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August 14, 2014

BY FAX & BY COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

Board File No. EB-2014-0055
Algoma Power Inc. --- 2015 Cost of Service
Energy Probe – Technical Conference Questions

Pursuant to Procedural Order No. 2, issued July 10, 2014, please find attached the Technical Conference Questions of Energy Probe Research Foundation (Energy Probe) to Algoma Power in the EB-2014-0055 proceeding.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh
Case Manager

cc. Douglas Bradbury, Algoma Power (By email)
Scott Hawkes, Algoma Power (By email)
Andrew Taylor, The Energy Boutique (By email)
Randy Aiken, Aiken & Associates (By email)
Interested Parties, (By email)

Energy Probe Research Foundation 225 BRUNSWICK AVE., TORONTO, ONTARIO M5S 2M6

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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 Algoma
Power Inc. for an order approving just and reasonable rates and
other charges for electricity distribution to be effective January
1, 2015.

**TECHNICAL CONFERENCE QUESTIONS OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

August 14, 2014

**ALGOMA POWER INC.
2015 RATES REBASING CASE
EB-2014-0055**

**ENERGY PROBE RESEARCH FOUNDATION
TECHNICAL CONFERENCE QUESTIONS**

EXHIBIT 2 – RATE BASE

2-Energy Probe-38TC

**Ref: 2-Energy Probe-5 &
Exhibit 4, Tab 12, Schedules 2 & 3**

The table shows that 33.5% of the CNPI Corporate assets for computer hardware and computer software are allocated to Algoma's rate base.

- a) Is the same percentage of the capital cost allowance associated with these CNPI assets allocated to Algoma? If not, please explain why not. If yes, please show where in 2015 test year CCA schedule (Exhibit 4, Tab 12, Schedule 3) or the tax calculations (Exhibit 4, Tab 12, Schedule 2) this allocation is shown.**
- b) If not provided in response to part (a), please provide the calculation of the CCA associated with the portion of the assets allocated to Algoma, including a CCA continuity schedule.**

2-Energy Probe-39TC

**Ref: 2-Energy Probe-6 &
Exhibit 3, Tab 1, Schedule 1**

- a) Please confirm that residential and small commercial customers referred to in the interrogatory response correspond to the Residential - R1 rate class in Table 3.1.1.1.; and that the large commercial customers referred to in the interrogatory responses correspond to the Residential - R2 rate class in Table 3.1.1.1. If this cannot be confirmed, please explain.**
- b) The interrogatory response does not indicate whether the streetlight class was billed monthly or bi-monthly prior to November, 2012. Please indicate the billing frequency for this class prior to November, 2012.**

- c) Please confirm that Algoma has and continues to be paid the RRRP Funding on a monthly basis. If this cannot be confirmed, please indicate how often the funding is received.

EXHIBIT 3 – OPERATING REVENUE

3-Energy Probe-40TC

Ref: 3-Staff-19

What is the impact on the forecast by rate class based on the equation that excludes the time variable?

EXHIBIT 4 – OPERATING COSTS

4-Energy Probe-41TC

Ref: 4-Staff-28

Please explain why the tax calculations do not include the depreciation and CCA amounts associated with the allocated assets

4-Energy Probe-42TC

Ref: 4-Energy Probe-20

Please provide the response to part (e) with the costs for vegetation management broken out as a separate line item.

4-Energy Probe-43TC

Ref: 4-Energy Probe-24

The question asked for the total potential payout whereas the response provided the total budgeted incentive amount. Does this mean that the budget is set to maximum payout available if all targets used to determine the level of incentives were reached? If not, please provide a revised table that replaces the total budgeted incentive figures with the total potential incentive payment for each year.

4-Energy Probe-44TC

Ref: 4-Energy Probe-26

- a) The response provides the amount of capitalized depreciation but does not comment on the expensing of any depreciation. Please confirm that Algoma does not include any depreciation expense in the OM&A expense.
- b) Are the figures shown in the response to part (b) included in the figures shown in the schedules included in Exhibit 4, Tab 11, Schedule 2? For example is the \$98,590 shown for 2015 included in the \$3,947,009 shown for 2015 in Appendix 2-CU?

4-Energy Probe-45TC

Ref: 4-Energy Probe 28 & 29

- a) Please confirm that Algoma is not planning on hiring any apprentices that would be eligible for the Ontario apprenticeship or the federal job creation tax credit in either 2014 or 2015. If this cannot be confirmed, please provide the number for each credit in each of 2014 and 2015.
- b) The response indicates that the Ontario apprenticeship job creation tax credit for 2015 is forecast to be \$7,425. The 2013 tax return shows that there were 3 positions in 2013 that were eligible for the tax credit for at least part of the year. Further, each of these positions had registration dates that would suggest the tax credit would be available for at least part of 2015 in all three cases. Please explain how the \$7,425 was estimated and why there is no credit associated with all three of positions shown in the 2013 tax return.