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**BY E-MAIL**

May 27, 2014

Robert Kent  
St. Thomas Energy Inc.  
135 Edward St.  
St. Thomas ON N5P 4A8

Dear Mr. Kent:

**Re: St. Thomas Energy Inc.  
Application for Rates  
Board File Number EB-2014-0113**

A preliminary review of the application has identified that certain sections of the evidence supporting the application do not comply with the Board's Filing Requirements<sup>1</sup> for cost of service applications and/or the associated spreadsheets, models and workforms. As a result, the Board is unable to process your application at this time.

The missing information includes:

<b>Chapter 2 Filing Requirement Reference (page #)</b>	<b>Description</b>
7	A narrative in the Executive Summary of how the four RRFE outcomes are supported by the application.
7	Summary of major drivers of the distribution system plan and summary of any costs requested for renewable energy connections/expansions, smart grid and regional planning initiatives.
8	Inflation rates used for OM&A forecasts.
8	Total disposition (\$) <u>including</u> split between RPP and non-RPP customers.

<sup>1</sup> Chapter 2 of the *Filing Requirements for Electricity Transmission and Distribution Applications*, dated June 28, 2012 and subsequent Board communications.

8	An overview of how customer's needs have been reflected in the application.
10	Confirmation of the applicant's internet address for purposes of viewing the application and related documents.
11	Changes in tax status (e.g. a change from a corporation to a limited partnership) must be disclosed.
11	Included and planned changes in corporate or operational structures (including any changes in legal organization and control) and rationale for organizational change and the estimated cost impact.
5, 6 & 13, Appendix 2- YA	Accounting Standard used and <u>when</u> it was adopted.
Appendix 2-C MIFRS	For modified IFRS applications, the applicants must provide a summary of the dollar impacts of modified IFRS to each component of the revenue requirement (e.g. rate base, operating costs, etc), including the overall impact on the proposed revenue requirement. Accordingly, the applicants must identify financial differences and resulting revenue requirement impacts arising from the adoption of modified IFRS accounting.
13	If an applicant in conducting any non-utility businesses, such as generation, it must confirm that the accounting treatment it has used has segregated all of these activities from its rate-regulated activities.
13	Distributor must confirm the latest version of the terms of reference.
Appendix 2-C MIFRS	If an applicant chooses to adopt IFRS for financial reporting in 2012, in its 2014 cost of service application it must file information for the historic year (2012), modified IFRS and also provide forecasts for the bridge year (2013) and test year (2014) information in modified IFRS format. The years required to be filed prior to the historic year 2012 may be provided in CGAAP only, except for the year 2011 which <u>must also be</u> presented in modified IFRS format.
15, 32	Continuity statements must reconcile to calculated depreciation expenses and be presented by asset account.
Chapter 5, pg. 10-11	The comment letter provided by the OPA in relation to REG investments included in the distributor's Distribution System Plan, <u>along with</u> any written response to the letter from the distributor, if applicable.
30	For shared services, applicants must provide a reconciliation of the revenue arising from Appendix 2-N with the amounts included in Other Revenue section 2.6.3 of the Filing Requirements.
28	Applicants must complete the revised Appendix 2-JC OM&A Programs Table making best efforts to identify the OM&A cost by program, and if not by major functions. This <u>will include</u> a variance analysis between the Test Year costs and the <u>last Board-approved</u> cost and the most recent actual.
28	Details of employee benefit programs including pensions <u>for last Board approved</u> , historical bridge and test; must agree with tax section.

29	The applicant must complete Appendix 2-K in relation to employee complement, compensation, and benefits.
15, 32	Continuity statements for gross assets must be reconcilable to the calculated depreciation expenses (under Exhibit 4 – Operating Costs) and presented by asset account.
Appendix 2-CA to 2-CE	Applicant must provide an explanation of material variances in evidence.
38	The applicant must provide a summary of the drivers of the test year deficiency/sufficiency, along with <u>how much each</u> driver contributes.
38	The impacts of any change in methodologies must be provided on the overall deficiency/sufficiency and on the individual drivers contributing to it.
46	Explanation of the derivation of the SFLF, including reasons for any differences from the standard SFLFs referenced in Appendix 2-R, Row H.
50	The distributor must provide an analysis that supports the distributor's conformity with December 2010 APH FAQs, in particular the example shown in FAQ #4.
51 - 54	Account 1575 will apply to an applicant that files a 2014 cost of service application on the basis of MIFRS. For an applicant filing based on MIFRS, Account 1575 must capture all PP&E accounting changes made on transition to IFRS, not just those related to capitalization and depreciation.
53 - 54	Applicants will use Account 1576 to record the financial differences arising as a result of changes to accounting depreciation or capitalization policies permitted by the Board under Canadian GAAP or ASPE in 2012 or as mandated by the Board in 2013.

The Board expects that St. Thomas Energy Inc. will file the above listed required information as soon as possible.

If any of the information that is identified as missing is located in sections other than those identified in the Filing Requirements, or if any of the information is not applicable in your circumstances, please provide an explanation when filing the remainder of the required information.

Please direct any questions relating to this application to Stephen Vetsis, Analyst at 416-544-5182 or [Stephen.Vetsis@ontarioenergyboard.ca](mailto:Stephen.Vetsis@ontarioenergyboard.ca).

Yours truly,

*Original Signed By*

John Pickernell  
Applications Administration