PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC
ONE Nicholas Street, Suite 1204, Ottawa, Ontario, CanadaK1N 7B7
Tel: (613) 562-4002. Fax: (613) 562-0007. e-mail: piac@piac.ca. http://www.piac.ca

Michael Janigan
Counsel for VECC
613-562-4002

December 20, 2012

VIA MAIL and 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-2012-0145 Lakeland Power Distribution Ltd.

Please find enclosed the 2nd round interrogatories of VECC in the above-noted proceeding.

Yours truly,

Michael Janigan
Counsel for VECC

Encl.
Cc: Lakeland Power - Margaret Maw - mmaw@lakelandholding.com

REQUESTOR NAME	**VECC**
INFORMATION REQUEST ROUND NO:	**# 2**
TO:	**Lakeland Power Distribution Ltd.**
DATE:	**December 20, 2012**
CASE NO:	**EB-2012 -0145**
APPLICATION NAME	**2013Cost of Service Electricity Distribution Rate Application**

VECC IR continuation from last set of interrogatories.

RATE BASE (Exhibit 2)

3.0-VECCSupplemental - 35

Reference: Exhibit 3, Tab 2, Schedule 1, Table 2.3.1 VECC IR #2.0/ EP IR # 7.0/VECC IR # 3.0/VECC IR # 5.0 – Capital Contributions

a) The Table in response EP IR #7 (f) - shows that historically there have been capital contributions associated with accounts 1820, 1840 and 1860. The evidence also indicates that Lakeland is forecasting significant capital expenditures in the account related areas of Distribution Plant Overhead and Distribution Plant Underground (see Appendix 2-A. Please explain why past experience of capital contribution in these areas is not expected to continue in 2013

b) The evidence shows (Exhibit 3, Tab 2, Schedule 1, pg. 4 -Table 3.2.3 and revised at SEC IR #5) that Lakeland expects further customer growth in 2013. Yet in response to VECC IR #4 Lakeland shows no capital expenditures related to new services or service upgrades in 2013. Please explain this apparent inconsistency

c) Please provide the total amount of forecast to be spent in 2013 for replacement of overhead with underground plant.

LOAD FORECAST (Exhibit 3)

3.0-VECCSupplemental - 36

Reference: Exhibit 3, Tab 2, Schedule 1, page 17, Table 3.2.17
OEB Staff #14 b) and #15 a)
VECC #14 d)

a) Please provide an updated version of Table 3.2.17 based on the 2011 OPA Final Evaluation Results.

b) Please provide a schedule setting out the calculation of the 2.3 GWh and 4.6 GWh CDM adjustments for 2012 and 2012 respectively (per Staff #5 b), Revised Table 3.2.19) and confirm the basis for the net to gross adjustment factor used.

3.0-VECCSupplemental - 37

Reference: Staff #16
Exhibit 2, Tab 3, Schedule 2, page 3

a) The response states that the Application does not include any capital or costs related to growth. Please explain the basis for the spending on new smart meters shown for 2012 and 2013 in Exhibit 2.

b) With respect to Staff #16, is Lakeland currently aware of any plans by developers for new connections in its service area for 2013?

COST ALLOCATION (Exhibit 7)

7.0-VECCSupplemental - 38

Reference: VECC #27 a)

a) Please provide a schedule that sets out the per customer/connection meter reading costs for each class, including both those costs that are directly allocated and those that are allocated via the CA model.

b) Please confirm that directly allocated expenses are not included in the allocation factor used in the Board's CA model to allocate Administrative and General Expenses (i.e. generally the 5600 series accounts). This can also be seen by inspecting Sheet O5.

c) How would the allocation of Administrative and General Expenses to customer classes change if directly allocated expenses (both meter reading and collecting) were also included in the determination of the allocation factor?

DEFERRAL AND VARIANCE ACCOUNTS (Exhibit 9)

3.0-VECCSupplemental - 39

Reference: VECC #33.0
Exhibit 9, Tab3, Schedule 1 Stranded Meters

a) The response shows that residential and GS< 50 single phase meters have identical costs. Does Lakeland install identical meters for these different rate classes? If not, what is the basis for using identical costs.

b) Does the meter cost include the capitalized cost of installation? If yes, is it Lakeland's experience that the cost of installation for the different rate classesis similar?

c) Please explain why it was necessary to install more expensive three phase meters for a large number of residential customers (532). Are these meters identical to those used for the GS class? If not please explain why their costs are identical.

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