

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.

**WORKING CAPITAL ALLOWANCE INTERROGATORIES OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

August 21, 2015

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

**ENERGY PROBE RESEARCH FOUNDATION
WORKING CAPITAL ALLOWANCE INTERROGATORIES**

All interrogatories refer to the Navigant report titled "Working Capital Requirement of North Bay Hydro Distribution Ltd.'s Distribution Business" dated July 27, 2015.

Energy Probe-1

Ref: Page 8

- a) Please provide all the data and assumptions used to calculate a billing lag of 23.97 days.
- b) Please explain why the billing lag has been increased by 3 days for bills sent to customers using mail.
- c) What proportion of NBHDL customers receive their bills by mail, based on revenues? Please show how this has been taken into account in the calculation requested in part (a) above.
- d) Does NBHDL have any plans to increase the number of customers on e-billing? If yes, please provide details and targets.
- e) Please confirm that the 3 days reference for those customers that receive their bills by mail has not been included in both the billing lag and collection lag.
- f) Please provide all the data and assumptions used to calculate the collection lag of 24.56 days.
- g) Please provide all the data and assumptions used to calculate the payment processing lag of 1.80 days.

Energy Probe-2

Ref: Page 8

- a) Did NBHDL conduct any analysis to support the combined billing and collection lag calculations to validate the time between meter reading and

receiving payment of 48.53 days (23.97 billing + 24.56 collection)? If yes, please provide the analysis including all data, dates and revenues.

- b) If the response to part (a) is no, please conduct such an analysis based on a statistically significant number of accounts that shows the meter read date, the date payment was received and the amount of revenue associated with the account. Please provide the data in a live Excel spreadsheet. To ensure no confidential information is involved, only the meter read date, payment receipt date and revenue amount is required. If NBHDL does not record the payment receipt date for individual accounts, please provide the date payment was processed for each of the accounts.

Energy Probe-3

Ref: Page 9

Please explain why the revenue lag for microFIT customers and late payment charges are significantly lower than the total retail revenue lag. In the explanation, please explain when microFIT bills are sent relative to retail bills. Please also explain if NBHDL sends separate bills for late payment charges and if not, please explain why this revenue is, on average, received 24 days earlier than revenue from normal invoices.

Energy Probe-4

Ref: Page 8

The evidence states that NBHDL bills customers using the preliminary net system load shape available from the IESO after the 15th of each month and that based on this all bills are generated between the 15th and 30th of the month.

- a) Please indicate if NBHDL reads meters each day of the month, each working day of the month, or some other frequency. For example, does NBHDL read all meters over the course of a full month or does it read all meters by the 15th of the month or some other date? Please explain fully.
- b) For each of the following meter read dates (if applicable), please indicate when the bill is generated:
- i) 1st of the month;
 - ii) 14th of the month;
 - iii) 15th of the month;
 - iv) 16th of the month; and
 - v) 30th of the month.

Energy Probe-5

Ref: Page 14

- a) Please provide all the data, assumptions and calculations used to calculate the expense lead times shown in Table 10 for Payroll, Withholdings and Pensions.
- b) What is the frequency and pay period for NBHDL employees?

Energy Probe-6

Ref: Page 14

Please confirm that the payment dates shown in Table 11 are the required payment dates associated with property taxes. If this cannot be confirmed, please provide the required payment dates.

Energy Probe-7

Ref: Page 15

- a) Please provide all the data, assumptions and calculations used to calculate each of the expense lead times shown in Table 12.
- b) Do the expense lead times reflect the time from receiving an invoice to the time the money is removed from the NBHDL account?
- c) How has NBHDL calculated the time from the mid-point or time when service was provided to the date that an invoice is received from the service provider?

Energy Probe-8

Ref: Page 17

- a) Please provide a copy of the 2014 PILs tax form that shows the installment dates when payments and amounts were made.
- b) Was there any payment made in 2015 as part of the 2014 PILs payable? If yes, please provide the amount and the date of the payment(s). Please provide the total PILs paid for 2014.

- c) Was NBHDL required to make the payments (both amounts and dates) as shown in Table 15?
- d) Please explain the difference in the schedule of installment payments made in 2014 as compared to that shown for 2011, 2012 and 2013 in Appendix 4-K 4-L and 4-M of the evidence.
- e) If yes, please explain the difference between the payment schedule shown in the Navigant report and the 2014 payment schedule for Federal Tax Installments shown in the 2013 PILs filing in Appendix 2-M.

Energy Probe-9

Ref: Page 18

- a) Please confirm that the cost of power figure shown in Table 16 of \$1,094,751 is based on 13% applied to the cost of power of \$70,516,783 shown in Table 6.
- b) Please confirm that the OM&A expense figure of \$136,164 shown in Table 16 is based on 13% applied to the OM&A expense of \$8,704,414 shown in Table 9.
- c) Please conform that the revenue figure shown in Table 16 of \$(853,252) is based on 13% applied only to the retail revenue of \$97,138,801 shown in Table 3.
- d) Please list of the line items in Table 5 that the HST is charged on.

Energy Probe-10

Ref: Page 18

Please provide all the data, assumptions and calculations used to calculate each of the HST lead times shown in Table 16.