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ONTARIO ENERGY BD



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BY EMAIL and RESS

July 20, 2012

R257/12
Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
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Attn: Kirsten Walli, Board Secretary

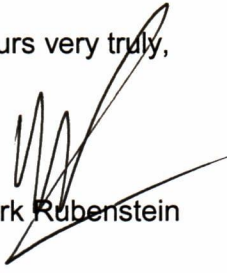
Dear Ms. Walli:

Re: EB-2011-0112 – Canadian Niagara Power Inc. – Interrogatories

Please find attached the interrogatories of the School Energy Coalition (SEC) in the above-noted proceeding.

Should you require additional information, please do not hesitate to contact me.

Yours very truly,


Mark Rubenstein

cc: Applicant and Intervenors (by email)

0112
EB-2012-

OEB BOARD SECRETARY	
File No:	SubFile: 4
Panel	
Licensing	
Other	
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IN THE MATTER of the *Ontario Energy Board Act 1998*,
Schedule B to the *Energy Competition Act*, 1998, S.O. 1998, c.15;

AND IN THE MATTER OF an Application by Canadian
Niagara Power Inc. for an Order or Orders approving just and
reasonable rates and other service charges for the distribution of
electricity, effective on January 1, 2013.

INTERROGATORIES
FROM THE
SCHOOL ENERGY COALITION

[Note: All interrogatories have been assigned to issues. However, please provide answers that respond to each question in full, without being restricted by the issue or category. Many interrogatories have application to multiple issues, but all have been asked only once to avoid duplication.]

2. Rate Base

2.5 Is the CNPI – Fort Erie/Gananoque capital expenditure forecast for the test year appropriate?

1. [Ex.2/2/4]
Please provide a table that shows the combined capital expenditures of CNPI – Fort Erie and EOP and CNPI – Fort Erie by USoA Account for 2009 through to 2013.
2. [Ex.2/2/1/p.4]
Please provide a table that shows the capital expenditures for each year between 2009 and 2013, by capital investment objective for:
 - a) CNPI - FOE and EOP
 - b) CNPI - Port Colborne
 - c) CNPI - FOE, EOP and Port Colborne
3. [Ex.2/2/5/p.29]
Regarding, 2013 ‘Distribution Analysis Tools Project’, please provide a breakdown of the costs for the 2013 Test Year.

2.6 Is the CNPI – Port Colborne capital expenditure forecast for the test year appropriate?

4. [Ex.2/2/7/p.1]

Please provide the 2012 year-to-date contributions in aid of construction for CNPI-Port Colborne.

5. [Ex.2/2/11/p.5]

With respect to poll replacement in CNPI-Port Colborne:

- 1) How many polls does the Applicant forecast to replace in each of 2012 and 2013?
- 2) How many polls has it replaced year-to-date?

6. [Ex.2/2/12/p.1]

Please provide the 2012 year-to-date contributions in aid of construction for CNPI-Port Colborne.

3. Load Forecast and Operating Revenue

3.4 Is the test year forecast of other revenues appropriate?

7. [Ex.3/3/3/p.1]

Please provide the 2012 year-to-date 'other operation revenues' by USoA account for CNPI - Fort Erie/EOP.

8. [Ex.3/4/2/p.1]

Please provide the 2012 year-to-date 'other operation revenues' by USoA account for CNPI-Port Colborne.

9. [Ex.3/3/3, Ex.3/3/4]

With respect to micro-FIT revenue,

- a) Please provide the number connections in CNPI - Fort Erie/EOP and CNPI-Port Colborne for year-end 2011 and year-to-date for 2012.
- b) Please provide the actual revenue for connections in CNPI - Fort Erie/EOP and CNPI-Port Colborne for year-end 2011 and year-to-date for 2012.
- c) Please provide the estimated number of connections and revenue for the Test Year.

4. Operating Costs

4.1 Is the proposed CNPI – Fort Erie/Gananoque forecast for total OM&A for the test year appropriate?

10. [Ex.4/3/1/p.1-2]

Please update the table to include a column for 2012 year-to-date.

4.2 Is the proposed CNPI – Port Colborne forecast for total OM&A for the test year appropriate?

11. [Ex.4/3/5/p.1-2]

Please update the table to include a column for 2012 year-to-date.

4.3 Are the methodologies used to allocate shared services and other costs appropriate?

12. [Ex.4/5/2/E/p.10]

How are costs related to FortisOntario's non-controlling investments in distributors (exp. Rideau St. Lawrence Distribution Inc) tracked and/or allocated?

4.8 Are the 2013 compensation costs and employee levels appropriate?

13. [Ex.4/3/3/p.3]

Please provide greater details regarding the increase in part time labour allocations in the Test Year.

14. [Ex.4/4/1/p.4]

Please detail the current corporate targets and performance measures.

15. [Ex.4/4/1/p.7]

Please provide a copy of current collective agreement with IBEW Local 636.

16. [Ex.4/4/1/A]

Please provide a separate Appendix 2-K-Compensation Analysis chart for each of a) CNPI-Fort Erie and Port Colborne and b) CNPI-EOP.

17. [Ex.4/4/1/B/p.2]

Please provide the justification for creation of each new position since 2009.

18. [Ex.4/4/1/B/p.2]

Please provide the expected retirement dates for each incumbent position that CNPI believes necessitates the addition of an Operations Technician.

5. Capital Structure and Cost of Capital

5.1 Is the proposed capital structure, rate of return on equity, short-term and long-term debt rate appropriate?

19. [Ex.5/1/1/p.2]

Please provide a copy of all outstanding debt instruments.

20. [Ex.7/1/2/p.5, Ex.7/2/2/p.5, Ex.7/3/1/p.4]

Why is the Applicant proposing to move the GS>50 and USL rate classes that are above the Board's policy range, over a period of two years?

7. Cost Allocation

7.3 Are the proposed revenue-to-cost ratios for each of CNPI – Fort Erie/Gananoque rate classes appropriate?

7.4 Are the proposed revenue-to-cost ratios for each of CNPI – Fort Erie/Gananoque rate classes appropriate?

21. [Ex.7]

Please provide a version of the Bill Impact Model for a scenario in which the proposed revenue-to-cost changes ratios are implemented in one year instead of two.

11. Accounting Standards for Private Enterprise (“ASPE”)

11.1 Is the use of Accounting Standards for Private Enterprise (“ASPE”) appropriate for the purpose of CNPI’s distribution rate application?

22. [Ex.11/1]

Please outline all actual and potential differences between the calculation of the following metrics, contained in the OEB Yearbook, under modified IFRS and under the Applicant’s proposed adoption of ASPE:

- a) Property plant & equipment
- b) Accumulated depreciation & amortization
- c) Operating expenses
- d) Administration expenses
- e) Maintenance expenses

23. [RRWF]

As a result of this interrogatory process, if any changes are made to inputs required for the Revenue Requirement Work form (RRWF), please provide an updated copy of the RRWF and an itemized list of changes and their corresponding revenue requirement impacts.

Submitted by the School Energy Coalition on this July 20th day of July 2012.



Mark Rubenstein