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BY EMAIL and RESS

January 29, 2014

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2013-0159 – Oakville Hydro Electricity Distribution Inc. – Interrogatories

We are counsel to the School Energy Coalition ("SEC"). Enclosed please find interrogatories on behalf of SEC in the above-noted proceeding.

Yours very truly,
Jay Shepherd P.C.

Original signed by

Mark Rubenstein

cc: Applicant and Intervenors (by email)

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

AND IN THE MATTER OF an Application by Oakville Hydro
Electricity Distribution Inc. for an Order or Orders approving or
fixing just and reasonable rates and other services charges for the
distribution of electricity as of May 1, 2014.

INTERROGATORIES
ON BEHALF OF THE
SCHOOL ENERGY COALITION

[Note: All interrogatories have been assigned to issues. However, please provide answers that respond to each question in full, without being restricted by the issue or category. Many interrogatories have application to multiple issues, but all have been asked only once to avoid duplication.]

1. Foundation

1.1 Does the planning (regional, infrastructure investment, asset management etc.) undertaken by the applicant and outlined in the application support the appropriate management of the applicant's assets?

1.1-SEC-1

Please provide a copy of all material provided to Applicant's Board of Directors approving this application and the associated budgets?

1.2 Are the customer engagement activities undertaken by the applicant commensurate with the approvals requested in the application?

1.2-SEC-2

[Ex.4/Appendix 3]

With respect to the UtilityPULSE 15th Annual Electric Utilities Customer Satisfaction Survey.
Please provide:

- a) A breakdown of Oakville customer respondents by customer class.
- b) A list of all other participating Ontario utilities.
- c) Copy of all questions asked to Oakville customers.
- d) The full results (raw data) for all Oakville customers.

2. Performance Measures

2.1 Does the applicant's performance in the areas of: (1) delivering on Board-approved plans from its most recent cost of service decision; (2) reliability performance; (3) service quality, and (4) efficiency benchmarking, support the application?

2.1-SEC-3

Please provide details and copies of all performance efficiency benchmarking undertaken by the Applicant.

3. Customer Focus

3.1 Are the applicant's proposed capital expenditures and operating expenses appropriately reflective of customer feedback and preferences?

3.1-SEC-4

[4/1/2/p.1]

Please confirm the 2013 customer satisfaction survey referenced is the UtilityPULSE 15th Annual Electric Utilities Customer Satisfaction Survey provided in Ex.4/Appendix 3

3.1-SEC-5

[Ex.4/1/2/p.2]

Does the Applicant consider schools to be part of Commercial and Industrial customers that it intends to increase its focus in the Test Year?

3.1-SEC-6

Please provide all customer feedback and preferences received, by customer class, with respect to the Applicant's Test Year:

- a) Capital expenditures
- b) OM&A expenses

3.1-SEC-7

Please provide a copy of any surveys, questionnaires, and/or other methods that the Applicant used to collecting customers feedback and preferences?

4. Operational Effectiveness

4.1 Does the applicant's distribution system plan appropriately support continuous improvement in productivity, the attainment of system reliability and quality objectives, and the level of associated revenue requirement requested by the applicant?

4.1-SEC-8

Please explain how the Applicant has demonstrated that its distribution system plan will support continuous improvements in productivity?

4.1-SEC-9

[Ex.2/5/2/p.6]

Please provide the business case for the purchase of hybrid vehicles.

4.2 Are the applicant's proposed OM&A expenses clearly driven by appropriate objectives and do they show continuous improvement in cost performance?

4.2-SEC-10

Please detail the objectives has the Applicant set for its OM&A activities.

4.2-SEC-11

Please revise the following tables to include 2013 year-end actuals and explain any material variances. (If 2013 actual data is not yet available, please provide the most recent year-to-date actuals available, along with a forecast for the remaining period in 2013):

- a) Ex.4/1/1/p.4 Table 2
- b) Appendix 2-JA
- c) Appendix 2-JB
- d) Appendix 2-JC

4.2-SEC-12

[Ex.4/1/2/p.9]

Please provide a copy of the Applicant's current collective agreement with its union(s).

4.2-SEC-13

[Ex.4/2/2/p.3]

What is the per customer cost of moving to monthly billing?

4.2-SEC-14

[Ex.4/2/2/p.3-4]

Please explain the variance between the 2010 Board-approved OM&A expenses and actuals.

4.2-SEC-13

[Ex.4/2/3p.10]

Please provide a copy of the Applicant's contract with its third party tree trimming service provider.

4.2-SEC-15

[Ex.4/3/2/p.2]

Please provide a breakdown of the OM&A costs for the Glenorchy Municipal TS.

4.2-SEC-16

[Ex.4/2/4/p.2] Please explain how the Applicant's change in OM&A cost per customer, OM&A cost per FTE, and customer per FTE, shows a continuous improvement in cost performance.

4.2-SEC-17

[Ex.4/3/3/p.2]

Please provide the terms of the agreement with Hilton Hills Hydro for the provision of 24hr control room services.

4.3 Are the applicant's proposed operating and capital expenditures appropriately paced and prioritized to result in reasonable rates for customers, or is any additional rate mitigation required?

4.3-SEC-18

[Ex.2/5/2/p.63]

Please provide an update on the in-service status of all 2013 capital projects.

4.3-SEC-19

[Ex.2/5/2p.68]

With regards to the 'air-insulated switchgear' project, what is the full cost of this multi-year program? Please provide a breakdown by year.

4.3-SEC-20

[Ex.2/Appendix/p.31]

Please explain why the Applicant believes its proposed Test Year capital expenditures are appropriately paced to result in reasonable rates, considering there is a significant increase in spending in the Test Year compared to the bridge year and a significant decrease in 2015-2018.

4.3-SEC-21

Please revise the following tables to include 2013 year-end actuals and explain any material variances. (If 2013 actual data is not yet available, please provide the most recent year-to-date actuals available, along with a forecast for the remaining period in 2013):

- a) Appendix 2-AA
- b) Appendix 2-AB
- c) Appendix 2-BA

5. Public Policy Responsiveness

5.1 Do the applicant's proposals meet the obligations mandated by government in areas such as renewable energy and smart meters and any other government mandated obligations?

5.1-SEC-22

[Ex.5/2/3/p.3]

Please provide a breakdown of the regulatory cost driver for 2013.

6. Financial Performance

6.1 Do the applicant's proposed rates allow it to meet its obligations to its customers while maintaining its financial viability?

6.2 Has the applicant adequately demonstrated that the savings resulting from its operational effectiveness initiatives are sustainable?

6.2-SEC-23

Please describe or provide evidence references for each operational effectiveness initiatives undertaken, and describe how the savings are sustainable.

7. Revenue Requirement

7.1 Is the proposed Test year rate base including the working capital allowance reasonable?

7.2 Are the proposed levels of depreciation/amortization expense appropriately reflective of the useful lives of the assets and the Board's accounting policies?

7.3 Are the proposed levels of taxes appropriate?

7.4 Is the proposed allocation of shared services and corporate costs appropriate?

7.4-SEC-24

[Ex.4/Appendix C/p.22]

Has the Applicant implement BDR's recommendation that "OHEDI implement market pricing when this [tree trimming] contract expires in 2013"

7.5 Are the proposed capital structure, rate of return on equity and short and long term debt costs appropriate?

7.6 Is the proposed forecast of other revenues including those from specific service charges appropriate?

7.7 Has the proposed revenue requirement been accurately determined from the operating, depreciation and tax (PILs) expenses and return on capital, less other revenues?

8. Load Forecast, Cost Allocation and Rate Design

8.1 Is the proposed load forecast, including billing determinants an appropriate reflection of the energy and demand requirements of the applicant?

8.2 Is the proposed cost allocation methodology including the revenue-to-cost ratios appropriate?

8.3 Is the proposed rate design including the class-specific fixed and variable splits and any applicant-specific rate classes appropriate?

8.4 Are the proposed Total Loss Adjustment Factors appropriate for the distributor's system and a reasonable proxy for the expected losses?

8.5 Is the proposed forecast of other regulated rates and charges including the proposed Retail Transmission Service Rates appropriate?

8.6 Is the proposed Tariff of Rates and Charges an accurate representation of the application, subject to the Board's findings on the application?

9. Accounting

9.1 Are the proposed deferral accounts, both new and existing, account balances, allocation methodology, disposition periods and related rate riders appropriate?

9.2 Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified, and is the treatment of each of these impacts appropriate?

Submitted by the School Energy Coalition on this 29th day of January, 2014

Original signed by

Mark Rubenstein
Counsel for the School Energy Coalition