



PUBLIC INTEREST ADVOCACY CENTRE
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Michael Janigan
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December 22, 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: EB-2014-0116 Toronto Hydro-Electric System Limited
Board Staff/PEG Evidence Interrogatories**

Please find enclosed the interrogatories of VECC with respect to the evidence filed by Board Staff in the above-noted proceeding.

Yours truly,

M. Garner/for

Michael Janigan
Counsel for VECC

cc:

Mr. Martin Davies, Project Advisor
Martin.Davies@ontarioenergyboard.ca

Ms. Daliana Coban
regulatoryaffairs@torontohydro.com

REQUESTOR NAME

VECC

TO:

Board Staff/PEG Report

DATE:

December 22, 2014

CASE NO:

THESL EB-2014-0116

1.0 Board Staff Evidence

“PEG Reports” refers to December 2014 Study entitled: Toronto Hydro Electric System Limited Custom IR Application and PSE Report – Econometric Benchmarking of Toronto Hydro’s Historical and Projected Total Cost and Reliability Levels – Assessment and Recommendations.

1.0 – VECC -1

Reference: PEG Report /pg.4

- a) Please explain what steps PEG took to identify the source and verify PSE’s SAIFI and SAIDI observations.

1.0 – VECC- 2

Reference: PEG Report/ pg. 50

- a) Please provide the “*precedents for stretch factors of 1% in North American incentive regulation.*”

1.0 VECC – 3

Reference: PEG Report / pg. 56-57

Pre-ambule: The PEG modifications result in an average annual PCI growth of 2.07% in contrast to the 6.26% average annual growth of the THESL rate plan. Approximately 50% reduction is attributed to deferring capital expenditures.

- a) Please provide the detailed calculation supporting the 50% reduction by deferring capital spending.
- b) THESL has completed a Distribution System Plan (Exhibit 2B) in support of its capital plan. The Utility suggests that the capital program “*represents a minimum level of appropriate investment given the distribution system’s needs..*” (Exhibit 1B/Tab2,Schedule 4, pg.1). In light of this how would PEG suggest THESL re-evaluate and redefine its 5 year plan?

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