



PUBLIC INTEREST ADVOCACY CENTRE
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May 10, 2016

VIA 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-2015-00173 –Toronto Hydro-Electric System Limited (“Toronto Hydro”)
Incremental Capital Module True-Up Application
Interrogatories of Vulnerable Energy Consumers Coalition (VECC)**

Please find enclosed the interrogatories of VECC in the above-noted proceeding.

Yours truly,

Michael Janigan
Counsel for VECC

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REQUESTOR NAME	VECC
TO:	Toronto Hydro-Electric System Limited (Toronto Hydro)
DATE:	May 10, 2016
CASE NO:	EB-2015-0173
APPLICATION NAME	ICM True-Up

1.0 EXHIBIT 1

1.0-VECC-1

Reference: E1/T2/S2/Table 1/pg. 13 & Table 2/pg.21

- a) Please modify Table 1 to show the portion (percentage) of the variance allocated to each of the four variance classification/types shown in Table 2.
- b) For each segment please provide the total cost of the “analogous” (i.e. incremental and non-reviewed) jobs.
- c) Please provide the criteria for determining a job was “analogous” as opposed to an unrelated part of the ongoing capital budgets.

1.0-VECC-2

Reference: E1/T2/S2/Table 1/pg. 13 & Table 2/pg.21

- a) Please modify Table 1 to show forecast capital expenditures and actual capital expenditures.

2.0 EXHIBIT 2

2.0 – VECC - 3

Reference: E12/T1/S1

- a) Please provide a breakdown of the \$55.6 million in Underground Infrastructure overruns into the two categories: (1) changes in scope to existing planned jobs –e.g. improved duct and service connection replacements and (2) incremental jobs not identified in Board proceedings – e.g. SCADA equipment additions.

2.0 – VECC - 4

Reference: E2/T1/S1/Appendix A

- a) Is the \$13.5 million shown in Appendix A (ICM Segment B1 Underground Infrastructure projects) the incremental or “analogous” additional projects undertaken in that segment?
- b) Please confirm the similar tables found at Exhibit 2, Tabs 4,5,6,7 Appendix A, describe “analogous” projects undertaken by THESL. If this is not correct, then please explain the purpose of these tables.

2.0 – VECC - 5

Reference: E2/T4/S1/pg.5

- a) Please provide a table showing the total capital spent in each year for overhead infrastructure (poles, overhead conduction pole transformers switches etc.) in each of 2012 through 2015. On separate rows please show the “analogue” ICM spending in each year and the ICM “non-analogous” capital expenditures.
- b) At page 5 of the exhibit it states: “[T]wo of the analogous jobs were, in fact, included in the original Phase 1 ICM Application, but were subsequently deferred to Phase 2 of the ICM Application at the time of Toronto Hydro’s evidentiary update in October 2012.” Does this mean the jobs were deferred ICM projects and not “analogous” (i.e. done in substitution of an ICM approved job). Does THESL definition of analogous jobs include approved ICM jobs from previous periods?

2.0 – VECC - 6

Reference: E2/T6/Appendix A

- a) Did both of the additional (“analogous”) ICM segment projects shown in the Table result in the conversion of a customer’s service from rear to front lot?
- b) Please confirm (or correct) that these two projects were not directly for rear lot conversions but for additional plant required to allow the affected properties to be converted.

2.0 – VECC - 7

Reference: E2/page 46

- a) Is Table 3 analogous to the Tables at Exhibit 2, Tabs 4,5,6,7,9,10 Appendix A?
- b) Please provide the capital expenditures for the list of analogous jobs shown in Table 3.

2.0 – VECC - 8

Reference: E2/T11/S1/pg.5

- a) In speaking of the under forecast of ISA for station switchgear THESL makes the statement that “[T]he fact that the segment was only underspent by \$3.57 million on a capital expenditures basis as opposed to \$11.73 million on an ISAs basis illustrates this point”. Does this mean that the ICM segments proposed and approved by the Board are substantively completed?

2.0 – VECC - 9

Reference: E2/T14/S1 PSE ICM Evaluation

- a) Which AACE estimate class did PSE assume the original segment forecasts provided to, and approved by, the Board fell into?
- b) What is the basis for assuming a variance of between -30% and +50% for the THESL segment projects? Please show that calculations derivation.
- c) Please confirm that the variation is equivalent to AACE Class 4 using the maximum high and low figures.
- d) If Class 4 was assumed please explain the rationale for this assumption in light of the fact that THESL produced budgets for Board approval for these ICM segments.
- e) Please explain why the detailed budgets provided to the Board in support of the ICM segment do not meet AACE Class 3 or higher.
- f) Did PSE review THESL’s original budget proposals for each of the segments prior to its analysis and conclusions?

END OF DOCUMENT