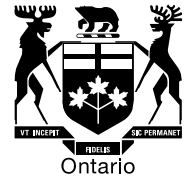


**Ontario Energy  
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**BY E-MAIL**

November 12. 2014

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

Dear Ms. Walli:

**Re: Toronto Hydro-Electric System Limited  
Board File Number EB-2014-0116**

In accordance with Procedural Order No.1, this is notification that Board staff intends to seek clarification on the following issues and interrogatories/evidence. This list is intended to provide an indication only of staff's areas of interest in order to assist the applicant in its preparations and does not necessarily mean that staff will ask questions on all the referenced interrogatories, or preclude the possibility that some of staff's questions may relate to interrogatories not on the following list:

### **1B: Requests and Rationale**

#### Custom Capital Factor & ICM Approach

- Board staff IRR 1 (1B-OEBStaff-1)

#### Computation of Custom Capital Factor

- Board staff IRR 5 (1B-OEBStaff-5)

#### Price Cap Formula

- Board staff IRR 6 (1B-OEBStaff-6)

#### PSE Data Sources

- Board staff IRR 10 (1B-OEBStaff-10)

### Reliability

- Board staff IRR 11 (1B-OEBStaff-11)

### PSE Benchmarking Approach and kWh

- Board staff IRR 12 (1B-OEBStaff-12)

### PSE Formulas and Data Sources

- Board staff IRR 14 (1B-OEBStaff-14)

### Diseconomies of Scale

- Board staff IRR 16 (1B-OEBStaff-16)

### PSE Cost Benchmarking Model

- Board staff IRR 17 (1B-OEBStaff-17)

### Undergrounding of Electricity Assets

- Board staff IRR 20 (1B-OEBStaff-20)

### Reliability Data

- Board staff IRR 27 (1B-OEBStaff-27)

## **2A: Rate Base**

### Derecognition of Assets

- Board staff IRR 29 (2A-OEBStaff-29)

### Valuation of Streetlighting Assets

- Board staff IRR 30 (2A-OEBStaff-30)
- Board staff IRR 31 (2A-OEBStaff-31)

## **2B: Distribution System Plan**

### System O&M Budgets

- Board staff IRR 34 (2B-OEBStaff-34)

### Kinectrics Sample Size

- Board staff IRR 35 (2B-OEBStaff-35)

### End of Asset Life Concept

- Board staff IRR 36 (2B-OEBStaff-36)

### Oil KSO Breakers

- Board staff IRR 37 (2B-OEBStaff-37)

#### Station Assets

- Board staff IRR 38 (2B-OEBStaff-38)

#### Achievement of Authorized Programs

- Board staff IRR 39 (2B-OEBStaff-39)

#### Rear Lot Replacement

- Board staff IRR 40 (2B-OEBStaff-40)

#### Box Construction Replacement

- Board staff IRR 41 (2B-OEBStaff-41)

#### Network Unit Renewal

- Board staff IRR 43 (2B-OEBStaff-43)

#### Transformer Replacement

- Board staff IRR 47 (2B-OEBStaff-47)

#### SCADA RTU

- Board staff IRR 49 (2B-OEBStaff-49)

#### Breaker Replacement

- Board staff IRR 50 (2B-OEBStaff-50)

#### Reactive Capital

- Board staff IRR 51 (2B-OEBStaff-51)

#### Feeder Automation

- Board staff IRR 56 (2B-OEBStaff-56)

#### System Capacity

- Board staff IRR 57 (2B-OEBStaff-57)

#### Building Hazard Management

- Board staff IRR 59 (2B-OEBStaff-59)

### **3: Operating Revenue**

#### Reduction in 2014 to 2019 Load Forecast

- Board staff IRR 60 (3-OEBStaff-60)

## **4B: Operating Costs: Depreciation and PILs**

### PILS

- Board staff IRR 75 (4B-OEBStaff-75)
- Board staff IRR 76 (4B-OEBStaff-76)

### Other Post Employment Benefits (“OPEBs”)

- Board staff IRR 79 (4B-OEBStaff-79)

## **5: Cost of Capital**

### Debt Instruments

- Board staff IRR 81 (5-OEBStaff-81)

## **8: Rate Design**

### Half-Year Rule and Retroactive Rate-Making

- Board staff IRR 82 (8-OEBStaff-82)

## **9: Deferral and Variance Accounts**

### Other Post Employment Benefits (“OPEBs”)

- Board staff IRR 86 (9-OEBStaff-86)

### Account 1575

- Board staff IRR 89 (9-OEBStaff-89)
- Board staff IRR 94 (9-OEBStaff-94)

### Account 1568 - LRAM

- Board staff IRR 95 (9-OEBStaff-95)
- VECC IRR 68 (9-VECC-68)

Yours truly,

*Original Signed By*

Martin Davies  
Project Advisor, Electricity Rates & Accounting  
(416) 440-8107

cc: Parties to EB-2014-0116 proceeding