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August 27, 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-2014-0083
Hydro One Brampton Networks Inc. --- 2015 Cost of Service
Energy Probe – Technical Conference Questions to Applicant

Pursuant to the Energy Board Memorandum, issued on August 25, 2014, please find attached the Technical Conference Questions of Energy Probe Research Foundation (Energy Probe) to Hydro One Brampton Networks in the EB-2014-0083 proceeding.

Please note: These questions are indicative of the questions Energy Probe may ask and identify major areas of interest. The list is not intended to be exact or complete, and Energy Probe may have further questions arising from the answers to the sample questions below.

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

Yours truly,

David S. MacIntosh
Case Manager

cc. Scott Miller, Hydro One Brampton Networks (By email)
Paul Tremblay, Hydro One Brampton Networks (By email)
Michael Engelberg, Hydro One Networks (By email)
Randy Aiken, Aiken & Associates (By email)
Parties of Interest (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 Hydro One
Brampton Networks 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 27, 2014

**HYDRO ONE BRAMPTON NETWORKS INC.
2015 RATES REBASING CASE
EB-2014-0083**

**ENERGY PROBE RESEARCH FOUNDATION
TECHNICAL CONFERENCE QUESTIONS**

EXHIBIT 1 – ADMINISTRATIVE DOCUMENTS

1-Energy Probe-49TC

Ref: 1-Staff-1

- a) Please confirm that the only change made was related to OPEB costs. If this cannot be confirmed, please provide a tracking sheet that shows the changes and includes a reference to the interrogatory response or correction that the change is based on.
- b) Please update the response for any further changes made as a result of the technical conference questions or any further corrections or updates made.

1-Energy Probe-50TC

Ref: 1-Staff-8

What was HOBNI's approved 2013 distribution OM&A approved budget?

EXHIBIT 2 – RATE BASE

2-Energy Probe-51TC

Ref: 2-Staff-10

- a) What is the impact on the collection lag of HOBNI beginning to collect active residential accounts at 60 days instead of 90 days?
- b) Has HOBNI taken into account this change in the calculation of the working capital allowance? If not, why not?

2-Energy Probe-52TC

Ref: 2-Staff-26

When does HOBNI expect the installation of the aerial device and the attachment of the bin body to be completed and the vehicles in question placed into service?

2-Energy Probe-53TC

Ref: 2-Energy Probe-3 &
4-Energy Probe-36 &
Exhibit 2, Tab 2, Schedule 2

- a) The response indicates that the rate base calculation for 2013 is based on the half year rule, while for financial accounting, the month of in-service additions has been used. Is this correct?
- b) If the response to part (a) is yes, please explain why the 2013 continuity schedule shown in Exhibit 2, Tab 2, Schedule 2 shows the same depreciation expense as found in the response to 4-Energy Probe-36 using the month-in-service methodology.

2-Energy Probe-54TC

Ref: 2-Energy Probe-5

- a) Please confirm that HOBNI has not made any changes to the capital expenditure forecasts for 2014 based on year to date actuals.
- b) The bottom of the 2014 continuity schedule has been cut off. Please provide the entire table.

2-Energy Probe-55TC

Ref: 2-Energy Probe-10

The continuity schedule for 2015 shows disposals of gross assets of \$2,963,781 and disposals of accumulated depreciation of \$2,191, 181. The difference of \$772,600 is shown as loss on disposal of property in the same schedule.

The response to the interrogatory indicates that the transportation equipment being replaced is fully depreciated and therefore does not have any impact on the difference of \$772,600 noted above.

The response indicates that the sale or scrap value associated with the replaced vehicles is netted out in the depreciation expense.

- a) Please explain how the sale or scrap value has been included in the \$772,600 or elsewhere in the depreciation expense.
- b) What is the forecasted sale or scrap value associated with the vehicles that are being replaced in 2015?

EXHIBIT 3 – OPERATING REVENUE

3-Energy Probe-56TC

Ref: 3-Energy Probe-15

- a) The response refers to the previously filed Excel spreadsheet. However, that spreadsheet appears to use a 20 year AVERAGE for 1994 through 2013 rather than the requested 20 year TREND over the same period. Please confirm.
- b) Please confirm that based on the following data, the TREND function yields the forecasts as noted for 2015. If this cannot be confirmed, please provide the 20 year trend forecasts for HDD and CDD for 2015 and show how these numbers were generated.

	HDD	CDD
1994	4,109.8	247.7
1995	4,042.0	251.1
1996	4,176.8	220.7
1997	4,033.9	237.5
1998	3,220.3	375.0
1999	3,534.4	439.9
2000	3,826.1	265.5
2001	3,420.4	391.9
2002	3,629.8	518.8
2003	3,981.5	325.6
2004	3,797.9	228.9
2005	3,796.8	536.2
2006	3,378.5	382.5

2007	3,719.4	436.0
2008	3,836.0	275.7
2009	3,835.8	197.9
2010	3,501.0	439.6
2011	3,647.5	428.1
2012	3,214.8	482.7
2013	3,797.6	336.9
2015	3,500.1	405.8

- c) Based on the 20 year TREND of HDD and CDD, please update the response to part (b).
- d) Please confirm that in the response to part (b), HOBNI has not made any adjustment to the cost of power component of the WCA portion of rate base and the associated impact on the revenue requirement.

3-Energy Probe-57TC

Ref: 3-Energy Probe-16

Please confirm that the forecast figure of 137,433 shown for residential customers in 2014 should be 137,173.

EXHIBIT 4 – OPERATING COSTS

4-Energy Probe-58TC

Ref: 4-Energy Probe-23 &
Exhibit 4, Tab 3, Schedule 4

- a) What year were the costs of \$344,317 for the DSP included in?
- b) What is the forecast annual expense to update the DSP each year?
- c) Please confirm that the DSP costs of \$344,317 are included in the Special Studies line of Table 24 in Exhibit 4, Tab 3, Schedule 4.

EXHIBIT 5 - COST OF CAPITAL AND RATE OF RETURN

5-Energy Probe-59TC

Ref: 5-Energy Probe-41

The response indicates that HOBNI has received \$10 million in debt mapped to it in 2014 in place of the forecasted amount of \$20 million.

- a) Does HOBNI expect to be mapped any further debt in 2014? If yes, please provide details.**
- b) If the response to part (a) is no, does HOBNI forecast the need for the \$10 million difference in 2014 in 2015? If no, please explain why not.**