

ECONALYSIS CONSULTING SERVICES

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June 13, 2017

VIA 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-2016-0085 InnPower Corporation 2017 Rates
Specific Service Charges Interrogatories of the Vulnerable Energy Consumers
Coalition (VECC)**

In accordance with Procedural Order No. 2 please find VECC's interrogatories with respect to specific service charges.

Yours truly,

Mark Garner

Consultant for VECC

Brenda L. Pinke
Email: brendap@innpower.ca

REQUESTOR NAME	VECC
INFORMATION REQUEST ROUND:	Part 2 Specific Service Charges
TO:	InnPower Corporation
DATE:	June 13, 2017
CASE NO:	EB-2016-0085
APPLICATION NAME	2017 COS Application

8.0 RATE DESIGN (EXHIBIT 8)

8.0 –VECC - 48

Reference: Exhibit 8 (Amended), pages 93-96

- a) What year are the rates used in Tables 8-10 through 8-13 based on (e.g. are values used the rates forecast for the test year or are they for an historical year and, if the later, for what year)?

8.0 –VECC - 49

Reference: Exhibit 8 (Amended), page 97

- a) What year are the rates used for the Admin, Replacement and Field Work costs in Table 8-14 based on? If not the same year as was used for Tables 8-10 through 8-13, please explain why.
- b) What incremental activities does InnPower undertake when poles have third party attachments that give rise to the Replacement cost set out in the table?
- c) What is the basis for the 150 value for poles that are replaced with third party attachments?
- d) What incremental activities does InnPower undertake for Wires Down Field Work that give rise to the Wires Down costs set out in the table?
- e) What is the basis for the 1 hour value for annual Wires Down activity?
- f) What incremental activities does InnPower undertake for Tree on Line Field Work that give rise to the Tree on Line costs set out in the table?
- g) What is the basis for the 1 hour value for annual Tree on Line activity?

8.0 –VECC - 50

Reference: Exhibit 8 (Amended), pages 97

- a) What customers does InnPower apply its Charge for Access to Power Poles to (e.g., does it also include municipal attachments such as street lights and traffic lights as well as telecom and cable companies)?
- b) Are there parties that with attachments to InnPower's power poles that are not charged? If yes, who are they and why are they not invoiced?
- c) What is the basis for the 6,627 value for the number of poles with attachments (e.g., is it a forecast value for the test year or based on an historical year and, if the later, what year)?
- d) Please provide a breakdown of the number of poles with attachments by type of third parties that are billed by InnPower (e.g. telecom& cable, street lights, traffic lights, etc.).
- e) What are the net book value and total number of poles used to calculate the \$1,625 embedded cost per pole and on what year are they based? In responding please reconcile the total embedded poles cost value used with the values provided in the asset continuity schedule.
- f) In calculating the embedded cost per pole, was any adjustment made for power-specific assets? If yes, what was it? If no, why not?
- g) Please provide the derivation of the \$11.90 pole maintenance cost per pole. In responding, please indicate if any adjustment was made for power specific assets.
- h) What is the basis for the 3% capital carrying cost rate used and on what year is it based?
- i) Please explain how the 3% relates to InnPower's before-tax average weighted cost of capital.
- j) What is the basis for using "two" as the number of third party attachments.
- k) Please clarify whether the costs are based on number of 3rd party attachers or number of 3rd party attachments per pole. (Note: An attacher can have more than one attachment to the same pole).
- l) Please provide the derivation of the 30% factor used to determine the cost per 3rd party attachment/attacher.

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