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October 3, 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-2014-0086
Innisfil Hydro Distribution Electricity Limited --- 2015 Rates
Energy Probe – Interrogatories to Applicant

Pursuant to Procedural Order No. 1, issued in respect of Innisfil Hydro, please find attached the Interrogatories of Energy Probe Research Foundation (Energy Probe) to the Applicant in the EB-2014-0086 proceeding.

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

Yours truly,

David S. MacIntosh
Case Manager

cc. Brenda Pinke, Innisfil Hydro (By email)
Laurie Ann Cooledge, Innisfil Hydro (By email)
Randy Aiken, Aiken & Associates (By email)
Interested Parties (By email)

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 Innisfil Hydro
Distribution Systems Limited for an order approving just and
reasonable rates and other charges for electricity distribution to
be effective January 1, 2015.

**INTERROGATORIES OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

October 3, 2014

**INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED
2015 RATES APPLICATION
EB-2014-0086**

**ENERGY PROBE RESEARCH FOUNDATION
INTERROGATORIES**

Energy Probe - 1

Ref: Section 3.2.10

- a) **Would any of the loss in revenues for the streetlight class be recoverable through the LRAMVA? Please explain fully your answer.**
- b) **Is the Town receiving any assistance from the OPA in covering the costs of the conversion of the streetlights to LED technology? If yes, please provide details. If no, are there are any OPA programs that the Town could use?**
- c) **When does Innisfil Hydro expect to file its next cost of service application?**

Energy Probe - 2

Ref: Section 3.3.1

Did Innisfil update the 2009 Option Analysis referred to on page 51 and included in Exhibit 2? If not, why not?

Energy Probe - 3

Ref: Section 3.3.1

Is Innisfil Hydro asking for the creation of a deferral account to record the leasing revenue associated with the new headquarters? If not, why not and please explain the difference between this new revenue and the request for a DVA to track the difference between forecast and actual streetlighting revenue in Section 3.2.10.

Energy Probe - 4

Ref: Section 3.3.1

- a) What is the approved level of OM&A included in rates associated with OM&A for Innisfil Hydro's current site?
- b) What is the forecast OM&A costs associated with the new headquarters?

Energy Probe - 5

Ref: Section 3.3.1

What is the net book value at the end of 2014 associated with the existing site? Please break down the NBV into each component such as land, buildings, etc.

Energy Probe - 6

Ref: Section 3.3.1 &
Exhibits 5 & 6

On page 51 it is stated that Innisfil Hydro purchased 3.5 acres at the Old Town Hall site for \$650,000. On page 52 it is stated that Innisfil Hydro decided to swap land with the Town of Innisfil and have received more land at a lower cost per acre.

- a) Did the \$650,000 purchase cost for the 3.5 acres at the Old Town Hall site include a cost to demolish the existing building?
- b) If the response to part (a) is no, what was the cost to Innisfil Hydro to demolish the old building?
- c) Please reconcile the cost of \$650,000 and the land swap with the cost for land of \$1,015,496 shown in the table on page 57.
- d) Exhibit 5 shows a sale price of \$663,500 for the old town hall site and Exhibit 6 shows a purchase cost of \$998,250 for the new property. Please reconcile this with the statement on page 52 regarding the swap.
- e) Please reconcile the purchase price of \$998,250 shown in Exhibit 6 with the cost of \$1,015,496 shown in the table on page 57.

Energy Probe - 7

**Ref: Section 3.3.1 &
Exhibit 2**

- a) Please explain the significant difference in costs in the 5 options reviewed in Exhibit 2 and the capital cost shown in the table on page 57.**
- b) Please explain why there is no reduction in the capital costs shown in the table on page 57 related to sale of the existing land for \$925,000 noted on page 51.**
- c) How does Innisfil Hydro propose to treat the \$925,000 for the sale of the existing site for regulatory purposes?**

Energy Probe - 8

Ref: Section 3.3.1

The evidence indicates that Innisfil Hydro will be moving into the new headquarters by November 1, 2014, but that the Town of Innisfil Operations Centre is not expected to be completed until November, 2015. Does this result in any additional costs for Innisfil Hydro? Please explain.