



*PUBLIC INTEREST ADVOCACY CENTRE*

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September 17, 2014

**VIA E-MAIL**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge St.  
Toronto, ON  
M4P 1E4

Dear Ms. Walli:

**Re: EB-2014-0113 St. Thomas Energy Inc. – 2015 Rates**

Please find enclosed the questions/issues VECC seeks to address with St. Thomas Energy Inc. in the above-noted proceeding's Technical Conference. As we continue to review the evidence we may have further questions at the time of technical conference.

As this application is being reviewed by two separate consultants we would be assisted at the time of the conference if questions were dealt with by issue and questions regarding Exhibits 3, 7 and 8 were dealt with sequentially.

Yours truly,

Michael Janigan  
Counsel for VECC

cc: St. Thomas - Robert Kent - [rkent@sttenergy.com](mailto:rkent@sttenergy.com)  
Counsel - Andrew Taylor - [ataylor@energyboutique.ca](mailto:ataylor@energyboutique.ca)

**ST. THOMAS ENERGY INC. (STEI)**  
**2015 DISTRIBUTION RATE APPLICATION**  
**VECC'S TECHNICAL CONFERENCE QUESTIONS**

NB: Interrogatories resume at last VECC IR – i.e. #39

**1.0 ADMINISTRATION (EXHIBIT 1)**

1.0 – VECC - 39

Reference: 1.0-VECC-2

- a) Please provide the IRM productivity factor and stretch factors that were used during each year of the past IRM rate plan.

**2.0 RATE BASE (EXHIBIT 2)**

2.0 – VECC - 40

Reference: 2-VECC-7

- a) Please provide an update as to when STEI expects to have a resolution on the 8 phase subdivision in the contested Hydro One service area.

**3.0 OPERATING REVENUE (EXHIBIT 3)**

3.0 –VECC - 41

Reference: 3-Energy Probe 15  
3-VECC – 18 c)

- a) Please explain the basis for the “achievable potential” value for 2015 of 2,734,000 kWh referenced in these responses. Note: If the table in VECC 18 c) is taken from a particular document, please provide the reference document.
- b) VECC 18 c) states that the 2.734 GWh value is “a more reasonable number”. Is STEI changing its proposed manual CDM adjustment to the load forecast? If so, please confirm so and indicate what the new adjustment is for each customer class.

3.0 –VECC - 42

Reference: 3-Energy Probe 16 c)  
3-VECC-20 a)

- a) What is the rationale for changing the basis for the billing of the SSS Admin fee from per connection to per customer for street lighting?
- b) Is STEI aware of any other Ontario distributors who bill their street lighting class for SSS Admin on this basis? If so, please indicate who.

3.0 –VECC - 43

Reference: 3-ENERGY PROBE – 17 a)

- a) For each of the historical years the difference between actual revenues (#4375) and costs (#4380) for Non Rate Regulated Utility Operations have been well in excess of \$100,000. However, for 2014 and 2015 the difference is forecast to be less than \$30,000. Please explain why.

3.0 –VECC - 44

Reference: 3-VECC 18 b)

- a) The original question asked about the persistence of savings through to 2015 of CDM programs implemented in 2011-2014. Please address the original question as posed.

3.0 –VECC - 45

Reference: 3-VECC – 19

- a) Please provide a copy of Appendix 2-I as revised and posted on the Board's web-site August 1, 2014 consistent with STEI's current proposal for the 2015 manual CDM load forecast adjustment and LRAMVA
- b) Please provide a schedule setting out STEI's proposed LRAMVA kWh values by customer class for 2015. Note: Please also include in the table the kWh values for those customer classes that are billed on the basis of demand,
- c) For those customer classes that are demand billed, please provide the LRAMVA 2015 kW values.

### 3.0 –VECC - 46

Reference: 3-Energy Probe - 16 a)

3-Energy Probe – 17

3-VECC -

a) Please confirm that the 2015 Other Revenue of \$456,044 needs to be increased for each of the following:

- Interest and Dividend Income - \$35,000 (Energy Probe 16 a))
- Revenue from Non Rate Regulated Utility Operations - \$5,000 (Energy Probe 17: Up from \$324,000 to \$329,000)
- MicroFit Charges (Acct. #4325) - Approximately \$5,000 (VECC 20 b).

## **4.0 OPERATING COSTS (EXHIBIT 4)**

4.0 -VECC -47

Reference: 4-VECC-25

a) Please explain the increase in property insurance fees as compared to 2011 costs.

4.0 -VECC -48

Reference: 4-VECC-30

Please provide the adjustment to 2012 OM&A that was due to the change in capitalization policies.

## **5.0 COST OF CAPITAL AND RATE OF RETURN (EXHIBIT 5)**

TBD

## **6.0 CALCULATION OF REVENUE DEFICIENCY OR SURPLUS**

## **7.0 COST ALLOCATION**

TBD

## **8.0 RATE DESIGN**

8.0 –VECC -49

Reference: 8-VECC - 36

- a) Please confirm that the number of street light devices for 2015 should be 8,852 (i.e.  $(4,918 \times 0.6) + (4,918 \times 0.4 \times 3)$ ). If not, please explain why.

## **9.0 DEFERRAL AND VARIANCE ACCOUNTS**

TBD

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