.**

EXHIBIT 2 - RATE BASE

2-Energy Probe-35s

Ref: 1-Staff-1 &
2-Energy Probe-9

a) **Please reconcile the 2013 net fixed assets shown in the revised RRWF provided in response to 1-Staff-1 of $63,834,314 with the year-end figures for 2012 and 2013 of $59,327,584 and $60,646,019 shown in parts (a) and (b) of 2-Energy Probe-9 (Supplemental).**

b) **Please show how the calculation of the $98,010,657 shown as the Gross Fixed Assets (average) in the Interrogatory Responses of the Rate Base sheet in RRWF was calculated given that the closing gross assets for 2013 shown in the response to 2-Energy Probe-9, part (b) is less than this figure at $95,360,143.**

c) **Please provide, if necessary, any revised RRWF or fixed asset continuity schedules for 2012 or 2013 that can be used to reconcile the figures.**

d) **Please explain why the closing cost and accumulated depreciation balances in accounts 1860 (Meters) and accounts 1915 and 1920 shown in the fixed asset continuity statement for 2012 provided in the supplemental response to 2-EP-9 are not carried forward to the opening balances shown for 2013 in the same response.**

EXHIBIT 3 - OPERATING REVENUE

3-Energy Probe-36s

Ref: 3-Staff-11

What is the MAPE of the equation estimated in response to 3-Staff-11 on an annual basis?

3-Energy Probe-37s

Ref: 3-Energy Probe-18

a) **Please explain the significant increases in the YTD September 2013 figures as compared to the YTD September 2012 figures for each of the following line items:**
   i) **Account 4235 - misc. service revenues;**
   ii) **Account 4225 - late payment charges;**
   iii) **Account 4405 - specifically bank deposit interest.**

b) **Please update the last two columns of the Appendix 2-F to reflect more recent year to date actual figures for 2013, along with the figures for the corresponding period in 2012.**

EXHIBIT 4 - OPERATING COSTS

4-Energy Probe-38s

Ref: 4-Staff-14 &
Exhibit 4, Tab 2, Schedule 3, Appendix 2-J

a) **Please explain why smart meter depreciation is shown as an OM&A expense in 2010, 2011 and 2012.**

b) **If 2012 includes $321,320 associated with smart meter depreciation and the 2013 forecast does not include this cost, please explain why there is not a reduction of $321,320 in the 2013 column in the cost drive table (Appendix 2-J) shown in Exhibit 4, Tab 2, Schedule 3.**

4-Energy Probe-39s

Ref: 4-Energy Probe-22

a) **Please confirm that the smart meter related costs included in the 2013 test year total $140,477, as shown in the response to part (b). If this cannot be confirmed, please provide the total smart meter related costs included in the 2013 test year by account.**

b) **Please explain the difference in the 2013 figures shown in the response to part (a) of $187,477 and the amount in part (b) of $140,477.**

c) **Please provide the meter related costs in each of 2008 through 2012 that were included in OM&A for costs that have been replaced now that the smart meters are in place.**

<u>4-Energy Probe-40s</u>

Ref: 4-Energy Probe-23 &
2-Energy Probe-9 & 1-Staff-1

a) **Table 4.37 provided in the response to 4-Energy Probe-23 is labelled as 2013 whereas the original Table 4.37 was for 2012. Please reconcile. Are Tables 4.37 & 4.38 provided in the interrogatory response actually replacements for Tables 4.38 and 4.39 in the original evidence?**

b) **Does Table 4.38 provided in the response to 4-Energy Probe-23 reflect the lower capital expenditures that took place in 2012 than forecast, as shown in the response to 4-Energy Probe-9? If not, please update the response to 4-Energy Probe-23 to reflect the actual capital expenditures in 2012 (4-Energy Probe-9).**

c) **The RRWF provided in the response to 1-Staff-1 shows no change in the depreciation expense ($2,995,584) based on the interrogatory responses as compared to the original filing. However, as shown in the response to 2-Energy Probe-9, the 2012 capital additions closed to rate base has decreased. Please explain why this does not change the depreciation expense in the RRWF.**

d) **Please provide fixed asset continuity schedules for 2012 and 2013 that reflect actual capital additions closed to rate base in 2012, along with revised Tables 4.37 & 4.38 that show the depreciation expense for 2013. In doing so, please update the response to 2-Energy Probe-9 to reflect the most recent actual data on closures to rate base for 2013 now available, along with the forecast of closures to rate base for the remainder of the year. Please also provide a schedule that reconciles the average of the 2012 and 2013 closing net book values to the net book value used in the RRWF requested in 1-Energy Probe-33s.**

e) **Please reconcile the depreciation expense for the 2013 test year as requested in part (d) above, with the figure provided in the revised RRWF requested in 1-Energy Probe-33s.**

4-Energy Probe-41s

Ref: 4-Energy Probe-24

a) **Please confirm that BPI has no positions eligible for the Ontario apprenticeship or federal apprenticeship tax credits in 2013. If this cannot be confirmed, please provide an estimate of the tax credits available, along with the calculation of the amount**

b) **Please confirm that BPI continues to have positions eligible for the Ontario co-operative tax credit in 2013 and please show the calculation of the estimated tax credit.**

4-Energy Probe-42s

Ref: 4-Energy Probe-25

a) **The response to part (b) is not complete, as the revised CCA table for 2012 was not provided and only part of the revised CCA table for 2013 was provided. Please provide complete versions of both tables requested. Please also ensure that these tables reflect the actual 2012 capital additions and the latest forecast for 2013, as requested in 4-Energy Probe-40s.**

b) **Please provide a revised PILs worksheet that reflects the calculation of PILs as shown in the revised RRWF requested in 1-Energy Probe-33s. If the figures do not match, please reconcile.**

c) **Please explain the removal of capitalized overheads in the calculation of the 2012 CCA. Please also confirm that this $1,033,000 amount was deducted for tax purposes on line 394 Other Deductions.**

d) **Please explain why BPI has not used the same approach in calculating 2013 PILs as it did for the bridge year. In particular, why has BPI included capitalized overheads in the CCA additions for 2013 rather than deducting the capitalized overheads from net income?**

e) **Please provide the amount of capitalized overheads included in the capital additions closed to rate base in 2013 based on the most recent forecast, and show the calculation of the impact on PILs if BPI used the same methodology as it did for 2012.**

4-Energy Probe-43s

Ref: 4-VECC-26 &
4-Energy Probe-22b

Please reconcile the 2013 smart meter related costs shown in the responses to the interrogatories.

EXHIBIT 5 - COST OF CAPITAL AND RATE OF RETURN

5-Energy Probe-44s

Ref: 5-Energy Probe-26

a) What was the RBC prime rate at the time of the renewal of the promissory note?

b) If the interest rate agreed to by BPI (5.87%) was higher than the response to part (a) above, plus 150 basis points, please explain why BPI agreed to a higher rate than was available in the promissory note provided in Attachment N.

c) The response indicates that BPI did not attempt to replace the affiliate promissory note with third party debt because the promissory note does not provide the ability to replace the promissory note with third party debt. Does this mean that the promissory note is in effect a perpetual loan, at the discretion of the City?

d) Please show the language in the promissory note provided in Attachment N that negates BPI's ability to replace the note with third party debt.