

**Ontario Energy
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**Commission de l'énergie
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BY E-MAIL

April 10, 2017

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: B2M Limited Partnership (B2M LP)
2017 Transmission Rate Application
OEB Staff Interrogatories
OEB File No. EB-2017-0349**

In accordance with Procedural Order No. 1, please find attached OEB staff's interrogatories in the above noted proceeding. B2M LP and all intervenors have been copied on this filing.

B2M LP's responses to interrogatories are due by April 27, 2017.

Yours truly,

Original Signed By

Jane Scott
Manager, Major Applications

Attach.

OEB Staff Interrogatories
2017 Cost of Service Transmission Rate Application
B2M Limited Partnership (B2M LP)
EB-2017-0349
April 10, 2017

Exhibit 1.4.1 – Cost of Long Term Debt Capital
1.4.1-Staff-1

This exhibit shows the embedded long term debt rate has not changed from that shown in B2M LP's 2015-2019 application (EB-2015-0026), i.e. 1.80%. Please confirm that no additional debt has been issued since June 30, 2015.

Exhibit 1.5 – Income Tax Summary
1.5-Staff-2

In the Decision and Order for EB-2015-0026¹, the OEB approved income tax for B2M LP of \$0.4M for 2017. This included a (\$3.0M) loss carry forward. In this application, B2M LP has recalculated the income tax, resulting in an increase to \$0.6M. The approved \$0.4M for 2017 included a loss carry forward of (\$3.0M), which has not been included in the \$0.6M. In Note 3 of this exhibit, B2M LP states that the loss carry forward was not included because B2M LP has been over-earning in 2015 and 2016.

- a) Please provide justification for revising the PILs from \$0.4M to \$0.6M, given that the OEB Decision and Order did not provide for PILs adjustment. Rather, the Decision stated:

“The OEB finds that the taxes / PILs component of the revenue requirement for 2015 to 2019 to be appropriate.”²

and

“B2M LP shall make an application in each of 2016, 2017 and 2018 to adjust its revenue requirement for the following year consistent with the OEB updated cost of capital parameters...”³

¹ Decision and Order, EB-2015-0026, December 29, 2015

² *Ibid.*, page 21

³ *Ibid.*, page 23

- b) Please explain why rate payers should pay more in 2017 because B2M LP has over earned in 2015 and 2016?
- c) Please recalculate the taxes and revenue requirement without removing the loss carry forward from 2017.
- d) Please provide a detailed explanation of Note 3, specifically the expiry of losses carried forward, and how they relate to the exit of the 'PILs regime'.