



**PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC**

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Michael Janigan
Counsel for VECC

December 19, 2014

VIA MAIL and 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: Vulnerable Energy Consumers Coalition (VECC)
VECC Interrogatories EB-2014-0079
Halton Hills Hydro Inc.**

Please find enclosed the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Thank you.

Yours truly,

Michael Janigan
Counsel for VECC

cc: Halton Hills Hydro Inc.

ONTARIO ENERGY BOARD

IN THE MATTER OF

the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15 (Schedule B), as amended;

AND IN THE MATTER OF an Application by
Halton Hills Hydro Inc. (HHHI) pursuant to
section 78 of the Ontario Energy Board Act for an order approving
just and reasonable rates and other charges
for electricity distribution to be effective May 1, 2015.

Information Requests of the Vulnerable Energy Consumers Coalition (VECC)

Earnings

VECC-1

Preamble: Chapter 3 of the Board's Filing Requirements for Electricity Distributors Rate Applications 2014 Edition for 2015 Rate Applications dated July 25, 2014 (Page 13) Section 3.2.10 Off-ramps states:

"For each of the Board's three rate-setting options, a regulatory review may be triggered if a distributor's earnings are outside of a dead band of +/- 300 basis points from the Board-approved return on equity. The Board monitors results filed by the distributors as part of their reporting and record-keeping requirements and determines if a regulatory review is warranted. Any such review will be prospective, and could result in modifications, termination or the continuation of the respective Price Cap IR or Annual IR Index plan for that distributor.

The Board reminds distributors that the filing of an application for an increase to base rates during the IR period or under the Annual IR index is the decision of the applicant; it is not a Board requirement. A distributor whose earnings are in excess of the deadband can refrain from seeking an adjustment to its base rates through a Price Cap IR or Annual IR Index plan. If not, the level of earnings may be raised as an issue in the application.

A distributor may choose to file only for disposition of Group 1 deferral and variance account balances in accordance with Board policies, without applying for adjustments to its base rates."

- a) Please provide HHHI's return on equity and compare to the Board's approved return on equity for the years 2011, 2012, 2013 and forecast for 2014.
- b) Please explain any excessive over or under earnings outside of a deadband of +/- 300 basis points from the Board-approved return on equity for the period 2011 to 2014.
- c) Please discuss if HHHI expects over-earnings to continue.
- d) Please discuss if HHHI considered filing only for disposition of Group 1 deferral and variance account balances in accordance with Board policies, without applying for adjustments to its base rates. If not, why not?
- e) Please discuss HHHI's rationale for applying to adjust its base rates given its over-earnings in 2013.