InnPower Corporation
EB-2016-0085
OEB Staff Interrogatories

1-Staff-1

Following publication of the Notice of Application and the Community Meetings, the Board received 23 letters of comment. Sections 2.4.2 and 2.4.5 of the Filing Requirements state that distributors will be expected to file with the Board their response to the matters raised within any letters of comment sent to the Board related to the distributor's application. If the applicant has not received a copy of the letters, they may be accessed from the public record for this proceeding.

a) Please file a response to the matters raised in the letters of comment referenced above. Going forward, please ensure that responses are filed to any subsequent letters that may be submitted in this proceeding. All responses must be filed before the argument (submission) phase of this proceeding.

1-Staff-2

a) Please provide an update to capital, OM&A, cost of power, load forecast and revenue requirement as required to incorporate actual data for 2016 in the bridge year and an updated forecast for 2017 based on at least 3 months of actual results.

b) Upon completing all interrogatories from OEB staff and intervenors, please provide an updated RRWF in working Microsoft Excel format with any corrections or adjustments that InnPower wishes to make to the amounts in the previous version of the RRWF included in the middle column. Entries for changes and adjustments should be included in the middle column on sheet 3 Data_Input_Sheet. Please include documentation of the corrections and adjustments in the final sheet of the model, such as a reference to an interrogatory response or an explanatory note.

c) Upon completion of all models, please review to ensure that they are consistent with each other and evidence filed.

1-Staff-3

Ref: Appendix 2-W, Bill Impacts

Upon completing all interrogatories from OEB staff and intervenors, please provide updated bill impacts for all classes at the typical consumption / demand levels (e.g. 750 kWh for residential, 2,000 kWh for GS<50, etc.), reflecting any changes made during the interrogatory process.

1-Staff-4

Ref: Exhibit 1, pg 21 – Specific Approvals Requested, Lines 13-14
Ref: Exhibit 1, 2.1.5 H, pg 45, Lines 1-2

In the first referenced evidence above, Innpower has requested “Placeholder to establish a credit for customers that transition to e-billing in the IRM timeframe”, and the second referenced evidence above states: “Innpower is not requesting any new DVA accounts with this application.”

a) Please clarify and explain what Innpower is requesting as the evidence appears to be contradictory.

1-Staff-5

Ref: Exhibit 1, pg 29

InnPower describes its budget process, which appears to involve iterative steps involving approval by Senior Management and the Board of Directors.

a) Please provide the adjustments that were required by Senior Management to the preliminary budget, prior to its presentation to the Board of Directors.
b) Please describe any feedback received or adjustments made to the preliminary budget by the Board of Directors.
c) How many versions of InnPower’s 2017 budget were considered by the Board of Directors prior to final approval?
d) Was the Board of Directors provided the opportunity to review and approve the 2017 Cost of Service application prior to filing?
e) If so, was the Board of Directors made aware of the resulting bill impacts from InnPower’s proposals?
f) What feedback, if any, was provided to InnPower by the Board of Directors regarding the current application?

1-Staff-6

Ref: Exhibit 1, pg 30

InnPower states that it is the responsibility of the Board of Directors “on behalf of the shareholders” to approve the budget.

a) What mechanism or process does the shareholder have to review the budget and provide feedback?
b) Did the Town Council have an opportunity to review the budget and provide feedback?
c) Did the Town Council have and opportunity to comment on the current application and the impacts to its constituents?
d) Please provide any feedback received from the Town Council on the current application and resulting actions taken by InnPower, if any.

1-Staff-7

Chapter 2 of the Filing Requirements states, “Distributors should specifically discuss in the application how they informed their customers on the proposals being considered for inclusion in the application, and the value of those proposals to customers (i.e. costs, benefits and the impact on rates). The application should discuss any feedback provided by customers and how this feedback shaped the final application”.

a) What forms of outreach were employed to explain how the current application serves the needs and expectations of customers? If none were employed, please explain why.

1-Staff-8

Ref: Exhibit 1, pg 47

Chapter 2 of the Filing Requirements states, “The RRFE Report contemplates enhanced engagement between distributors and their customers to provide better alignment between distributor operational plans and customer needs and expectations.” InnPower has described its customer engagement activities at section 2.1.6 of the application.

a) Please describe the differences between customer engagement conducted in preparation for the current application and previous customer engagement. Please explain how customer engagement has been enhanced.

1-Staff-9

Ref: Exhibit 1, pg 48

InnPower states that the information obtained through “daily touchpoints” with customers is communicated to the Management Team and addressed on a specific issue basis through communication, training and community involvement.

a) Please explain the process by which these issues are documented and communicated to the management team.
b) Please describe the process by which the customer is informed that their specific issue has been addressed.
c) Please provide examples of issues that have been addressed through “daily touchpoints”.

1-Staff-10

Ref: Exhibit 1, pg 7
Ref: Exhibit 2, Appendix B, page 110

InnPower has described the guiding principles for the preparation of this application.

a) Please explain principle #2, which states that “Growth will pay for Growth”. In particular, please explain how InnPower has considered its forecasted growth pattern, which appears to ramp up in the years subsequent to this rate application.
b) Please provide specific examples where Innpower has employed this principle.
c) Please provide specific examples where InnPower has employed principle #3, which considers adding resources as customer growth demand and/or market changes dictate.

1-Staff-11

Ref: Exhibit 1, pgs 6-7
Ref: Exhibit 2, Appendix B, pg 12

InnPower describes the challenges it faces as a result of forecast growth in the area from 2011 to 2031.

a) Please explain the discrepancy in projections between the Innisfil Official Plan, the Simcoe Official Plan and the Provincial Plan.
b) Please provide the growth numbers for each of the plans by year.

c) Please explain any discrepancies between the three growth plans and the forecast customer counts in the DSP.
d) Please provide status updates for the Friday Harbour, Sleeping Lion, South Barrie and Lefroy developments.
e) Please provide the individual capital budget amounts for each of the above developments and the proposed timing of the expenditures.
f) OEB staff notes that the commercial development sites referenced in point 3 of the DSP at pg 12 were approved in 1990, 1991 and 1993. Please provide a status update for these developments.
g) Please provide the individual capital budget amounts for the sites in part e) above and the proposed timing of the expenditures. If these sites attracted historical spending, please provide the amounts spent and the years in which spending occurred.

1-Staff-12

Ref: Exhibit 1, pg 48

Ms. Mahon's letter indicates that InnPower applied HST to the gross amount of her bill, rather than the amount net of OESP credit. The letter indicates that InnPower informed her that the OEB had instructed them to apply the tax in this manner.

a) Please explain how InnPower applied HST to the bills of customers receiving OESP credits.
b) Please provide the number of InnPower customers eligible to receive OESP credits.
c) Please provide the total difference in OESP payments between the amounts applied to the gross bill rather than to the bill net of OESP credits.
d) Was the Management Team made aware of this issue? If so, please explain the steps that were taken to resolve if, if resolution was required.

1-Staff-13

Ref: Community Meeting Summary
Ref: Exhibit 1, pg. 15
Ref: Chapter 2 Appendices, Appendix 2-H

OEB staff notes that several customers at the community meeting appeared to express concerns with InnPower's disconnection procedures. InnPower has provided a link to its Conditions of Service in Exhibit 1 which does not appear to work.

a) Please provide a copy of InnPower's Conditions of Service or a functioning link.

b) Please describe InnPower's procedures in the event of late payment, including timing between the different steps and penalties applied.
c) Please indicate the number of times that InnPower has taken action in the event of late payment in each of 2014, 2015 and 2016. Please also include the number of disconnections over the period.
d) Please explain the factors that resulted in an increase in late payment revenues of 29% between 2014 and 2016.
e) Please explain the decrease of 28% in late payment revenues between 2016 and 2017, especially given the increase in customer numbers.
f) Please provide 2016 actual late payment revenues.

1-Staff-14

Ref: Exhibit 1, pg 56

Ref: Exhibit 1, Appendix C

Ref: Community Meeting Summary

InnPower describes the results of a UtilityPULSE customer satisfaction survey completed in 2014, and has provided the report at Appendix C. It appears to OEB staff that the report provided at Appendix C pertains to all CHEC utilities, rather than to InnPower on its own. InnPower states that it received a rating of A, which was a decrease from its earlier rating of A+, due to customer perceptions of price and value.

a) Please clarify if the UtilityPULSE survey as filed was conducted for all CHEC utilities, or for InnPower only?
b) If the results filed relate to all CHEC utilities, was InnPower provided with its own results? If so, please provide this report.
c) What efforts has InnPower taken to address the decline in customer satisfaction related to price and value?
d) How does InnPower reconcile this reported favourable customer satisfaction result with the dissatisfaction expressed at its Community Meetings?
e) What feedback has InnPower received from its Board of Directors or Shareholder regarding customer satisfaction?
f) As a result of the Community Meetings, what steps does InnPower propose to take to improve customer satisfaction?

1-Staff-15

Ref: 2016 Distributor Scorecard, MD&A, pg. 3

InnPower indicated in its Scorecard MD&A that it would be undertaking a customer satisfaction survey in the 4th quarter of 2016.

a) Was this survey completed?
b) Was this survey to measure InnPower-specific results, or did it measure CHEC group results?
c) Please provide the results of this survey, if completed.

1-Staff-16

Ref: Exhibit 1, pg 80
Ref: Exhibit 1, Appendix J

InnPower states that it utilizes the outcome of the annual PEG report and the OEB yearbook for its benchmarking analysis. InnPower participated in the CHEC Benchmarking study, and has filed the report, however it does not address the results provided in the report. OEB staff note that the report appears to show that InnPower compares unfavourably to the other CHEC utilities in a number of areas.

a) Please explain why InnPower does not utilize the results of the CHEC study for its benchmarking analysis?
b) If this is not the case, please comment on any actions that InnPower has taken to address its relatively poor performance in various measures, particularly in the areas of Customer Focus, Operational Effectiveness and Financial Performance.
c) What feedback has been provided by the Board of Directors and shareholder to InnPower regarding the results of the CHEC Benchmarking study?

2-Staff-17

Ref: Exhibit 2, pgs 67, 92, 157, 161; IESO Barrie/Innisfil Sub-region IRRP (http://web.ieso.ca/Documents/Regional-Planning/South-Georgian-Bay-Muskoka/Barrie-Innisfil-IRRP.pdf)

InnPower states that peak demand is indicated to rise from 52 MW in 2015 to 80MW by 2021 including embedded generation. This represents an average growth rate of 8%. InnPower also states that the addition of over 5000 residential units by 2021 will result in a peak demand increase of over 20MW. This represents an average demand impact of 3.4+kW for each unit. The IESO has issued the Barrie/Innisfil Sub-region Integrated Regional Resource Plan in December of 2016 which included InnPower's peak demand electricity forecast.

a) Please provide the InnPower load forecast and the load forecast methodology used to calculate the load increase over the forecast period.

b) Please provide the InnPower load forecast that was provided to the Barrie/Innisfil Sub-region Working Group as part of the regional planning process.
c) Please confirm that the DSP peak demand forecast includes the impact of conservation.
d) Please provide the expected demand equivalents for the CDM savings presented in Table 1-4.
e) Please provide the methodology that determined the housing unit impact (kw/unit) on peak demand growth.
f) Please advise of any changes required to the filed DSP as a result of the IRRP recommendations.

2-Staff-18

Ref: Chapter 2 Appendices, Appendix 2-AA

InnPower states that it is a high growth utility, and the growth is expected to continue.

a) Please explain why contributions are forecast to decrease by 20% in 2017 from 2016.
b) Please explain InnPower's methodology used to forecast contributions.

2-Staff-19

Ref: Chapter 2 Appendices, Appendix 2-JA

Given the high growth experienced by InnPower, one would expect that its assets would be relatively new.

a) Please explain why InnPower's Maintenance expense for 2016 and 2017 is significantly higher than 2015 actual expense.

2-Staff-20

Ref: Exhibit 2, pgs 75, 79, 107

InnPower states that several of their DS do not have oil containment systems, therefore there are plans to install oil containment facilities in order to mitigate environmental risk and manage costs. On page 22 of the DSP InnPower indicates that oil containment facilities will be installed in 2017, 2019, and 2020. On page 99 of the DSP InnPower indicates that oil containment facilities will be installed in 2017, 2019, 2020, and 2021.

a) Please provide details on all catastrophic station transformer leakages since 1991. Please provide details of the cleanup costs for each of the incidents noted in a).
b) Please clarify the discrepancy between the two plans noted on p. 22 and 29 of the DSP.
c) Please provide the business cases for the installation of oil containment facilities at each of the locations noted in the DSP.
d) Please provide an assessment of the incremental risk of deferring these expenditures to beyond the DSP planning period.

2-Staff-21

Ref: Exhibit 2, pgs 76, 107, 153, 435-441

InnPower states that is plans to purchase new and replacement fleet vehicles during the period of the DSP. Investments include additional line truck and tooling, pickup truck and tension machine to accommodate a new line crew. On pages 435-441, InnPower has provided the Capital Project Summary for the replacement of unit #301, a 1993 double bucket truck. The summary indicates that unit #301 was procured in 2010 and has a total of 17,761 km and 1,930 engine hours. InnPower further states that procurement options that will impact the finances of the organization were reviewed and considered.

a) Please provide the business cases for all of the vehicles to be procured during the period of the DSP.
b) In Table 4-4, which is the new pickup truck for the new line foreman to be added in 2018?
c) What equipment will the new line crew be using in 2018 until the arrival of the new tension machine in 2019?
d) For the 1993 bucket truck, what has been the km travelled and engine hours accumulated by InnPower since procurement in 2010? Please explain how the km travelled and accumulated engine hours since 2010 support InnPower's assessment that this is a frequently used vehicle.
e) Please clarify the statement on p. 438 "This type of frequently-used large vehicle would be too expensive to lease or own; therefore, InnPower will own the vehicle." If too expensive to own, why is InnPower purchasing the vehicle?
f) Please provide the document outlining the review of procurement options considered (purchasing a new vehicle, leasing a new vehicle, leasing a used vehicle, postponing the purchase, or "do nothing").

2-Staff-22

Ref: Exhibit 2, pgs 110, 168

On page 110, InnPower states its planning objectives as:

1. Ensuring public and worker safety
2. Meeting legislative requirements
3. Mitigating environmental risk
4. Accommodating load growth and customer needs
5. Maintaining system reliability and customer value
6. Managing costs and operational efficiency

On page 168, InnPower states its capital expenditure planning objectives as:

1. Health and Safety
2. Legislative Requirements
3. Environmental Risk Mitigation
4. Growth and Power Delivery (Capacity Planning)
5. Reliability Improvement
6. Cost Management

InnPower further states that the planning objectives are derived from its asset management philosophy and Corporate Goals. InnPower states that it has adopted the PAS-55/ISO 55000 Asset Management Strategy.

a) Please explain the contradiction in the planning objectives related to Reliability. Is the planning objective to maintain reliability or improve reliability?
b) Please identify all investments that are proposed for the purpose of improving reliability and all investments that are proposed for the purpose of maintaining reliability.
c) Please provide InnPower's asset management philosophy document.
d) Please provide InnPower's Corporate Goals document.
e) Please provide InnPower's Distribution Automation Plan prepared in 2013.
f) Please provide InnPower's Asset Management Strategy document that has been produced from the PAS-55/ISO 55000 standard.
g) With respect to the PAS-55/ISO 55000 standard, what capability/maturity level has InnPower been assessed at?

2-Staff-23

Ref: Exhibit 2, pg 125, 516

InnPower states that 41% of overhead conductor represents a higher risk of in-service failure primarily due to age information. The ACA report states that “distribution line conductors rarely require testing. Conductors on distribution lines often outlive the poles and are not usually on the critical path to determine end of life for a line section”.

a) Has any systematic inspection been undertaken of overhead lines to verify that the conductors assessed as poor or very poor, using age only, are actually in that condition?
b) Does InnPower have any other evidence, other than age, to support the statement that existing overhead conductors present a higher risk of in-service failure?

2-Staff-24

Ref: Exhibit 2, pg 126

InnPower states that 5% of underground cable has been assessed as in poor or very poor condition primarily due to age information.

a) Please provide an outage history for all underground cable rated as being poor or very poor condition

2-Staff-25

Ref: Exhibit 2, pg 137

InnPower states that oil reclosers are inspected and rebuilt once every four (4) years.

a) How was the 4 year recloser oil refurbishment cycle arrived at?
b) Does this refurbishment cycle extend the useful life of these devices beyond the Kinectric TUL for these devices?

2-Staff-26

Ref: Exhibit 2, pgs 182, 507-508, 529, 540

InnPower has identified a number of investments (Ewart Street Rebuild, Lockhart Road Rebuild, 5th Side Road, Cookstown Rebuild) specifically to replace wood poles that are reaching end of life. The Asset Condition Assessment (ACA) report indicates that 434 poles are in poor and very poor condition. The ACA report indicates that 4,718 poles are in fair condition. The ACA report Table 12 states that fair condition indicates some deterioration. The ACA report states that poles in fair condition may require more frequent diagnostic testing and possible remedial work or replacement depending on criticality. The ACA report does not state that poles in fair condition are at end of life. Table 2 of the ACA report indicates that the 2018 – 2021 pole replacement plan deals with replacing 1,216 poles (~25% of fair population) in fair condition. The ACA report Table 45 states that asset replacement for fair condition assets should be planned for the “next 5 – 10 years”.

a) For each of the four projects listed above, please provide the number of poles in fair, poor or very poor condition that will be replaced.
b) Why are poles in fair condition being replaced in advance of the recommended time frame stated in the ACA? Why are they not planned for the next DSP period?
c) Explain how the replacement plan for fair poles has been paced and prioritized to meet the objectives of the RRFE
d) What other replacement rates for the fair pole population were considered?
e) What is the impact on other DSP projects of deferring expenditures on fair or better poles to beyond the DSP planning period?
f) What has been the annual pole failure rate in the historical period?

2-Staff-27

Ref: Exhibit 2, pg 267, 276

InnPower Capital Project Summary DO 003 states that 434 poles in poor or very poor condition are to be replaced in 2017. A total of $126,470 has been budgeted for this work in 2017. By comparison, Capital Project Summary DO 012—proposes to replace 4 main line poles in 2017 at a cost of $50,000 – average cost of $12,500 per pole.

a) Please confirm that based on the numbers in DO 003, InnPower expects to replace each pole in 2017 at an average cost of $291.
b) Please confirm the DO-003 budget costs for each of 2018 – 2021 budget years.

c) How many poles in poor and very poor condition covered under this project are expected to be replaced due to activity in Capital Project Summary Base 1-A, Base 1-B, and pole line rebuild projects.

2-Staff-28

Ref: Exhibit 2, pgs 294-302

InnPower Capital Project Summary DO-011-A plans for the rebuilding of 5.8 km (105 poles) of pole line along Lockhart Rd. Inspections by InnPower in 2015 determined that only 5% of poles were in poor condition. 55 poles are planned for replacement in the 2017 – 2021 period of the DSP.

a) Considering only 5% of poles are in poor condition, why is this project ranked as the #1 priority in 2017?

2-Staff-29

Ref: Exhibit 2, pgs 87, 88, 95, 97, 99, 104, 155, 163, 173, 750

InnPower states that the 20 customers attending the DSP consultation favoured InnPower investing “what it takes to replace the system’s aging infrastructure” over lowering the investment “to lessen the impact of any bill increase”. InnPower further states that the positive feedback provided stakeholder acceptance for InnPower’s DSP and did not prompt any changes to be made to the DSP. InnPower notes that customers who attended a presentation on InnPower’s DSP, ACA, and five-year budget review favoured spending on system renewal to maintain system reliability. InnPower serves approximately 16,000 customers. With respect to customer surveys undertaken, InnPower states “InnPower does not have a specific target for its customer scorecard, but strives to beat or better both the provincial and national averages.”

a) Please explain why 20 attendee responses at the DSP, ACA, and Five-Year Budget Presentation and Review, should be considered a statistically relevant endorsement of the DSP asset planning and asset replacement strategies.
b) Does InnPower’s most recent customer survey ascertain customer preferences for maintaining or improving reliability?
c) How have customer preferences for “maintaining reliability” been incorporated into investment decisions that are stated to result in “improved reliability”?
d) What customer consultations took place with respect to the 2019 and 2020 rear lot conversion projects? How does the outage history for rear lot supply compare

with system outage history? What is the expected improvement in SAIDI and SAIFI due to the rear lot conversion projects? Please provide the business case for this program.

e) How was the feedback pertaining to calls from customers, “walk-ins”, etc. recorded and factored into the development of the DSP? What questions, etc. pertaining specifically to the DSP were used to solicit this feedback?
f) Please explain how a lack of targets for InnPower’s customer scorecard will lead to performance improvement.
g) Does InnPower consider declining customer satisfaction acceptable as long as it is still higher than provincial and national averages?

2-Staff-30

Ref: Exhibit 2, pgs 101, 102, 107

InnPower states that SAIFI and SAIDI targets were exceeded in both 2014 and 2015. SAIFI and SAIDI performance numbers are provided for both including and excluding loss of supply. InnPower further states that a number of outages would qualify as Major Event Days under the IEEE Std 1366-2012 2.5β methodology.

a) What are the 2014 and 2015 SAIDI and SAIFI excluding MEDs?
b) Explain how the revised numbers support the need to invest in system renewal and alternative options to improve system reliability.

2-Staff-31

Ref: Exhibit 2, pgs 90, 142, 170 - 172

InnPower states that discretionary projects are selected and prioritized based on value and risk assessments for each project and impact on rates. Further, InnPower assigns weights to its capital expenditure planning objectives in order to increase the objectivity of its project prioritization process. A risk matrix, Figure 3-27, is used to assess the probability and consequence of failure risk.

a) How were the weightings used in project prioritization determined?
b) Please explain why managing environmental risk is higher weighted than three of the other priorities considering relative impact on utility operations and Table 4-13.
c) How were the risk numbers in Table 3-27 derived?

d) In Figure 3-27, what is the difference between “severe” and “worst case”? Please provide examples.

2-Staff-32

Ref: Exhibit 2, pgs 107, 404-413, 414-420

InnPower states that IT investments into automation software are also expected to reduce costs. InnPower Capital Project Summary GO 001 states that the proposed Work Management System will significantly reduce clerical tasks and back office support activities. Increased accuracy of the GIS database will significantly increase staff productivity when designing jobs, reducing the number of field visits for job planning and asset verification. The Pilot Distribution Automation Scheme will reduce crew time to restore power. InnPower Capital Project Summary GF 001 states that the investment will result in cost savings in employee time.

a) Please specify the amount of IT costs that are being reduced.
b) What is the equivalent FTE % saved through IT based productivity improvements?
c) What are the annual expected cost savings of using InnPower internal resources to perform circuit simulation/power flow studies as compared to current contractor costs?

2-Staff-33

Ref: Exhibit 2, pgs 99, 106, 109

InnPower is planning for investments into automated capacitor controllers in 2019 and 2020 to improve system power factor. Table 2-8 indicates that the historical 5-year average power factor exceeds 90%. InnPower states that a System Planning study is underway to review the impact of planned system changes to determine if power factor issues are present.

a) Why is InnPower planning for automated capacitor controller installations where the need and location of the devices has not yet been determined?
b) Please provide the business case for the automated capacitor controllers.

2-Staff-34

Ref: Exhibit 2, pgs 66, 204, 205, 232, 233

Figure 1-4 indicates 349 new residential additions from 2016 to 2017. InnPower Base 4 Capital Project Summary indicates 1900 new residential additions for 2017. InnPower Capital Project Summary DB001 estimates 400 – 500 new meter installations (commercial and residential) in 2017. InnPower also shows a 700%+ increase in net Base 4 spending from 2017 to 2018 and onwards. Figure 1-4 indicates residential growth is increasing approximately 7% from 2017 to 2018. InnPower states that it has budgeted for metering based on historical trends and the expected number of meters to be installed over the forecast period. Capital Project Summary DB001 meter installation costs show a significant increase from 2016 to 2017.

a) Which of the above residential connection estimates for 2017 is correct?
b) Please provide detailed schedules of all future new residential subdivisions / developments.
c) Please provide comparison details (new residential meters, commercial meters, upgrades, replacements, etc.) of the meter installation costs for 2016 and 2017.

2-Staff-35

Ref: Exhibit 2, pgs 324 - 334

InnPower Capital Project Summary DO 010 covers the planned and emergency upgrade and replacement cost of distribution transformers.

a) Please confirm that no transformer emergency replacement costs are covered in the Base 1-B program

2-Staff-36

Ref: Exhibit 2, pg 421

InnPower Capital Project Summary GB 001 states that InnPower utilizes a five-year lifecycle for IT hardware.

a) How was the five-year lifecycle determined?
b) What would be the incremental risk of moving to a longer lifecycle for hardware refresh cycle?

2-Staff-37

Ref: Exhibit 2, pgs 133, 136

InnPower Table 3-8 indicates 44kV overhead switches are maintained on a 3 year cycle. Section 3.3.1.3 of the DSP indicates a 4 year cycle for overhead 44kV switch maintenance.

a) Which is the correct maintenance cycle for the 44kV overhead switches and how was this determined?

2-Staff-38

Ref: Exhibit 2, pg 74

InnPower states that a project planned for Degrassi Cove in 2021 will replace overhead infrastructure in a heavily wooded section to underground to improve reliability.

a) What are the reliability concerns specific to this area?
b) Please explain why standard line clearing practice cannot alleviate the reliability concerns?

2-Staff-39

Ref: Exhibit 2, pg 75

InnPower states that voltage conversion projects are planned for the 400 Corridor and South Alcona areas to address power demands and reliability concerns.

a) Please provide the business cases for these projects.

2-Staff-40

Ref: Exhibit 2, pg 168

InnPower notes that Hydro One breakers protecting the 44 kV feeders are set to a nominal 330 A; however, the conductors have a nominal capacity of 565 A. From time to time InnPower requests Hydro One to temporarily increase the breaker settings to deal with contingency situations.

a) Has InnPower asked Hydro One to consider permanently increasing the breaker settings to achieve additional capacity from the 44kV feeders?
b) If increased capacity on the 44kV feeders is possible, what effect would it have on the capacity based projects proposed in the DSP?

3-Staff-41

Ref: Amended Application, Exhibit 3, page 30-31

InnPower has reduced its Other Revenues to remove $100,000 for the leasing area of its new building.

a) Please explain why these revenues have been removed.
b) Please describe InnPower's efforts to lease the space. Are these efforts continuing?

3-Staff-42

Ref: Exhibit 2, Appendix B, pgs. 105, 110

InnPower has prepared its load forecast on the basis of growth to 2017. OEB staff notes that forecast customer and load growth in the years subsequent to 2017 are significantly higher than the growth experienced to date.

a) Please provide an estimate of net book value of assets for each year in the DSP.
b) Please provide an estimate of capital expenditures per customer in each year of the DSP.
c) Please provide an estimate of net book value per customer for each year in the DSP.
d) Please perform a correlation between the number of customers and net book value of assets over the DSP period.
e) Please provide a plot graph comparing net book value per customer and customer growth over the DSP period.

4-Staff-43

Ref: Exhibit 4, Appendix F – Actuarial Report as at January 1, 2014

The actuarial valuation is to be performed every 3 years.

a) Please provide the most recent report that would have been prepared as of January 1, 2017.

4-Staff-44

Ref: Report of the Ontario Energy Board, Regulatory Treatment of Pension and Other Post-Employment Benefits, May 18, 2017

The Ontario Energy Board issued a report on May 18, 2017 on the regulatory treatment of Pension and Other Post-employment Benefits (OPEBs) Costs. This Report provides principles to guide the review of the costs and addresses mechanisms by which costs are to be presented to the OEB.

a) Please indicate if OPEB expenses proposed in this application are on a cash or accrual basis. If the proposal is to include OPEB expenses based on the cash method, please provide sufficient supporting rationale and evidence for adopting the cash method.
b) Is Innpower proposing to change the basis in which OPEBs are included in OM&A from its last rebasing application (i.e. accrual to cash or vice versa), please provide the reasons for the proposed change and discuss any transition impacts (e.g. on past recoveries, financial statements etc.).
c) Please provide a discussion on how Innpower is demonstrating accountability for the management of OPEB funding and the steps it has or will take to ensure that it will have sufficient cash available as a corporation if its cash needs exceed accrual amounts in any given year.

4-Staff 45

Ref: Exhibit 4, Tab 5, Schedule 2, Appendix B – 2014 Tax Return

Innpower has filed 2014 tax return, but not 2015 and 2016.

a) Please provide tax returns for 2015 and 2016 (if available), and all Notices of Assessment and Re-assessments for 2014 to 2016

4-Staff-46

Ref: Exhibit 4, Tab 5, Schedule 2, Appendix B – 2014 Tax Return

The 2014 tax return shows that Innpower had $1,944,721 in losses carried forward (LCF) as of December 31, 2014. However Innpower has not used any LCF in the calculation of PILs in this application. Also the PILs model does not show any amounts for LCF in the Loss Carry Forward tabs for historic, test or bridge years.

a) Please discuss when the LCF will be fully utilized
b) Please file an updated PILs model including the continuity of LCF tabs for 2014 to 2017.
c) Please provide an amended PILs proposal for this proceeding utilizing 1/5th of the LCF available as of December 31st, 2016.

4-Staff-47

Ref: Exhibit 4, Appendix F – Actuarial Report as at January 1, 2014

The actuarial valuation is to be performed every 3 years. Please provide the most recent report that would have been prepared as of January 1, 2017.

The Ontario Energy Board issued a report on May 18, 2017 on the regulatory treatment of Pension and Other Post-employment Benefits (OPEBs) Costs. This Report provides principles to guide the review of the costs and addresses mechanisms by which costs are to be presented to the OEB.

a) Please indicate if OPEB expenses proposed in this application are on a cash or accrual basis. If the proposal is to include OPEB expenses based on the cash method, please provide sufficient supporting rationale and evidence for adopting the cash method.
b) Is Innpower proposing to change the basis in which OPEBs are included in OM&A from its last rebasing application (i.e. accrual to cash or vice versa), please provide the reasons for the proposed change and discuss any transition impacts (e.g. on past recoveries, financial statements etc.).
c) Please provide a discussion on how Innpower is demonstrating accountability for the management of OPEB funding and the steps it has or will take to ensure that it will have sufficient cash available as a corporation if its cash needs exceed accrual amounts in any given year.

4-Staff-48

Ref: Amended Filing, page 4

InnPower revised its OM&A evidence to reflect:

- An updated 2016 Bridge Year forecast with 2016 actuals from the Audited Financial Statements
- Expense for the maintenance of the leasing area has also been removed from OM&A expenses for 2015, 2016 and 2017
- A proposed 3% reduction to the 2017 OM&A Expenses as follows:

2017 Original Application	6,187,625
2017 Revised Amount	5,990,356
Change	- 197,269
% change	-3.2%

a) Regarding InnPower's May 8 Amended Filing, please quantify and explain the impact on the revenue requirement for the following:

   i) the expense for the maintenance of the leasing area that has also been removed from OM&A expense for 2015, 2016 and 2017
   ii) how the above item relates to the proposed 3% reduction of OM&A and the associated impact on the revenue requirement – please quantify and provide an explanation

4-Staff-49

Ref: (1) Appendix 2-K, Employee Costs
Ref: (2) Exhibit 1, pages 58-80
Ref: (3) Appendix 2-JC_OMA Programs

This interrogatory addresses the Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach (RRFE).

As per **Reference 1**, InnPower has proposed material (13%) increases in headcount and a 15% increase in total employee compensation (salary, wages, and benefits) for the 2017 Test Year relative to the 2013 levels.

Reference 2 provides general information regarding the four performance outcomes under the RRFE that the OEB expects distributors to achieve: (1) customer focus, (2) operational effectiveness, (3) public policy responsiveness, and (4) financial performance. However, it is not clear how the proposed increases in headcount and employee compensation will help achieve these four outcomes.

As per **Reference 3**, InnPower has proposed material increases (23%) in OM&A Programs for the 2017 Test Year relative to the 2013 OEB Approved levels.

a) Please resubmit Exhibit 4 OM&A to reflect the 3% reduction in test year OM&A levels by program, describing cost drivers, significant changes, trends, and business environment changes. Please explain how the proposed increases in headcount, compensation, and all OM&A programs are necessary (**Reference 1 and Reference 3**), if InnPower is to achieve the program outcomes (**Reference 2**) that it has targeted in the capital and operating expenditure sections of its application. OEB staff also notes the amounts noted in **Reference 1** will need to be updated to reflect the proposed 3% reduction in OM&A, as requested in IR 4-Staff-5 below (Chapter 2 Appendices OM&A).

4-Staff-50

Ref: Exhibit 4, pgs 5, 8, 9, 15, 41, 42

OEB staff has noted certain discrepancies in the InnPower evidence related to FTEs. Please see Table A and Table B, below:

Table A - EB-2016-0085: 2017 CoS Human Resources Plan

			2013 OEB Approved	2013 Actual	2014 Actual	2015 Actual	2016 Bridge	2017 Test	2018 Forecast	2019 Forecast	2020 Forecast	2021 Forecast
Ex 4, page 15, Table 4-3: Recoverable OM&A per Customer and Per FTE	Total FTE	A	39	39	38	44	44	44				
Ex 4, page 42, Table 4-13: EB-2016-0085	Proposed Incremental FTE (Forecast)	B						7	9	1	0	0
Total Actual and Proposed FTE		A + B	**39**	**39**	**38**	**44**	**44**	**51**	**60**	**61**	**61**	**61**
However, Ex 4, page 5, states "InnPower Corporation is not requesting any additional FTE headcount costs for this application nor did it fully acquire planned FTE from our last rebasing application"	Proposed Incremental FTE (Forecast)	C						0	0	0	0	0
Potential overstatement of proposed FTEs 2017 CoS - Ex 4, page 42 versus page 5		B - C						**7**	**9**	**1**	**0**	**0**
Cumulative Potential Overstatement of proposed FTEs - 2017 CoS								**7**	**16**	**17**	**17**	**17**

Table B - EB-2012-0139: 2013 CoS Human Resources Plan			2013 OEB Approved	2013 Forecast or Actual	2014 Forecast or Actual	2015 Forecast or Actual	2016 Forecast or Actual
Ex 4, page 41, Table 4-12: EB-2012-0139 Human Resource Plan	Proposed Incremental FTE (Forecast)	D	3	3	0	1	2
Ex 4, page 41, "InnPower Corporation has not fulfilled the EB-2012-0139 Human Resources Plan for resources identified beyond 2013." Ex 4, page 8 & 9, ``InnPower Corporation has not fully fulfilled its 2013 - 5 year Human Resource Plan other than resources brought on in late 2013.`` *OEB staff assumes that the 3 FTE for 2013 OEB Approved were hired.*	Fulfillment of Proposed Incremental FTE (Actual)	E	3	3	0	0	0
Overstatement of proposed EB-2012-0139 Human Resources Plan versus the execution of this plan		**D - E**	**0**	**0**	**0**	**1**	**2**
Cumulative Potential Overstatement of proposed FTEs - 2013 CoS			**0**	**0**	**0**	**1**	**3**

a) Please explain the discrepancies (line B-line C) in the 2017 FTE evidence as shown in Table A below and provide corrections as required.

b) Please explain the discrepancies (line D-line E) in the historical FTE evidence as shown in Table B below and provide corrections as required.

c) Please update the 2017 staffing plan to support the proposed number of FTEs for the 2017 Test Year, given the proposed 3% reduction in OM&A.

d) Please provide a reference to a document in the EB-2012-0139 2013 CoS proceeding that reconciles to the data listed below in Table B, especially row “D” in Table B.

e) Please also provide a table showing the following:
–

All Current + 2017 Proposed Positions	Vacant positions and start of vacancy	Target fill date
Current Position 1		
Current Position 2, etc.		
Proposed Position 1 etc.		
Total All Current and Proposed Positions		

4-Staff-51

Ref: Chapter 2 Appendices, Appendix 2-K

Appendix 2-K provides InnPower's employee costs.

a) Please describe the applicant's compensation strategy.
b) Please explain how this strategy has resulted in a 15% increase in management compensation per FTE since 2013 actual, while the corresponding increase for non-management compensation is 4%.

4-Staff-52

Ref: (1) Exhibit 4, page 15
Ref: (2) Exhibit 4, page 9
Ref: (3) Exhibit 4, page 4
Ref: (4) Exhibit 4, page 18
Ref: (5) Exhibit 4, page 23
Ref: (6) Exhibit 4, Appendix 2-N, Table 4-17, Table 4-18, Table 4-19, Table 4-20, Table 4-21
Ref: (7) Exhibit 3, Table 3-42, Table 3-45, Table 3-46, Table 3-47

OEB staff has noted certain inconsistencies in the application, as follows:

Contradictory statements regarding number of customers:

i. The number of customers reported on an annual basis in **Reference 1** and **Reference 2** do not reconcile. It appears that InnPower has included Street Lighting Connections, Sentinel Lighting Connections, and Unmetered Scattered Load Connections in **Reference 1** and not in **Reference 2**. For example, the 2015 number of customers in **Reference 2** is 16,157 versus 19,073 in **Reference 1**.

Contradictory statements regarding property tax:

i. **Reference 3** states that property taxes are not included in OM&A costs; whereas

ii. **Reference 4** states that the increase in new headquarter costs is partly due to increased property taxes. **Reference 5** states that the key driver of Building and Office Supplies expense is due to an increase in property taxes of approximately $100,000.

Contradictory statements regarding shared services:

i) There are different revenue and expense amounts stated between **Reference 6** and **Reference 7**. The revenue and expense amounts disclosed in **Reference 6** and **Reference 7,** primarily regarding the Waste Water Billing and Financial Services Shared Services, should match on a year-by-year basis.

a) Please explain and correct inconsistencies in InnPower's application as described above.
b) If necessary, please update the evidence, including the rationale.
c) Please describe how these inconsistencies are impacted by the proposed 3% reduction in OM&A.

4-Staff-53

Ref: Chapter 2 Appendices OM&A

This interrogatory addresses the Chapter 2 Appendices that need to be revised, primarily due to the proposed 3% reduction of OM&A.

Please refile the following items in order to reflect the impact of the proposed 3% reduction of OM&A and other data that needs to be updated (e.g. 2016 actual balances):

a) Line 34 - Appendix 2-JB was filed with original number of $6,187,625 instead of revised 2017 OM&A number of $5,990,356. Also the 2016 Actual column needs to be updated as the 2016 numbers are now known. Therefore Appendix 2-JB needs to be updated with revised 2016 and 2017 numbers.

b) Line 35 - Appendix 2-JC filed with revised 2017 OM&A number of $5,990,356 and 2016 actual number of $5,688,814. The column "Variance (Test Year vs 2016 Actuals)" need to be inserted, in addition to maintaining the current column "Variance (Test Year vs 2015 Actuals)" The 2016 actuals are now known.

c) Line 35 - Appendix 2-K filed with original numbers relating to 2016 and 2017. The 2017 Test year column needs to be updated to correspond with the proposed 3% reduction in OM&A. Also the 2016 Actual column needs to be updated as the 2016 numbers are now known. The columns "Last Rebasing Year - 2013 - Board Approved" and "Last Rebasing Year - 2013 - Actual" have the same balances recorded, instead of different balances that relate to the specific columns. Therefore Appendix 2-K needs to be updated with revised 2016 and 2017 numbers. Also different balances need to be recorded in the columns "Last Rebasing Year - 2013 - Board Approved" and "Last Rebasing Year - 2013 - Actual."

d) Line 36 - Appendix 2-KA filed with original numbers relating to 2016 and 2017. The 2017 Test year column needs to be updated to correspond with the proposed 3% reduction in OM&A. Also the 2016 Actual column needs to be updated as the 2016 numbers are now known. Therefore Appendix 2-KA needs to be updated with revised 2016 and 2017 numbers.

e) Line 37 - Appendix 2-N filed with original numbers relating to 2016 and 2017. The 2017 Test year column needs to be updated to correspond with the proposed 3% reduction in OM&A. Also the 2016 Actual column needs to be updated as the 2016 numbers are now known. Therefore Appendix 2-N needs to be updated with revised 2016 and 2017 numbers.

f) Line 38 - Appendix 2-M filed with original numbers relating to 2016 and 2017. The 2017 Test year column needs to be updated to correspond with the proposed 3% reduction in OM&A. Also the 2016 Actual column needs to be updated as the 2016 numbers are now known. Therefore Appendix 2-M needs to be updated with revised 2016 and 2017 numbers. Also the Appendix 2-M included in the PDF on Exhibit 4 page 52 & 53, Table 4-25 and Table 4-26, does not match the Excel Appendix 2-M. These documents need to be updated so that there are no discrepancies.

4-Staff-54

Ref: Exhibit 4, page 9-12

The above reference outlines the following metrics covering years 2012 through 2015, including year over year increases/decreases, and 4 year average increases/decreases:

i. Customer Growth
ii. New Services Connected
iii. Appointments Scheduled
iv. Reconnections
v. Cable Locates
vi. Inbound Customer Calls

vii. Average Call Length

a) For each of the above noted metrics, please update the tables to include actual 2016 data and forecasted 2017 data, if available.
b) Please include year over year increases/decreases, and a 5 year average increases/decreases from 2013 forward.
c) Please provide an explanation for any large swings in this data from 2016 and forward.
d) Please link any increases/decreases in the requested data to increases/decreases in amounts recorded in the 2017 Test Year for OM&A.

5-Staff-55

Ref: Supplemental Filing, pg. 19
Ref: Exhibit 5, pg 3

InnPower has calculated its notional debt as 7%.

a) Please provide a calculation of InnPower's actual capital structure.
b) Please confirm that InnPower's rate of return has been calculated on the basis of deemed capital structure.
c) Please calculate the difference in return between the approved ROE and InnPower's cost of long term debt for the notional debt.

5-Staff-56

Ref: Exhibit 5, pg 6
Ref: Revenue Requirement Workform, Sheet 7

InnPower has calculated the cost of long term debt at Exhibit 5, page 6 as 3.24%. The cost of long term debt as contained in the Revenue Requirement Workform is 3.72%

a) Please clarify the proposed cost of long term debt and provide corrected worksheets as required.
b) With regard to the new third party debt forecast for 2017, has this debt been acquired? If so, what is the actual interest rate?
c) If this debt has not been acquired, please explain why InnPower believes that a forecast 2% rate is reasonable, given that the interest rate applied to the 2016 debt is 4%.

8-Staff-57

Ref: Filing Requirements for Electricity Distribution Rate Applications, Chapter 2, pg. 56
Ref: Cost Allocation model, sheet O2
Ref: Exhibit 8, pgs 4-5

Chapter 2 of the Filing Requirements states that:

> If a distributor's current fixed charge for any non-residential class is higher than the calculated ceiling, there is no requirement to lower the fixed charge to the ceiling, nor are distributors expected to raise the fixed charge further above the ceiling for any non-residential class.

InnPower's existing fixed rate for the GS >50 kW class is $151.60. The maximum fixed rate calculated in the cost allocation model is $120.71. InnPower's proposed fixed rate for this class is $463.79.

InnPower proposes to increase the fixed proportion of rates for the GS>50kW class to 50% because it is of the view that this is in line with the OEB's current policy direction.

a) Please provide the OEB's current policy which supports this view.
b) Please explain how the proposed increase to the GS >50kW fixed charge is consistent with the filing requirements, as noted above.
c) Please provide the distribution, delivery and total bill impacts for this rate class with the fixed/variable ratio at the current proportion.

8-Staff-58

Ref: Chapter 2 Appendices

OEB staff notes that InnPower has calculated a 2015 loss factor of 1.0614, which is significantly higher than its loss factors in other years.

a) Please explain this loss factor.
b) If the loss factor is related to a significant event, did InnPower consider calculating a 4-year average? If not, why not?

9-Staff-59

Ref: Amended Application, pg 4

InnPower has removed its requests to recover costs related to LRAM and Z-factor.

a) Is InnPower proposing to forego these amounts altogether?
b) If not, when does InnPower propose to apply for recovery?

9-Staff-60

Ref: Exhibit 9, pg 4, Lines 12-15 – request for new sub-accounts of Account 1595

Innpower is requesting the following sub-accounts:

- Account 1595 – Sub Account 2016 – Rate Rider for Disposition of Deferral/Variance Accounts (2016) and
- Account 1595 – Sub Account 2016 LRAMVA – Rate Rider for Recovery of LRAM (2016)

In its Amended Application of May 8, 2017, InnPower withdrew its request to recover 2016 LRAM. OEB staff notes that the OEB has issued guidance on both of the above accounts.

A generic account was approved for recoveries in July 2012. According to the July 2012 APH FAQ #3, electricity distributors are required to annually open new sub-accounts of Account 1595. A request for this account, therefore, is redundant.

OEB issued APH Guidance in March 2015 (see #11) where it provided journal entries for approved recoveries for LRAMVA. Similar to other approved recoveries, LRAMVA is also moved to Account 1595 Sub-account for the approved rate year. Again, a request for this sub-account is also redundant.

a) Given that the OEB guidance already exists for these sub-accounts, would Innpower agree to withdraw its request for the two sub-accounts noted above?

9-Staff-61

Ref: Exhibit 9, pg 5, Table 9-1 – Account 1508 Deferred IFRS Transition Costs

The evidence shows that balance in Account 1508 IFRS Transition Costs as of December 31, 2015 was a debit of $11,929. This number matches the 2.1.7 reporting in the Sub-account tab, but is not consistent with the balance reported under the Trial Balance reporting for RRR 2.1.7 as of December 31, 2015 (Debit of $14,492).

a) Although the difference is not material, please confirm that once approved by the OEB, the approved disposition in this proceeding will be moved to the proper recoveries account and Account 1508 Deferred IFRS Transition Costs will be closed.

9-Staff-62

Ref: Exhibit 9, pg 6, EDDVAR schedule, Account 1580 RSVA WMS

Innpower is requesting disposition of a credit balance of $526,878 in Account 1580. OEB staff notes that Innpower has not used the 2017 EDDVAR model and has not shown balances related to CBR Class A and Class B separately in its evidence. OEB staff further notes that Innpower has reported its 2015 balance in Account 1580 under Class A in its 2.1.7 Sub-account reporting tab.

a) Please indicate whether Innpower had any customers that were Class A during the 1580 variance account accumulation period in 2015.
b) If yes to part a) above, did any customers transition from Class A and B or from Class B to A. If so, please provide a calculation to provide the charge applicable to those customers (please see the accounting guidance issued in July 2016).
c) Please file an updated EDDVAR schedule using the 2017 model (available on the OEB's website), providing a break-down of Account 1580 into the Control account (excluding CBR Sub-accounts), and each of the two CBR Sub-accounts.
d) Please propose disposition of Account 1580 sub-account CBR Class B in accordance with the CBR Accounting Guidance issued July 25, 2016.
e) Please indicate whether the 2.1.7 Sub-account reporting tab for 2015 showing a balance for $521,150 (including interest) in Sub-account CBR Class A is correct, and if so, why is there no balance in the Control Account 1580, and Sub-account CBR Class B.

9-Staff-63

Ref: Exhibit 9, pg 8, Global Adjustment (GA) and EDDVAR GA rate riders

According to Filing Requirements Section 2.9.5.1, effective for 2017 filers, the billing determinant and all the rate riders for the GA will be calculated on an energy basis (kWhs) regardless of the billing determinant used for distribution rates for the particular class.

a) Please amend and file the rate rider calculations for GA rate riders.
b) Please indicate whether Innpower had any customers that were in Class A during the GA variance account accumulation period in 2015.
c) If Innpower has any customers who transitions between Class A and Class B, please file an updated EDDVAR model, including tab *5a. GA_Allocation_Class A* as required by the Filing Requirements Section 2.9.5.1.

9-Staff-64

Ref: Exhibit 9, pgs 8-9, Account 1595 and RRR 2.1.7 filings

There is a discrepancy between the balances for Sub-accounts of Account 1595 requested for disposition and the RRR 2.1.7 filings of Innpower.

	Application	**2.1.7 Filings**	
		2.1.7 Group 1 Tab	2.1.7 Main Tab
1595 SA 2012	$26,747	$68,362	NA (only Total reported)
1595 SA 2013	$93,616	$149,098	NA (only Total reported
1595 SA 2015	$202,124	$146,037	NA (only Total reported
Total:	**$322,487**	**$363,497**	**$326,657**

a) Please explain the discrepancies between Innpower's 2.1.7 filings and the proposed balances for disposition.
b) Please explain the discrepancies between in the two parts of the 2.1.7 filings.
c) Please provide updated evidence as necessary.

9-Staff-65

Ref: Exhibit 9, Table 9.1, and pg 11 - Account 1548, Table 9.8 and EDDVAR schedule Rate Rider Calculations

The rate rider calculation tab in the EDDVAR schedule is not consistent with the rest of the evidence in this Exhibit with respect to Account 1548. The rate rider calculation includes the balance in Account 1548, while the rest of the evidence states that this account is not proposed for disposition.

According to the OEB's EDDVAR report[1] at the time of rebasing all Account balances should be disposed of unless otherwise justified by the distributor.

a) Please confirm that Innpower is requesting disposition of Account 1548.
b) Please confirm that the rate rider calculation is correct, and adjust accordingly.

9-Staff-66

Ref: Exhibit 9, pgs 12-13, Table 9.1, Table 9.9, Account 1592 EDDVAR Schedule and Group 2 Rate Rider Calculations

Innpower has indicated that Account 1592, Sub-account HST/OVAT ITC was approved for disposition in its 2013 proceeding. However, Innpower is showing a debit balance of $1,631 in its evidence elsewhere in the application. OEB staff notes that Innpower has not included this amount in its rate rider calculation.

OEB staff notes that there should be no amounts recorded in Innpower's Account 1592, Sub-account HST/OVAT ITC subsequent to approval of disposition of the balance in its 2013 proceeding, as an amount would have been built into rates subsequent to that proceeding.

a) Please explain the discrepancy.
b) Please confirm the accuracy of the rate rider calculation.

[1] EB-2008-0046 Report of the Board dated July 31, 2009

9-Staff-67

Ref: Exhibit 9, pg 15 – Energy Sales and Cost of Power

Innpower states that there is no difference between energy sales and cost of power. However, Table 9.5 shows a total of $30,704,547 for energy sales, and $30,604,547 for cost of power.

a) Please explain the difference.

9-Staff-68

Ref: Exhibit 9 Account 1589

The OEB issued a letter on May 23, 2017 providing guidance on the disposition of Accounts 1588 and 1589.

a) Please discuss Innpower's processes and procedures as they relate to the Guidance provided in the letter.
b) Does Innpower true-up its RPP settlements with the IESO?
c) How often are the true-ups performed (e.g. monthly, quarterly, annually)?
d) Has Innpower trued-up the balances proposed for disposition in this proceeding for Accounts 1588 and 1589 with the IESO?
e) Are there any RPP settlement true-ups that were done after December 31, 2015 that related to the variance account accumulation period? What were the true- up amounts for each of the RSVA Power, and for RSVA GA accounts?
f) If there are true-up differences completed in 2016 pertaining to 2015, please adjust 2015 in the EDDVAR continuity schedule, as per the OEB letter dated May 23, 2017.

Using the attached template, please perform a reasonability test of the GA account balance proposed for disposition.