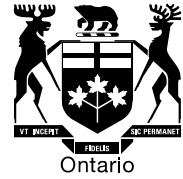


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BY E-MAIL

September 17, 2014

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: St. Thomas Energy Inc. ("STEI")
2015 Distribution Rate Application
Board File No. EB-2014-0113**

In accordance with Procedural Order #1, please find attached Board staff questions for the technical conference, scheduled for September 22nd and 23rd, 2014. The applicant and all intervenors have been copied on this filing.

Yours truly,

Original Signed By

Stephen Vetsis
Analyst – Applications & Regulatory Audit

**Board Staff Technical Conference Questions
St. Thomas Energy Inc. ("STEI")
2015 Cost of Service Application
EB-2014-0113**

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

Ref: 2-Staff-7

On page 2, STEI provide a table summarizing its planned capital expenditures from 2015-2019. Board staff notes that the planned annual spending in administrative capital significantly decreases over the 2015-2019.

- a) Please explain STEI's approach to the pacing of these expenditures. Did STEI consider spreading these investments in administrative capital evenly over the planning period? What impacts would such an approach have on STEI's operations?

Ref: 2-Staff-11

Ref: 2-Staff-12

In STEI's responses to 2-Staff-11 and 2-Staff-12, STEI states that it acknowledges that it provided a high-level capital overview in the application evidence before responding to Board staff's interrogatories.

- a) Please provide a more detailed breakdown of the proposed capital expenditures for the voltage conversion project.

Ref: 2-Staff-15

STEI states that outages have impacted a greater number of customers for a longer period of time typically on the 27.6kV system.

- a) Please discuss the technical reasons that would explain the statement above.
- b) Given the above statement, please discuss the pacing and prioritization of STEI's investments in areas that may address the reliability issues experienced by customers on the 27.6kV system.

Ref: 3-Staff-18

Why did STEI reject the notion of using no change in customer count for the GS < 50 kW class?

Ref: 6-Staff-32

Ref: 8-Staff-34

Please provide the information requested in the interrogatories above.

Ref: 9-Staff-37

- a) Please provide detailed calculations supporting the derivation shown in the table provided in response to 9-Staff-37a, i). In the calculations, please clearly separate the impacts of any changes to the cost of capital additions and amortization for STEI assets prior to restructuring and assets acquired as part of the restructuring. Please explain and support the nature and quantum of any costs related to STEI's former Master Services Agreement that are used to derive the indicated net increase of \$2,517,783, indicated on page 2 of STEI's response.
- b) Please clarify STEI's request regarding the disposition of balances in Account 1576.
- c) Board staff acknowledges STEI's position as presented in its response to the referenced interrogatory. Please provide the calculations originally requested in 9-Staff-37a, ii).

Ref: 9-Staff-38

Given STEI's response to this interrogatory, please confirm that STEI has not been in compliance with the APH.

Ref: 9-Staff-42

Does STEI have any objections to using the methodology provided in this response to calculate its stranded meter rate riders?

Ref: 2-Energy Probe-9

Ref: 2-Energy Probe-11

Please reconcile the updates to the in service dates of material projects in 2014 and 2015 provided in response 2-Energy Probe-11 with the statement in 2-Energy Probe-9 that indicates that the "2014BY capital expenditures [are] on plan with only a small variance in the general plant category."

Ref: 2-VECC-11

In this response STEI states that as it is in the first year of its DSP, it will be reviewing what measures and indicators are available to determine the progress against the various components of the action plan in its DSP. Please provide updates on STEI's review of metrics/measures/etc. for use in monitoring the progress of its DSP.