

ECONALYSIS CONSULTING SERVICES

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Board Secretary
Ontario Energy Board
P.O. Box 2319
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Toronto, ON
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May 24, 2018

Dear Ms. Walli:

**Re: EB-2017-0039 –Essex Powerlines Corporation 2018 Cost of Service Rates
DVA Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)**

In response to Procedural Order No. 2 please find enclosed the interrogatories of VECC with respect to the unsettled DVA issue.

Yours truly,

Mark Garner

Consultant for VECC

Ms. Lindsay Thiessen: lthiessen@essexpowerlines.ca

REQUESTOR NAME	VECC
TO:	Essex Powerlines Corporation (Essex/EPLC)
DATE:	May 24, 2018
CASE NO:	EB-2017-0039
APPLICATION NAME	2018 COS Application – DVA Issue

9.0-VECC- 68

Reference:

- a) Please provide all responses to Board Staff interrogatories in all prior proceedings from 2012 onward which relate to the issue of the unsettled DVA issue.
- b) Please provide any other related correspondence between EPLC and Board Staff (including emails) not on the public record regarding this issue.
- c) Please provide the relevant extracts from the 2015 IRM proceeding (evidence, interrogatories and decision) with respect to this issue.
- d) In a chronological fashion from 2012 onward, please provide the specific extracts in which EPLC explains to the Board the DVA error(s) and its proposal for recovery. Please provide the date and proceeding docket for each extract.

9.0-VECC-69

Reference: 9-Staff-80

In response to 9-Staff-80 EPLC makes the following statement: *Both the 2015 and 2013 Confidential Audit Reports have been successfully closed, with the **exception of one item detailed in EPLC's initial application** and clarified below, with all matters having been fully resolved and mutually agreed upon by both EPLC and OEB Auditors. The sole item remaining, **as detailed** in Exhibit Section 9.1, is fully provided below....." (Emphasis added)*

- a) We are unable to find any detailed description of the outstanding DVA issue within the initial application. Please provide a page reference to the discussion being referred to in the above quotation.
- b) EPLC notes at 10.1.3 of its response to 9-Staff-80 that “[T]he [2017 or 2018] application must include Group 1 DVA balances. Essex Powerlines

should provide a statement in its application as to whether or not any adjustments were made. If it reports that adjustments have taken place, it must provide a separate section entitled "Adjustments to Deferral and Variance Accounts" in which it provides explanations for the nature and amounts of the adjustments and includes supporting documentation.

Please provide the reference in this application where EPLC has met the above requirement.

- c) At page 272 of 9-Staff-80, beginning at line 26 EPLC appears to be quoting from a submission however there are no indicators of where the quote begins or ends. Please clarify.

9.0-VECC-70

Reference: 9-Staff-80

EPLC produces the following statement: "[Board Staff] *Audit is of the view that Essex Powerlines did not fully comply with the filing requirements. Audit is therefore of the view that the adjustments should not be reflected in Essex Powerlines' DVA balances as of December 31, 2015.*"

- a) Please clarify if and how EPLC met the spirit of the filing requirements which is to provide specific, full and clear prior to any disposition
- b) Please clarify what Board statement(s) and what decision(s) are being relied upon for EPLC's position that it has been given approval for the course of action in took with respect to rectifying its accounting errors.

9.0-VECC-71

Reference: Attachment B - Board Staff Letter dated March 21, 2017

- a) Please explain why the Second Report audit, which provides for the audited results of the Group 1 and Group 2 accounts (Staff Objective No. 2) cannot be provided publicly and in full.
- b) Please provide a redacted version of the Second Report with explanations as to what subject matters are being redacted.

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