



October 31, 2013

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Re: Toronto-Hydro Electric System Limited (THESL)
2014 Electricity Distribution Rates
Board File No. EB-2012-0064 Phase 2

Dear Ms. Walli:

Attached please find AMPCO's interrogatories in the above proceeding.

Please do not hesitate to contact me if you have any questions or require further information.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Adam White', with a long horizontal stroke extending to the right.

Adam White
President
Association of Major Power Consumers in Ontario

Copy to: Toronto Hydro-Electric System Limited

**Toronto Hydro-Electric System Limited (THESL) 3rd GIRM Application – 2014 Rates
AMPCO Interrogatories Phase 2
2013-10-31**

ISSUE #1 Is THESL's interpretation of the Phase 1 Partial Decision and Order of April 2, 2013 appropriate as it relates to Phase 2 of this proceeding?

1-AMPCO-1

Reference: Tab 9, Schedule 1, Page 12

Preamble: THESL indicates for ICM segments comprised of multiple jobs, THESL has forecast a percentage of work that it expects will come into service in 2014 consistent with Phase 1.

- a) Please discuss further how THESL determined the percentage of work to come into service in 2014 relative to the percentages applied to 2012 capex and 2013 capex and approved in Phase 1 and the proposed percentages applied in Phase 2 related to 2014 capex.

1-AMPCO-2

Reference: Tab 9, Schedule 1, Page 16

Preamble: THESL indicates that in Phase 1 the OEB was not satisfied with the level of detail regarding the work contained within the Continuing Projects and Emerging Issues subcategory and as part of Phase 2 has provided additional further categorization of the non-discretionary work.

- a) Please identify the specific Emerging Issues jobs which were are now contained exclusively within certain ICM segments and identify those segments.
- b) Please provide the proposed spending and In Service Amounts associated with this work.

1-AMPCO-3

Reference: Tab 9, Schedule 1, Page 18

Preamble: THESL states that for a number of ICM segments in Phase 1, the OEB found that while certain work was in fact non-discretionary, the amounts requested did not qualify for ICM relief because they were deemed to be immaterial.

- a) Please provide the reference to the Phase 1 Decision to support this.

1-AMPCO-4

Reference: Tab 9, Schedule 1, Page 19

Preamble: THESL indicates it has updated the Feeder Investment Model (FIM) calculations using the

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same methodology as Phase 1 and it continues to rely on the FIM calculations as one of several useful tools in guiding its investment decisions in 2014.

- a) Were any of the input parameters in the FIM calculations changed in Phase 2 compared to Phase 1. If yes, please provide specific details on the change and the impact on the results on project selection.
- b) Please discuss any plans THESL has to modify or enhance the FIM moving forward.

ISSUE #7 For proposed capital projects which have changed significantly since Phase 1 of this proceeding, has THESL provided sufficient evidence including consultant reports, business cases and consideration of alternatives, to adequately justify them?

7-AMPCO-1

Reference: Tab 9, Schedule A1

- a) Please provide a summary of the approved Phase 1 expenditures by year deferred to 2014.
- b) Please provide a summary of the approved Phase 1 expenditures by year deferred to 2015 and beyond.
- c) Please provide a table that shows THESL's proposed 2012 and 2013 capital spending in Phase 1 (update) compared to 2012 actuals and 2013 (breaking out actuals and year end forecast).

7-AMPCO-2

Reference: Tab 9, Schedule A1, Capital Summary Table

- a) Please explain the column "2014 Capex" amounts relative to the total proposed 2014 project cost information (capital expenditures) provided for each segment.
- b) Please provide a table that shows THESL's proposed 2014 capital spending and 2014 capex in service amounts relative to the Phase 1 filing (May 2012) compared to the current Phase 2 2014 forecast capital spending and 2014 capex in service amounts.
- c) Please provide a summary of the segments where none of the jobs proposed to be in service in 2014 were previously approved by the Board for inclusion in the work for 2012 and 2013.

7-AMPCO-3

Reference: Tab 9, Schedule B1

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- a) Please explain why 2 jobs have been removed.
- b) Please provide the km and cost of direct-buried cable replacements in 2012 (actuals) and 2013 (actuals and forecast to year end).
- c) Please provide the quantity and cost of switchgear replacements in 2012 (actuals) and 2013 (actuals and forecast to year end)
- d) Please provide the total km of direct-buried cable replacements and quantity of switchgear replacements currently forecasted in 2014 compared to the May 2012 filing.
- e) THESL has added 19 new jobs to this segment in 2014. Please summarize the new information that THESL is relying on to support the prioritization of these projects in 2014.

7-AMPCO-4

Reference: Tab 9, Schedule B2

- a) The Summary of Changes for 2014 Update states “THESL has included capital expenditures in respect of capital work that was approved by the OEB in Phase 1, but for which THESL inadvertently requested no ICM rate riders. Please explain this statement more fully.

7-AMPCO-5

Reference: Tab 9, Schedule B3

Preamble: THESL proposes to increase the number of handwells to be replaced from 1,031 to 2,500, a unit increase of 1,469.

- a) Please provide the basis for this increase, i.e. what has changed; what new information is THESL relying on to support the need for this increase relative to the May 2012 filing?
- b) Please provide a breakdown of the cost and number of handwells replaced in 2012 (actuals) and 2013 (actuals and forecast to year end).

7-AMPCO-6

Reference: Tab 9, Schedule B4

Preamble: THESL is deferring previously proposed jobs due to improved reliability within those job area boundaries.

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- a) Please explain the nature of the improved reliability and the new information available to support this.

7-AMPCO-7

Reference: Tab 9, Schedule B5

- a) Please explain the more cost-effective solution to job X13176 and how this was determined.
- b) Please explain why the prerequisite job X11452 planned for construction in 2012 was rescheduled for 2014.

7-AMPCO-8

Reference: Tab 9, Schedule B7

- a) Please confirm the number of jobs for the proposed 2014 program has not changed from the program approved by the Board in Phase 1.

7-AMPCO-9

Reference: Tab 9, Schedule B8

Preamble: The number of switches to be replaced has increased from 49 to 64.

- a) Please explain the reason for the increase in the number of switch replacements and the jobs affected.

7-AMPCO-10

Reference: Tab 9, Schedule B9

Preamble: The number of vault locations to be addressed in 2014 has been reduced by 12.

- a) Please explain the reason for this decrease.

7-AMPCO-11

Reference: Tab 9, Schedule B11

Preamble: Eight ATS jobs and two RPB jobs are removed from the 2014 ICM work program.

- b) Please explain the reason for this decrease.

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7-AMPCO-12

Reference: Tab 9, Schedule A1

- a) Please confirm the segments where one or more jobs originally included in the 2012/2013 ICM work program but deferred during the October 2012 evidentiary update have been added back and why.

7-AMPCO-13

Reference: Tab 9, Schedule B18

- a) Please confirm the projects not scheduled to come into service in 2014 where the capital contributions related to the projects has been removed from Segment B18.
- b) Please provide the status and forecasted in-service dates of the removed projects.

7-AMPCO-14

Reference: Tab 9, Schedule 1, Pages 19-20

Preamble: THESL indicates that known rate pressures are expected to be a reality in 2015.

- a) Please provide the nature and scope of these known rate pressures and the corresponding impact on 2015 rates.
- b) Please identify and describe the non-ICM 2015 rate impacts.

7-AMPCO-15

Reference: Tab 9, Schedule 1, Page 12

- a) Please explain further how THESL has ramped up its capacity to carry out work throughout 2013 and 2014 and the operational factors considered.