

Responses to Clarification Questions- Energy Probe

Question 1

Ref: 1.1-Energy Probe-2

Please clarify the response in that it is stated that Oakville Hydro does anticipate planned capital expenditures out of the ordinary in 2015 through 2018 "other than a small amount for a new computer information system in 2016". Should the response be that Oakville Hydro does NOT anticipate planned capital expenditures out of the order in 2015 through 2018 other than the computer information system?

Response:

Correct. Oakville Hydro does not anticipate planned capital expenditures out of the ordinary in 2015 through 2018 other than a new computer information system in 2016.

Question 2

Ref: 4.1-Staff-21 & 7.7-Staff-39

The response to 4.1-Staff-21 references a reduction in capital expenditures related to vehicles of \$56,762. The table provided with the response to 7.7-Staff-39 does not include a reference to 4.1-Staff-21, but does have a reference to 4.2-Staff-21 which indicates an update to OM&A.

a) Please confirm that Oakville Hydro has reduced the 2014 capital additions to rate base to reflect the reduction in capital expenditures noted in the response.

Response:

Oakville Hydro confirms that it has reduced the 2014 capital additions to rate base to reflect the reduction in capital expenditures related to the vehicles and is referenced in 1.1-Staff-9.

b) How much did Oakville Hydro increase OM&A related to the decision to not use hybrid vehicles?

Response:

Oakville Hydro did not increase OM&A related to the decision to not use hybrid vehicles.

Question 3

Ref: 7.3-Energy Probe-32 & 7.7-Staff-39

a) Please explain the difference in the kWh's used in the cost of power calculations shown in the tables attached to each of these responses.

Response:

The kWh's in Table 2-27 in 7.3-Energy Probe-32 included the original proposed 1.0372 line loss factor, however in 7.7-Staff-39 the kWh's in Table 2-27 includes the revised line loss of 1.0376, which is identified in 8.4-VECC-48 and listed on the table in 7.7-Staff-39.

b) Please explain why the costs that result from the table in 7.7-Staff-39 have been used to calculate the cost of power used in the RRWF rather than the update to Table 2-27 found in the response to 7.3-Energy Probe-32.

Response:

As described in part a) of this clarification question, the table in 7.7-Staff-39 has been used to calculate the cost of power used in the RRWF as it reflects the revised line loss factor of 1.0376.

Question 4

Ref: 7.7-Energy Probe-47b

The requested tracking sheet has not been provided in the level of detail required to be able to track the changes resulting from the corrections/interrogatories. The table provided in the response to 7.7-Staff-39 only lists the changes and does not quantify them. Please provide a tracking sheet that quantifies the changes of each of the individual line items for each of the components of the deficiency.

Response:

Item Description	Reference		
Original Revenue Deficiency, October 1, 2013			\$ 5,380,954
Cost of Capital Parameters			
Impact for change in Cost of Capital Parameters			
Return on Equity (from 8.98% to 9.36%)	7.5-Energy Probe-43	277,150	
Deemed Interest (from 4.1% & 2.07% to 4.68% & 2.11%)	7.5-Energy Probe-43	594,719	871,868
Rate Base (excluding working capital allowance)			
Impact of Average NBV for Actual ending 2013 NBV versus Original forecasted ending 2013 NBV,			
2013 WIP included in 2014 Capital Expenditures and reduction of 2014 Capital			
Expenditures for removal of hybrid vehicles	4.1-Staff-21,1.1-Staff-9,4.3-SEC-22		38,285
Working Capital Allowance			
Impact of Cost of Power for updated RPP rates	7.1-Energy Probe-32	36,334	
Impact for change in OM&A & property taxes	from below ((A) +(B))*13%*40%*9.36%	208	
Impact for change in line loss factor	7.7-Energy Probe -39	3,033	39,575
Deemed interest as result of increased utility rate base			56,254
Revenue Offsets			
Pole Rentals - based on updated information	7.6-Energy Probe -45	(19,512)	
Halton Hills - Control Room shared services contract	4.2-Staff- 27a	(20,000)	(39,512)
OM&A (summarized in 4.2-Staff-22)			
Postage cost based on recent postage changes	7.1-Energy Probe-31e	80,000	
Postage cost based on recent postage changes-for monthly billing	7.1-Energy Probe-31e	60,000	
Reduction of Property Taxes - substations & TS (based on 2013 actuals)	7.3-Energy Probe-37a	(45,818)	
Key Account Manager - based on updated info	4.2-Staff-24	(22,931)	
Shared services - based on acquisition of new affiliate	4.2-Energy Probe-17d	(10,000)	61,251 (A)
Property Taxes			
Updated Property taxes - corporate office	7.3-Energy Probe-37a		(18,463) (B)
Pils	7.3-Energy Probe-39		176,472
Depreciation -impact of change of rate base above	7.1-Energy Probe -29b		33,522
Revised Revenue Deficiency through Interrogatories			\$ 6,600,206