

EB-2016-0058

Ontario Energy Board

Brantford Power Inc.

**Application for electricity distribution rates beginning
January 1, 2017**

**TECHNICAL CONFERENCE QUESTIONS OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

September 19, 2016

**BRANTFORD POWER INC.
2017 RATES REBASING CASE
EB-2016-0058**

**ENERGY PROBE RESEARCH FOUNDATION
TECHNICAL CONFERENCE QUESTIONS**

EXHIBIT 1 – ADMINISTRATIVE DOCUMENTS

1-Energy Probe-TCQ 1

Ref: 1-Staff-1 & RRWF

The revised RRWF filed on September 14, 2016 has not been fully completed.

- a) Please complete all sheets (such as 10. Load Forecast) based on the interrogatory responses and any further changes made as a result of the follow up questions to the interrogatory responses.**
- b) Please complete sheet 14. Tracking Sheet to provide a reference to the interrogatory responses that result in the changes shown for each line item.**
- c) Please breakout all the impacts on the 2017 revenue requirement that result from the removal of the request for building funding in 2016 and show all calculations used.**
- d) Please explain the change in OM&A shown in the RRWF included in each of the three change lines shown.**
- e) Please explain the increase in working capital of more than \$4.9 million as a result of the building removal.**
- f) Please explain each of the three figures shown in the Other Revenues column in the change lines.**

1-Energy Probe-TCQ 2

Ref: 1-Staff-1 & RRWF

The Revenue Deficiency/Sufficiency sheet in the RRWF shows an increase in distribution revenues at approved current rates of \$335,486 (\$16,123,389 to \$16,458,875).

a) Please indicate what this increase is based on and provide references to the interrogatory responses that give rise to this change. For example, does it reflect the response to 3-VECC-21 related to the updated CDM figures?

b) If the response in part (a) is that the increase is based on the updated regression provided in the Excel file 'Brantford_Weather Regression Model_-Interrogatory Responses' that includes 6 more months of actual consumption, please explain why the regression model does not appear to have used actual data for those additional six months for all of the explanatory variables (i.e. heating and cooling degree days and GDP).

c) Please show the derivation of the increase of \$2,352,243 in working capital as a result of the cost of power adjustments shown in the Tracking Form in the RRWF.

1-Energy Probe-TCO 3

Ref: 1-Energy Probe-2

Has BPI now calculated the additional revenue that should be reflected for 2016 and 2017 as noted in the response to part (b)? If yes, please provide the figures.

1-Energy Probe-TCO 4

Ref: 1-Energy Probe-8

Please reconcile the response to part (a) with the statement on page 10 of Exhibit 4, Tab 5, Schedule 1 that BPI includes its proportionate share, or \$8,333 of the BEC Board of Director costs in the revenue requirement.

EXHIBIT 2 – RATE BASE

2-Energy Probe-TCO 5

Ref: 2-Energy Probe-18

Please confirm that BPI uses different depreciation rates for the various types of meters in the "Meters" category and that it applies a higher depreciation rate for smart meters than for some other types of meters. If this cannot be confirmed, please explain fully.

2-Energy Probe-TCQ 6

Ref: 2-SEC-10 & 2-Energy Probe-17

- a) Please confirm that the cost of the Dalhousie (Drummond-Stanley) Rebuild of \$108,314 as found in Table .5-AH in Exhibit 2, Tab 5, Schedule 2 is included in the capital expenditures shown in Table 2.5-A.**
- b) Please confirm that this amount is also included in the in-service additions shown in the 2016 continuity schedule provided in the response to 2-Energy Probe-17. If this cannot be confirmed, please explain fully.**
- c) Given the response to 2-SEC-10 that the costs for this project are treated as work in progress, please explain the costs associated with this project still appear to be included in rate base in both 2016 and 2017.**

EXHIBIT 3 – OPERATING REVENUE

3-Energy Probe-TCQ 7

Ref: 3-Energy Probe-28 & RRWF

- a) Please explain why the total other operating revenue shown in Table 3-EP-28 in the response to the interrogatory (\$1,293,372) is not the amount shown in the RRWF as revenue offsets (\$1,169,292).**
- b) If the difference is due solely to the exclusion of the net revenue in accounts 4375 and 4380, please confirm that this reflects the removal of the forecasted income associated with the building that has been removed from the application.**

3-Energy Probe-TCQ 8

Ref: 3-Energy Probe-29

Is the reason that the table provided in the response has no entries for accounts 4375 and 4380 is that the only non-CDM and non-new building revenues and costs included in these accounts is related to affiliate costs and that the revenue is equal to those costs?

3-Energy Probe-TCQ 9

Ref: 3-Energy Probe-30

- a) Please confirm that the \$189,930 figure provided in the response to part (c) is for field collection revenue.**

b) The response indicates that BPI increased its expectation for 2016 field collection charges in the updated revenue offsets included with 1-Staff-1. What is the updated forecast for 2016 and did BPI also change the forecast for 2017? If so, what is the new forecast?

c) The response to part (d) indicates that the reduction in investment income was based on declining bank balances, partly due to funding a portion of the building purchase. Given the removal of the building purchase, what is the impact on the cash balances and the forecast for investment income?

d) What adjustment did BPI make to 2016 and 2017 for investment income included in the response to 1-Staff-1.

EXHIBIT 4 – OPERATING EXPENSES

4-Energy Probe-TCQ 10

Ref: 4-Energy Probe-33

a) The response to part (a) did not answer the question. Was the \$536,035 expense incurred in 2013 or 2014 or was it incurred in 2012 or previous years?

b) Please indicate whether the \$362,000 in amortization expense is included in the 2013 or 2014 actual figures shown in Table 4.2-B.

c) Please indicate whether the \$174,035 OM&A expense is included in the 2013 or 2014 actual figures shown in Table 4.2-B.

d) Please confirm that the response labelled as part (e) is the response to the question labelled as part (d).

e) Please provide the response to the question in part (e).

4-Energy Probe-TCQ 11

Ref: 4-Energy Probe-38

a) What is the \$25,000 difference between the \$10,470,506 figure shown in Table 4-EP-38 (and in Table 4.1-A) and the figure of \$10,495,506 shown as the OM&A expense in the Application column of the RRWF?

b) Please show the movement from the original \$10,470,506 in OM&A expenses to the new figure of \$10,670,611 shown in the RRWF. Please explain all adjustments.

4-Energy Probe-TCQ 12

Ref: 4-Energy Probe-44

Please provide a PILS workform that reflects the loss carry forward of \$159,164 being brought into the 2016 bridge year for regulatory PILS purposes.

4-Energy Probe-TCQ 13

Ref: 4-Energy Probe-47

Please confirm that the property tax of \$20,031 is still included in the updated forecast of OM&A of \$10,670,511 shown in the revised RRWF. If this cannot be confirmed, please explain why there is no property tax shown in the RRWF.

EXHIBIT 5 - COST OF CAPITAL AND CAPITAL STRUCTURE

5-Energy Probe-TCQ 14

Ref: 5-Energy Probe-51 & RRWF

- a) Please provide the Infrastructure Ontario debt rate for a 5 year term that was available when the affiliate debt was renewed.**
- b) Please provide the 2017 table in Appendix 2-OB that reflects the updated long term debt rate of 4.29% used in the revised RRWF.**