

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 North Bay
Hydro Distribution Limited for an Order or Orders approving
or fixing just and reasonable rates and other charges for
electricity distribution to be effective May 1, 2015.

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

March 27, 2015

**NORTH BAY HYDRO DISTRIBUTION LIMITED
2015 RATES REBASING CASE
EB-2014-0099**

**ENERGY PROBE RESEARCH FOUNDATION
INTERROGATORIES**

EXHIBIT 1 – ADMINISTRATIVE DOCUMENTS

1-Energy Probe-1

Ref: Exhibit 1, Tables 1-1 through 1-5

- a) Please explain why the target levels remain significantly below the actual results for the years shown. In other words, why have the targets not increased?**
- b) Does NBHDL have any incentive plan for any employees, which are, in part, impacted by whether or not the target levels are achieved? If yes, fully explain.**
- c) Please update the tables to include data for 2014.**

1-Energy Probe-2

Ref: Exhibit 1, page 18

- a) Please quantify the amount included in the budget for the test year for an operational review to assess the performance in respect of the coordination of infrastructure replacement requirements to minimize duplicative civil and construction work.**
- b) Please explain why NBHDL did not undertake this operational review prior to the test year.**
- c) Has NBHDL amortized the expenses associated with this review over a 5 year period or kept all of the expenses in the test year?**
- d) If the response to part (c) is the test year, is this a one-time cost or will the cost continue in future years?**
- e) What is the expected future savings as a result of minimizing duplicative civil and construction work?**

1-Energy Probe-3

Ref: Exhibit 1, Tables 1-12 and 1-13

- a) Please confirm that NBHDL's targets for each table are, in fact, to stay within the ranges achieved in 2009 through 2013.**
- b) Please update the tables to reflect 2014 data.**

1-Energy Probe-4

Ref: Exhibit 1, Table 1-6

- a) Please update the table to reflect actual data for 2014.**
- b) Please confirm that this table shows the return on equity based on deemed equity and not on actual equity. If this cannot be confirmed, please provide a table that shows the actual return on deemed equity.**

1-Energy Probe-5

Ref: Exhibit 1, Table 1-15

Please provide the efficiency groupings for NBHDL for each of 2009 through 2011 (based on the 3 groups available during those years).

1-Energy Probe-6

Ref: Exhibit 1, Table 1-16

- a) Please extend Table 1-16 to include the figures for 2014 and 2015 based on the current application.**
- b) Please provide a table that replaces the 2014 bridge year forecast (as requested in part (a) above) with actual figures for 2014.**

1-Energy Probe-7

Ref: Exhibit 1, Table 1-17

- a) Please expand Table 1-17 to show data for 2009 and 2010.**

- b) How many FTE's did NBHDL forecast for its bridge (2009) and test years (2010) in its last cost of service application?
- c) Please provide a breakdown of the table requested in part (a) above to show the number of FTE's by executive, management, non-union and unionized.

1-Energy Probe-8

Ref: Exhibit 1, pages 34-35

- a) Please quantify the increase in the 2015 capital expenditures related to each of the 3 significant exceptions noted in lines 2 through 14 on page 34.
- b) Please add columns to Table 1-23 that show actual capital expenditures for 2010 through 2014.

1-Energy Probe-9

Ref: Exhibit 1, page 50

Please explain, at a high level, why a revenue deficiency of about \$1.7 million results in lower distribution costs for almost all customers shown in Table 1-28. If this decrease is driven by the disposition of deferral and variance accounts, please provide a version of Table 1-28 that removes the disposition of these accounts from both the 2014 and 2015 distribution rates.

1-Energy Probe-10

Ref: Exhibit 1, page 66

- a) Please provide all the assumptions used to come up with the 2016 through 2019 bills in each of Tables 1-29 and 1-30.
- b) Please reconcile the \$2.30 decrease shown in Table 1-29 for 2015 with the \$5.68 decrease noted at line 33.

1-Energy Probe-11

Ref: Exhibit 1, page 67

What is the net level of costs included in the 2015 test year revenue requirement associated conservation programs?

1-Energy Probe-12

Ref: Exhibit 1, page 71

Is the \$122,000 included in the test year revenue requirement for customer engagement and communications a one-time expense? If not, please provide the forecast for the 2016 through 2019 period.

1-Energy Probe-13

Ref: Exhibit 1, page 79

The evidence indicates that in early 2013 NBHDL used a third party to review the meter-to-cash process. Did NBHDL also review its working cash requirements through a lead/lag study? If not, please explain fully why not.

1-Energy Probe-14

Ref: Exhibit 1, page 80

The evidence states that NBHDL will continue to make cost reduction and productivity improvement measures a priority.

- a) Has NBHDL estimated the impact on ratepayers of a one percentage change in the working capital allowance percentage used to calculate rate base? If not, why not?**
- b) Please provide an estimate of the impact on ratepayers of a 1 percent point reduction in the working capital allowance (i.e. from 13% to 12%). Please show all calculations and assumptions used.**
- c) Has NBHDL done any analysis of its working capital requirement and/or whether the default value of 13% is appropriate and in the best interests of ratepayers? If not, why not?**
- d) Has NBHDI attempted to do any benchmarking of its working capital requirement relative to distributors that have filed lead/lag studies? If not, why not?**

1-Energy Probe-15

Ref: Exhibit 1, Appendix 1-H

Please confirm that there are no costs included in the test year revenue requirement, the bridge year forecast or any of the historical years included in the OM&A costs for any of the corporate entities shown in the chart, other than NBHDL itself, including Board of Director costs. If this cannot be confirmed, please explain and quantify fully.

1-Energy Probe-16

Ref: Exhibit 1, page 104

Does NBHDL have a shareholder's agreement with its holding company and/or the City of North Bay? If yes, please provide a copy of the agreement that is currently in place.

EXHIBIT 2 – RATE BASE

2-Energy Probe-17

**Ref: Exhibit 2, pages 4 & 89 &
Exhibit 1, page 30**

In Exhibit 2, it states that in 2012 NBHDL implemented the change to depreciation rates and capitalization policies (lines 18-19 on page 4 and lines 6-15 on page 89), while in Exhibit 1 it states that NBHDL reviewed and changed its capitalization policy in fiscal 2009 (lines 8-9). Please reconcile.

2-Energy Probe-18

Ref: Exhibit 2, pages 16-50

- a) Please explain why these pages are dated October 30, 2009.**
- b) Are there any changes associated with these pages of correcting the date on the evidence? If yes, please explain.**

2-Energy Probe-19

Ref: Exhibit 2, Tables 2-10 and 2-18

Please update the bridge year tables to reflect actual data for 2014. If actual data for all of 2014 is not yet available, please update based on the most recent year-to-date actuals available, along with an updated estimate for the remainder of the year.

2-Energy Probe-20

Ref: Exhibit 2, Tables 2-8 through 2-11

- a) Please confirm that the WIP disposals shown in these tables reflect movement of the capital expenditures out of the WIP category and into the other accounts shown. If this is not confirmed, please explain.**
- b) Please explain the significant drop in WIP forecast for 2015 relative to the amounts shown for 2012 through 2014.**

2-Energy Probe-21

Ref: Exhibit 2, Table 2-12

Please provide the 2010 Board approved capital additions to rate base.

2-Energy Probe-22

Ref: Exhibit 2, Tables 2-12 through 2-19

- a) Please provide a table that shows the total contributions and grants for each year (and updated for 2014 actuals), along with the gross addition costs associated with the projects that received contributions and grants. Please add a third line, showing the ratio of contributions and grants to the gross addition costs.**
- b) Please explain any significant changes in the ratio calculated in part (a) above.**

2-Energy Probe-23

Ref: Exhibit 2, Table 2-19

The table shows an amount of \$155,871 in fully allocated depreciation expense associated with transportation equipment.

- a) Please show how this amount was calculated, based on the \$266,797 shown as depreciation expense for this category.**
- b) Please show how much of the \$155,871 has been capitalized and how much has been included in OM&A expenses.**

2-Energy Probe-24

**Ref: Exhibit 2, Table 2-19 & Table 2-32 &
Exhibit 1, Table 1-22**

Please reconcile the capital additions shown in Table 2-19 and Table 2-32 for 2015 of \$8,038,071 with the figure of \$7,757,956 shown in Table 1-22 for 2015.

2-Energy Probe-25

Ref: Exhibit 2, pages 47-48

- a) Does NBHDL bill all of its customers on a monthly basis? If not, please provide a breakdown by rate class of the billing frequency for customers. If one or more classes include multiple billing frequencies, please estimate the annual revenues associated with each billing frequency within that class.**
- b) Has the billing frequency change since NBHDL's last cost of service application? If yes, please provide details.**

2-Energy Probe-26

Ref: Exhibit 2, Table 2-28

Please update Table 2-28 to reflect the most recent information available (if different from that used) for the RPP and non-RPP prices, LV charges, WMS charges, rural rate assistance charges and network and connection charges.

2-Energy Probe-27

Ref: Exhibit 2, Table 2-32 and Tables 2-12 through 2-19

- a) Please add the following lines to Table 2-32 based on the figures provided in Tables 2-12 through 2-19:
 - Net additions from Tables 2-12 through 2-19;
 - Contributions & Grants from Tables 2-12 through 2-19;
 - Resulting Gross additions from Tables 2-12 through 2-19;
 - Difference between Resulting Gross additions from Tables 2-12 through 2-19 and the Total Expenditure shown in Table 2-32.
- b) Please explain any difference in the Difference line calculated in part (a) above.
- c) Please update Table 2-32 to reflect actual data for 2014. If actual data for all of 2014 is not yet available, please update it to include the most recent year-to-date information for 2014, along with an updated estimated for the remainder of the year.
- e) Please explain why NBHDL has not included figures for the Plan in each of 2010 through 2014.
- f) Please provide a revised Table 2-32 that includes the budget (Plan) for each year that is based on the budget that is prepared annually by management and approved by the NBHDL Board of Directors (lines 21-23 on page 59).

2-Energy Probe-28

Ref: Exhibit 2, Table 2-33

- a) Please update Table 2-33 to include actual data for 2014. If actual data for all of 2014 is not yet available, please update it to include the most recent year-to-date information for 2014, along with an updated estimated for the remainder of the year. As part of the update, please highlight changes for the 2015 test year forecast (if any) in the revised table.
- b) Please explain the difference in the net capital expenditures for 2012 through 2015 shown in Table 2-33 as compared to that in Tables 2-14 through 2-19 (for example, Table 2-19 for 2015 shows net additions of \$8,038,071 while Table 2-33 shows \$7,253,969).

2-Energy Probe-29

Ref: Exhibit 2, page 90

The evidence states that for rate setting purposes, in the first year of service, depreciation is calculated using the 1/2 year rule. Does NBHDL use the same 1/2 year method for financial accounting purposes? If not, please explain what NBHDL uses for financial reporting purposes and which methodology has been reflected in the continuity schedules for 2010 through 2015 shown in the evidence.

2-Energy Probe-30

Ref: Exhibit 2, Appendix P

Please update the table to reflect actual data for 2014. If actual data for all of 2014 is not yet available, please update based on the most recent year-to-date actuals available, along with an updated estimate for the remainder of the year. Please also update 2015 to reflect any changes that result from the changes in 2014.

2-Energy Probe-31

Ref: Exhibit 2, Appendix P & Tables 2-12 through 2-19

Please explain the difference in additions shown in Table 2-12 through 2-19 with the total figures shown in Appendix 2-AA. For example, please explain the difference between the \$7.25 million shown in Appendix 2-AA for 2015 with the \$8.04 million shown in Table 2-19. In answering this question, please separate out the impact of the smart meters. Further, if the difference is due to work-in-progress, please provide a table that shows the impact on work-in-progress on the difference in the totals.

EXHIBIT 3 – OPERATING REVENUE

3-Energy Probe-32

Ref: Exhibit 3, Table 3-1

- a) Please update Table 3-1 to reflect actual data for 2014. If actual data for all of 2014 is not yet available, please update to reflect the most recent year to date actual data available, along with the most recent estimate for any remaining months in 2014.**

- b) Please explain the significant reduction in distribution revenues between the 2014 bridge year and the 2015 test year at existing rates. For example, please explain the reduction in residential revenue at existing rates despite more residential customers and a higher residential kWh forecast in 2015 than in 2014, as shown in Table 3-35.

3-Energy Probe-33

Ref: Exhibit 3, Table 3-3

Please update Table 3-3 to reflect actual data for 2014. If actual data for all of 2014 is not yet available, please update to reflect the most recent year to date actual data available, along with the most recent estimate for any remaining months in 2014.

3-Energy Probe-34

Ref: Exhibit 3, Tables 3-7 through 3-13

- a) Please update Tables 3-7 and 3-10 to reflect actual data for 2014.
- b) Please update Table 3-8 and 3-11 to reflect a geometric mean for 2012, 2013 and 2014.
- c) Please update Table 3-9 and 3-12 for 2015 to reflect actual figures for 2014 and the forecast from 2015 that reflects the geometric means from part (b) above applied to the actual 2014 starting points.
- d) Please update Tables 3-13, 3-18 and 3-23 to reflect the forecast for 2015 based on the responses to parts (a), (b) and (c) above, using the methodology employed by NBHDL.
- f) What is the impact on distribution rates at current rates for 2015 of the revised forecast noted in part (d) above? Please show all calculations used to arrive at this impact.
- g) Please provide a live Excel spreadsheet that utilizes 2014 figures for customer growth and average use per customer growth, in addition to 2012 and 2013, as requested above.

3-Energy Probe-35

Ref: Exhibit 3, page 10 and Excel Forecast Spreadsheet

On page 10 the evidence states that the North Bay Economy variable has been set at 0 for all months up to and including December, 2011 and 1 for all months beyond that. However, the electronic version of the load forecast shows a value of 1 included for this variable in August, 2003.

- a) Please explain why the North Bay Economy variable has a value of 1 in August, 2003 rather than 0 as is indicated in the evidence.**
- b) Please re-estimate the equation with the North Bay Economy variable including a value of 0 in August, 2003. Please provide a live Excel spreadsheet with this change.**
- c) What is the impact on the load forecast of this change?**

3-Energy Probe-36

Ref: Exhibit 3, Table 3-16

- a) Please explain why there is no fall off in the persistence of 2013 CDM programs in 2014, like there was for 2011 and 2012 programs in the following years.**
- b) Please explain why NBHDL assumes that the savings achieved in 2014 from 2011 to 2014 CDM programs will persist into 2015 at 100%, whereas programs from the previous years show a reduction in the following years.**

3-Energy Probe-37

Ref: Exhibit 3, page 22

- a) Please provide the annual kWh and kW figures for 2011 through 2013 for the customer that closed in 2014 in the GS 3,000 to 4,999 kW class.**
- b) It appears that NBHDL has assumed this lost customer was equivalent in size to the remaining customer by removing the kWh associated with the average of the two customers in this class for 2013. Is this correct?**

3-Energy Probe-38

Ref: Exhibit 3, Table 3-36

- a) Please update Table 3-36 to reflect actual data for 2014. If actual data for all of 2014 is not yet available, please update to reflect the most recent year to date actual data available, along with the most recent estimate for any remaining months in 2014.**
- b) Please provide a version of Table 3-36 requested in part (a) above that removes all OPA related revenues and expenses from accounts 4375 and 4380, respectively.**

3-Energy Probe-39

Ref: Exhibit 3, Table 3-36

- a) For 2013 actual, 2014 actual and the 2015 forecast, please provide the average interest rate used to determine the interest and dividend income in account 4405, along with the average balance to which these rates were applied in each of the years.**
- b) Please explain the derivation of the interest rate used in the forecast for 2015 and the amount to which it is applied relative to the balances in 2013 and 2014.**

3-Energy Probe-40

Ref: Exhibit 3, Table 3-36

- a) Where are revenues from microfit customers shown in Table 3-36?**
- b) Please provide the actual number of microfit customers for each of the historical years, including 2014, along with the forecast for 2015.**

3-Energy Probe-41

Ref: Exhibit 3, Table 3-36

- a) Please provide a break out of the revenue and costs shown in accounts 4375 and 4380 from each of the items included in these accounts for the years shown, but update the 2014 data to reflect actual information.**

- b) What is the status of the Bell Fibre project that has been included in account 4390?
- c) Please explain why NBHDL has not included any gains in account 4355 for the test year when it has had such gains in all the other years shown.

EXHIBIT 4 – OPERATING COSTS

4-Energy Probe-42

Ref: Exhibit 4, page 4

- a) Please update Table 4-1 to reflect actual data for 2014. If actual data for all of 2014 is not yet available, please update to reflect the most recent year to date actual data available, along with the most recent estimate for any remaining months in 2014.
- b) Is there any change in 2014 and 2015 relative to 2012 and 2013 as a result of reporting under MIFRS in the bridge and test years, as compared to 2012 and 2013 which reflect changes to capitalization policies? If yes, please quantify and explain fully.
- c) In Exhibit 1, page 88, NBHDL indicates it changed its capitalization of overhead. Was there a further change in capitalization that took place in 2012? If yes please quantify and explain fully.

4-Energy Probe-43

Ref: Exhibit 4, page 12

- a) Please provide the 2010 Board approved amount for vegetation management, along with actual costs for 2010 through 2014 and the forecast for 2015.
- b) Please provide the actual costs incurred in 2010 through 2014 and the forecast for 2015 for emergency repairs due to storm damage.

4-Energy Probe-44

Ref: Exhibit 4, Table 4-4

Please provide a breakdown of the \$412,548 shown in 2014 for smart meter disposition in Table 4-4 into the years where the costs were actually incurred.

4-Energy Probe-45

Ref: Exhibit 4, Table 4-4

- a) Please explain why there is no line item in Table 4-4 for accounting changes associated with the changes in capitalization noted elsewhere in the evidence between 2011 and 2012 and between 2013 and 2014.
- b) If there is an impact of the change in capitalization on OM&A between 2010 and 2015, please provide the amount on a year by year basis.

4-Energy Probe-46

Ref: Exhibit 4, Table 4-10

- a) Please confirm that the figures shown in Table 4-10 are the total employee costs incurred, including costs allocated to OM&A and to capital expenditures.
- b) Please add lines to Table 4-10 that shows the amount of employee costs allocated to capital and the resulting level of costs allocated to OM&A for each of the years shown. In providing this response, please update Table 4-10 to include actual data for 2014. If actual data for all of 2014 is not yet available, please update 2014 to include the most recent year to date actuals along with a current estimate of any remaining months in 2014.

4-Energy Probe-47

Ref: Exhibit 4, page 21

At lines 26-27 on page 21, there is reference to a temporary increase in FTE's in 2015 related to the retirement of 2 individuals and the need for job training of new staff.

- a) Are either of the 2 retirements related to positions that require apprenticeship training?
- b) For each of the 2 positions, please indicate the total wages and benefits expected to be paid in 2015, along with the number of months before the positions are vacated by the current individuals.

- c) For each of the 2 replacements for these positions, please indicate the total wages and benefits expected to be paid in 2015, along with the number of months that these two new individuals will be employed in 2015.

4-Energy Probe-48

Ref: Exhibit 4, Table 4-5

What would be the impact on total wages and benefits, and wages and benefits allocated to OM&A in 2015 if the wage increases shown in Table 4-5 for 2011 through 2015 was

- a) 1.5%?
- b) 2.5%?

In responding to this interrogatory, please show separately for each of (a) and (b) the impact for union and non-union employees.

4-Energy Probe-49

Ref: Exhibit 4, Table 4-31

Please provide a table that shows for each of 2010 through 2015 the depreciation that has been allocated to OM&A expenses and the amount that is allocated to capital.

4-Energy Probe-50

Ref: Exhibit 4, page 36

- a) What was the impact of the capitalization changes in fiscal 2009? In particular, was there a movement from capital to OM&A or from OM&A to capital?
- b) Was this change in the capitalization of overheads reflected in the last cost of service application for 2010 rates?

4-Energy Probe-51

Ref: Exhibit 4, page 45

Please provide a table showing the 23 different settlements for 2011 through 2013 noted on line 23. For each settlement, please show the increase for each of 2011 through 2013.

4-Energy Probe-52

Ref: Exhibit 4, Table 4-10

Please update Table 4-10 to include actual data for 2014, or if actual data for all of 2014 is not yet available, update the 2014 figures to reflect the most recent year to date information available, along with a current estimate for the remainder of the year. Please add a section to the table that shows the total compensation per FTE for each of the management and non-management categories, along with the total.

4-Energy Probe-53

Ref: Exhibit 4, Table 4-13

- a) Based on the employee turnover shown in Table 4-13, did the replacements have, in general, more or less experience than those employees that they replaced? Please explain fully.**
- b) Based on the response to part (a) above, what was the annualized average annual wage and benefit difference associated with the replacements relative to the those being replaced?**

4-Energy Probe-54

Ref: Exhibit 4, Table 4-26

Most of the figures shown in Table 4-26 imply that the revenues received from affiliates are used to reduce the corresponding OM&A expenses (excluding contributed capital and electricity purchases).

However, the management fee revenue is recorded in Account 4375 rather than as an offset to OM&A expenses. What are the costs associated with providing the management services in each of 2010 through 2015 and are these costs included in the OM&A expense accounts or in Account 4380?

4-Energy Probe-55

Ref: Exhibit 4, Table 4-29 & Table 4-1

- a) Please update Table 4-29 to show actual costs incurred in 2014.**
- b) What are the estimated cost reductions if NBHDL were to settle all issues as part of a settlement process, eliminating the need for an oral hearing?**
- c) Please confirm that none of the one-time costs shown in the bottom portion of Table 4-29 have been included in the historical or bridge year forecasts shown in Table 4-1. If this cannot be confirmed, please indicate the amount included in each year in Table 4-1.**

4-Energy Probe-56

Ref: Exhibit 4, page 79

The evidence indicates that for regulatory purposes, NBHDL uses the half year rule for assets added in the current year but beginning in 2012 a number of accounts were depreciated based on the month following being put in service. For each of 2012, 2013 and 2014 (assuming actuals are available), please show the depreciation expense calculated using the month in-service methodology and the amount that would have been recorded if the half-year rule had been applied in each of 2012, 2013 and 2014. If the month-in service methodology figures are different from those shown in Table 4-31, please explain fully.

4-Energy Probe-57

**Ref: Exhibit 4, Appendix 4-P and
Exhibit 2, Table 2-10**

- a) Please reconcile the additions to capital of \$9,164,695 shown in Table 2-10 for 2014 with the CCA additions of \$5,736,343 shown in Schedule 8 for the bridge year in Appendix 4-P. As part of the response, please reconcile the line items, and provide a mapping from the OEB accounts shown in Table 2-10 to the CCA categories used in Schedule 8.**
- b) Please explain why there are no additions to CCA class 12 (computer software) in either 2014 or in previous years.**

4-Energy Probe-58

**Ref: Exhibit 4, Appendix 4-P and
Exhibit 2, Tab 2-11**

Please explain why NBHDL has included computer software in CCA class 50 rather than class 12.

4-Energy Probe-59

Ref: Exhibit 4, Appendix 4-P

Please confirm that NBHDL is no longer eligible for the Ontario small business credit.

EXHIBIT 5 - COST OF CAPITAL AND RATE OF RETURN

5-Energy Probe-60

Ref: Exhibit 5

- a) Please update the cost of capital, including Appendix 2-OA and Appendix 2-OB to reflect the cost of capital parameters issued by the Board on November 20, 2014.**
- b) With regard to the SWAP agreement with the TD Bank to be effective June 30, 2015 for \$6,000,000, please update the expected interest rate for a 10 year term based on current interest rates.**

EXHIBIT 6 - CALCULATION OF REVENUE DEFICIENCY OR SUFFICIENCY

6-Energy Probe-61

Ref: Exhibit 6

Upon completion of the interrogatory responses, please provide an updated Table 6-1, Table 6-2 and RRWF that reflects any and all changes made as a result of the responses to the interrogatories and any updates or corrections made to the evidence. Please include a live Excel version of the RRWF, including the tracking form that shows the changes made, the source of each change and the impact of each change.

EXHIBIT 7 – COST ALLOCATION

7-Energy Probe-62

Ref: Exhibit 7, page 3

The evidence states that the street lights are connected to NBHDL's secondary buss and are captured outside of Account 1855.

- a) Please indicate which account these costs are included in.**
- b) What is the amount of these costs?**
- c) How are these costs allocated to the street lighting class?**

EXHIBIT 8 - RATE DESIGN

8-Energy Probe-63

Ref: Exhibit 8, Table 8-5

- a) Please explain why NBHDL proposes to increase the monthly fixed charges for those classes where the existing charge is already higher than the ceiling.**
- b) What is NBHDL's understanding of the Board's policy with respect to increasing the monthly fixed charge for those rate classes where the existing fixed charge is already above the ceiling?**

8-Energy Probe-64

Ref: Exhibit 8, pages 7 - 9

Please update any of the tables shown on these pages that have changed due to changes in transmission, wholesale market or LV rates from those used in the evidence.

EXHIBIT 9 - DEFERRAL & VARIANCE ACCOUNTS

9-Energy Probe-65

Ref: Exhibit 9, Table 9-17

Please update Table 9-17 to reflect the updated cost of capital and any change to the 2014 net closing balance as the result of update the 2014 capital expenditures to reflect actual data for the bridge year.