

**INNPOWER CORPORATION**

**EB-2016-0085**

**RESPONSE TO INTERROGATORIES  
SERVICE CHARGE SPECIFIC  
Procedural Order # 2**

August 4, 2017



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1 **Background**

2

3 *InnPower first filed in November 2016, with the request for an interim pole attachment rate. With the*  
4 *progress of the Pole Attachment Working Group (“PAWG”) EB-2015-0304 InnPower Corporation has*  
5 *withdrawn its request for an interim pole attachment rate.*

6

7 *InnPower will wait for the outcome of the PAWG EB-2015- and the associated methodology to determine*  
8 *a new pole attachment rate. InnPower has updated Appendix 2-A Requested Approvals to reflect this*  
9 *change. A copy of this appendix is presented on the next page.*

10

11 *With the aforementioned change, InnPower has marked IR’s with respect to pole attachments as “not*  
12 *applicable”.*

**Innpower Corporation is seeking the following approvals in this application:**

1	1	Approval to charge distribution rates effective for July 1, 2017 to recover a service revenue requirement of \$11,975,859. The schedule of proposed 2017 rates has been included as Attachment InnPower Proposed Tariff IRR_EB-2016-0085 in the IRR document.
2	2	<ul style="list-style-type: none"> <li>○ Approval to adjust the Retail Transmission Service Rates (Network and Connection) in accordance with the Board's Guideline G-2008-0001 Electricity Distribution Retail Transmission Service Rates (RTSR), Revision 4.0 issued June 28, 2012 and as set out in Exhibit 8, Section 2.8.3 Retail Transmission Service Rates.</li> </ul>
3	3	<ul style="list-style-type: none"> <li>○ Approval to continue to charge Standard Supply Service, Wholesale Market, Rural Rate Protection and OESP charges approved in the OEB Decision and Order in the matter of InnPower Corporations 2016 Distribution Rates (EB-2015-0081) subject to any modifications as a result of the OEB's future decisions;</li> </ul>
4	4	<ul style="list-style-type: none"> <li>○ Approval of the proposed loss factor as set out in Exhibit 8, Section 2.8.8 Loss Adjustment Factors.</li> </ul>
5	5	<ul style="list-style-type: none"> <li>○ Approval of adjusted Low Voltage rates as set out in Exhibit 8, Section 2.8.7 Low Voltage Service Rates.</li> </ul>
6	6	<ul style="list-style-type: none"> <li>○ Approval to continue Specific Service charges approved in the OEB Decision and Order in the matter of InnPower Corporations 2016 Distribution Rates (EB-2015-0081).</li> </ul>
7	7	<ul style="list-style-type: none"> <li>○ Approval for a modified microFIT Service Classification definition to include microFIT and Net Metering customers and a modified rate.</li> </ul>
8	8	<ul style="list-style-type: none"> <li>○ Approval to continue Specific Service charges approved in the OEB Decision and Order in the matter of InnPower Corporations 2016 Distribution Rates (EB-2015-0081).</li> </ul>
9	9	<ul style="list-style-type: none"> <li>○ Approval for the following new and or modified Specific Service charges. Justifications for the new and or modified Specific Service charges are set out in Exhibit 8, Section 2.8.6 Specific Service Charges:           <ul style="list-style-type: none"> <li>○ Approval as presented for a modified Temporary Service -Install and Remove – Underground – No Transformer rate</li> <li>○ Approval as presented for a modified Temporary Service - Install and Remove – Overhead – No Transformer rate</li> <li>○ Approval as presented for a modified Temporary Service – Install and Remove – Overhead – With Transformer rate</li> <li>○ Approval as presented for a modified Disconnect/Reconnect Charge – at meter-during regular hours</li> </ul> </li> </ul>
10	10	<ul style="list-style-type: none"> <li>○ Approval to dispose of the Deferral and Variance Account Balances, audited as at December 31, 2015 plus calculated interest until December 31, 2016, over a two year period using the method of recovery described in Exhibit 9, Section 2.9.5 Disposition of Deferral and Variance Accounts.</li> </ul>

1 **EXHIBIT 8 – RATE DESIGN**

2  
3 **8.0-Staff-69**

4  
5 **Ref: Exhibit 8, pg 11**

6 **2006 Electricity Distribution Rate Handbook, Schedule 11-2, p 115**

7  
8 **InnPower has requested an increase in its specific service charge of 63% for “Disconnect/Reconnect at**  
9 **meter-during regular hours” from \$40 to \$65. OEB staff notes that, although the requested charge is**  
10 **the same as the standard charge calculated in the Rate Handbook, the calculations are very different,**  
11 **and include the use of contractor time.**

- 12 a) **Please provide the burden rate applied to each of the Customer Service Representative’s time**  
13 **and the manager’s time.**  
14 b) **Please provide the calculation to derive the average contractor costs.**

15  
16 *InnPower Corporation Response:*

- 17  
18 a) *The burdened rate for a CSR is \$45.20 and for a Manager is \$72.50.*  
19 b) *InnPower has 2 established rates with our contractor, One is urban and the other rural for*  
20 *disconnect/reconnects. The calculation was derived by taking the average cost of disconnects and*  
21 *reconnects and adding the two together for a total contractor cost to perform the service work.*

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23  
24 **8.0-Staff-70**

25  
26 **Ref: Exhibit 8, pg 12-13**

27 **2006 Electricity Distribution Rate Handbook, Schedule 11-2, p 120**

28  
29 **InnPower has requested an increase in its specific service charge of 56% for its service charge for**  
30 **“temporary service – install and remove – underground – no transformer” and of 26% for the same**  
31 **service for overhead – no transformer.**

- 32 a) **Have burden rates been applied to the hourly rates? If so, please provide the burden rates**  
33 **used in the calculation for each of line staff, engineering tech. and management.**  
34 b) **OEB staff notes that the standard formula has not applied costs for management for either**  
35 **of these charges. Please explain the role of management in these services, and why it is**  
36 **appropriate to include it in the calculation of the charge.**  
37 c) **Please explain the need for a bucket truck for service to underground facilities.**

38  
39 *InnPower Corporation Response:*

- 40  
41 a) *Yes, burdened rates have been applied to the hourly rates. The rates identified in the “Rate per*  
42 *Hour” reflect the burdened rate by staff category.*  
43  
44 b) *Management includes all non-union labour that provide supervisory duties and responsibility for*  
45 *approval, quality check, dispatching, etc.*

1 c) *InnPower does not have a separate underground crew service truck. In addition during utility*  
 2 *service work the need for a bucket truck may be necessary for the transition of underground to*  
 3 *overhead conductor system.*  
 4  
 5

6 **8.0-Staff-71**

7  
 8 **Ref: Exhibit 8, pg 14**  
 9 **2006 Electricity Distribution Rate Handbook, Schedule 11-2, p 122**  
 10

11 **InnPower has requested an increase in its specific service charge of 152% for “temporary service install**  
 12 **& remove – overhead-with transformer” from \$1,000 to \$2,525. OEB staff notes that the standard**  
 13 **formula for this charge assumes 1.5 hours for engineering plus 2 people 7 hours each to install and**  
 14 **remove.**

- 15 a) **Please explain the discrepancy in engineering hours assumed in the standard formula**  
 16 **(1.5 hours) and in InnPower’s calculations (6 hours).**  
 17 b) **Please explain the role of management in this service and why it is appropriate to**  
 18 **include 1.5 hours for management time in the calculation of the charge.**  
 19

20 *InnPower Corporation Response:*

- 21  
 22 a) *Due to the total size of our territory (292 Sq kM), driving time is increased to 4 hours.*  
 23  
 24 b) *Management includes all non-union labour that provide supervisory duties and responsibility for*  
 25 *approval, quality check, dispatching, etc.*  
 26

27 **8.0-Staff-72**

28  
 29 **Ref: Exhibit 8, pgs 11-15**  
 30 **Exhibit 3, pg 43, Appendix 2-H**  
 31 **2006 Electricity Distribution Rate Handbook, Schedule 11-3, p 123**  
 32

33 **InnPower has applied to increase certain of its specific service charges by amounts ranging from 26% to**  
 34 **152%. However, OEB staff notes that InnPower has *decreased* its forecast of revenues from specific**  
 35 **service charges from \$192,331 to \$170,000.**

- 36 a) **Please complete the following table (based on Schedule 11-3 in the Rate Handbook) with**  
 37 **detail for each specific charge contained in USoA Account 4375.**  
 38

Charge Description	Charge Rate	2014 Actual Revenue	2015 Actual Revenue	2016 Actual Revenue	2017 Rate	2017 Volume	2017 Revenue
<b>Total Revenue</b>							

- 1  
 2 **b) Please explain all variances between 2016 actual revenues and 2017 forecast.**  
 3 **c) Please provide any correction to InnPower's forecast of Other Revenues in a revised Revenue**  
 4 **Requirement Workform and other schedules as requested in OEB staff IRs 1-Staff-1, 1-Staff-2**  
 5 **and 1-Staff-3.**

6  
 7 *InnPower Corporation Response:*

- 8  
 9 *a) InnPower Corporation has updated Appendix 2-H to reflect the changes in the forecast for Other*  
 10 *Revenues. 2016 has been updated to reflect actuals. InnPower applied a 3% increase to account*  
 11 *4375 versus a forecast by transaction. The 3% represents \$4,776. The remaining forecast of \$6,000*  
 12 *consists of the new proposed Temporary service changes.*  
 13 *b) In the amended submission 2016 was forecasted to be \$193K, actuals were \$159k. The variance*  
 14 *was due to lower recoverable charges (account 4360).*

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**Appendix 2-H  
 Other Operating Revenue**

USoA #	USoA Description	2013 Actual	2014 Actual	2015 Actual <sup>2</sup>	Actual Year <sup>2</sup>	Bridge Year <sup>2</sup>	Test Year
		2013	2014	2015	2015	2016	2017
<i>Reporting Basis</i>		<i>CGAAP</i>	<i>CGAAP</i>	<i>CGAAP</i>	<i>MIFRS</i>	<i>MIFRS</i>	<i>MIFRS</i>
4210	Rent from Electric Property	-\$ 153,289	-\$ 169,620	-\$ 161,207	-\$ 162,034	-\$ 162,034	-\$ 162,034
4225	Late Payment Charges	-\$ 73,904	-\$ 84,703	-\$ 96,925	-\$ 96,925	-\$ 111,252	-\$ 111,252
4235	Specific Service Charges	-\$ 116,157	-\$ 139,676	-\$ 156,170	-\$ 156,170	-\$ 159,223	-\$ 170,000
4245	Deferred Revenues - Contributions	\$ -	\$ -	\$ -	-\$ 313,330	-\$ 376,051	-\$ 522,116
4355	Gain on Dispositions	\$ -	-\$ 4,450	-\$ 440,397	-\$ 440,397	\$ 8,791	\$ 183,094
4375	Revenues from Non Utility Operations	-\$ 682,460	-\$ 801,855	-\$ 775,120	-\$ 775,120	-\$ 1,354,978	-\$ 1,087,311
4380	Expenses of Non Utility Operations	\$ 627,785	\$ 718,395	\$ 689,823	\$ 689,823	\$ 1,250,847	\$ 983,861
4390	Misc Non Operating Expense	-\$ 11,015	-\$ 10,882	-\$ 30,116	-\$ 30,116	-\$ 57,992	-\$ 60,000
4405	Interest and Dividend Income	-\$ 26,558	-\$ 39,974	-\$ 27,918	-\$ 27,918	-\$ 29,388	-\$ 30,000
	<b>Total</b>	<b>-\$ 435,598</b>	<b>-\$ 532,765</b>	<b>-\$ 998,029</b>	<b>-\$ 1,312,186</b>	<b>-\$ 991,280</b>	<b>-\$ 975,758</b>
	<b>Specific Service Charges</b>	<b>-\$ 116,157</b>	<b>-\$ 139,676</b>	<b>-\$ 156,170</b>	<b>-\$ 156,170</b>	<b>-\$ 159,223</b>	<b>-\$ 170,000</b>
	<b>Late Payment Charges</b>	<b>-\$ 73,904</b>	<b>-\$ 84,703</b>	<b>-\$ 96,925</b>	<b>-\$ 96,925</b>	<b>-\$ 111,252</b>	<b>-\$ 111,252</b>
	<b>Other Operating Revenues (4210 &amp; 4245)</b>	<b>-\$ 153,289</b>	<b>-\$ 169,620</b>	<b>-\$ 161,207</b>	<b>-\$ 475,364</b>	<b>-\$ 538,084</b>	<b>-\$ 684,150</b>
	<b>Other Income or Deductions (4355, 4375, 4380, 4390, 4405)</b>	<b>-\$ 92,248</b>	<b>-\$ 138,766</b>	<b>-\$ 583,728</b>	<b>-\$ 583,728</b>	<b>-\$ 182,721</b>	<b>-\$ 10,356</b>
	<b>Total</b>	<b>-\$ 435,598</b>	<b>-\$ 532,765</b>	<b>-\$ 998,029</b>	<b>-\$ 1,312,186</b>	<b>-\$ 991,280</b>	<b>-\$ 975,758</b>

- 16  
 17  
 18 *c) InnPower has updated the appropriate models to reflect the changes in Other Revenues associated*  
 19 *with pole attachments and test year forecasts. InnPower has enclosed a copy of the Calculated*  
 20 *Class Revenues which reflects the change in Other Revenues in line with Appendix 2-H.*

21  
 22  
**B) Calculated Class Revenues**

Name of Customer Class	Load Forecast (LF) X current approved rates (7B)	LF X current approved rates X (1+d) (7C)	LF X Proposed Rates (7D)	Miscellaneous Revenues (7E)
1 Residential	\$ 6,683,501	\$ 8,856,035	\$ 8,878,017	\$ 817,278
2 GS < 50	\$ 702,083	\$ 930,302	\$ 929,538	\$ 76,522
3 GS > 50 to 4,999	\$ 599,675	\$ 794,605	\$ 907,188	\$ 61,746
4 Sentinel Lights	\$ 36,853	\$ 48,833	\$ 49,040	\$ 4,223
5 Streetlights	\$ 261,911	\$ 347,048	\$ 212,885	\$ 13,813
6 USL	\$ 17,586	\$ 23,279	\$ 23,433	\$ 2,176
7				
8				
9				

1 **8.0-Staff-73**

2  
3 **Ref: Exhibit 8, pg 15**  
4 **EB-2016-0085 Procedural Order No. 2, May 26, 2016**  
5

6 **InnPower proposes to increase its specific charge for access to the power poles by 113% from \$22.35 to**  
7 **\$47.50. In its May 26, 2017 Procedural Order No. 2, the OEB ordered InnPower to serve the Notice for**  
8 **this proceeding directly on any specifically identifiable customers or customer groups that would be**  
9 **directly impacted by one or more of the proposed changes to specific services charges, including, but**  
10 **not limited to, any entities that currently pay a charge for access to InnPower’s power poles.**

- 11 a) **How many customers are directly affected by the change to the access to power poles**  
12 **charge?**  
13 b) **Please describe any initiatives undertaken by InnPower to inform these customers of its**  
14 **proposed changes to this charge, prior to filing the application.**  
15 c) **Please describe any feedback received from these customers prior to filing the application.**  
16 d) **If feedback was received, please describe any changes made by InnPower to its proposals**  
17 **prior to filing the application.**  
18 e) **Please confirm that InnPower complied with the order in Procedural Order No. 2 and served**  
19 **the affected customers with the Notice directly.**  
20 f) **In complying with the OEB’s order, did InnPower provide any specific information regarding**  
21 **the increase in the service charge?**  
22 g) **Please provide any feedback received from these customers as a result of being directly**  
23 **served with the Notice.**  
24

25 *InnPower Corporation Response:*

26  
27 *Not applicable.*  
28

29 **8.0-Staff-74**

30  
31 **Ref: Exhibit 8, pg 15, Table 8-14**  
32 **RP-2003-0249, Decision and Order, March 7, 2005**  
33 **EB-2015-0141, HONI Reply Argument**  
34

35 **InnPower has provided its calculation of the specific service charge for access to the power poles in**  
36 **Table 8-14.**

- 37 a) **OEB staff notes that the calculation of the standard rate of \$22.35 (RP-2003-0249) assumes 2.5**  
38 **attachers and results in an allocation factor of 21.9% for indirect costs. Since that time, the**  
39 **OEB has approved rates based on LDCs’ actual attachment rates. Please provide the number**  
40 **of attachers and derivation of the 30% allocation factor used by InnPower for indirect costs,**  
41 **using the methodology provided in the Hydro One reply argument in the EB-2015-0141 Carrier**  
42 **Motion as follows:**  
43



<u>2016 Hydro One Calculation for 1.3 Attachers</u>				
		Pole Length	1.3	Length per
		Feet	Attachers	Attacher (feet)
a	Power Space	10	1	
b	Communications Space	2	1.3	1.54 2'/1.3
c	Separation Space	3.25	2.3	1.41 3.25'/2.3
d	Total Useable Space	15.25		2.95 =a+b+c
e	Clearance	18.75	2.3	8.15 18.75'/2.3
f	Buried	6	2.3	2.61 6'/2.3
g	Total Common Space	24.75		10.76 =e+f
h	Total Pole Length	40		13.71 =d+g
i	Allocation Rate			0.3428 13.71'/40'(Rounded to 34.3%)
j	Common Costs	\$192.58		\$66.05 (\$192.58 x 34.3%)
k	Direct Cost			\$3.99
l	Total Rate			\$70.04 =j+k

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- b) OEB staff notes that the direct costs as calculated by InnPower appear to calculate direct costs per pole. Please explain why InnPower has not divided this cost by the number of attachers to determine the rate.
- c) If the assumption in part b) above is incorrect, please explain the significant variance between the \$17.10 direct cost calculated by InnPower and the \$3.99 shown by Hydro One in the calculation of its rate.
- d) Please provide the calculation underlying the net embedded cost per pole of \$1,625.
- e) Please provide the calculation underlying the maintenance per pole of \$11.90.
- f) Please explain the use of a capital carrying cost per year of 3%, rather than InnPower's weighted average cost of capital.

*InnPower Corporation Response:*

*Not applicable*

**8.0-Staff-75**

Ref: Exhibit 8, pg 7  
 EB-2016-0085, Cost Allocation Model, May 11, 2017

InnPower proposes to change its microFIT rate class to include Net Metering Accounts and to increase the charge from \$5.40 to \$10.00 monthly, "consistent with the approved rates for Wasaga Distribution". OEB staff notes that InnPower's cost allocation model calculates a monthly unit cost for microFIT of \$4.68. OEB staff notes that InnPower appears to have simply added Net Metering to the microFIT tariff sheet without making any changes to the class description, which is standard for most distributors.

- a) Please describe the conditions that are similar in InnPower's territory to Wasaga's territory that would warrant consideration by the OEB of a similar rate for microFIT service for these two distributors.

- 1           **b) Please explain why a monthly rate of \$10 is appropriate, when InnPower’s monthly cost for**  
2           **this service is \$4.68.**  
3           **c) Please explain which rate class was applied to Net Metering customers prior to their**  
4           **proposed inclusion in the microFIT class.**  
5           **d) Please describe the conditions that would warrant changing the rate class of Net Metering**  
6           **customers at this time.**  
7           **e) Please provide a breakdown of the monthly unit cost of Net Metering customers, similar to**  
8           **Sheet O3.6 of the cost allocation model for the microFIT rate class.**  
9

10 *InnPower Corporation Response:*

- 11  
12           *a) In response to 8.0 VECC – 43 in Procedural Order #1, InnPower noted the following descriptions of*  
13           *work activities that are outside the normal billing and collections activities for microFIT.*  
14                   *a. Feeder capacity verification – occurs for every connection request received for either*  
15                   *microFIT and or Net Metering. This is a one time cost for all connection requests regardless*  
16                   *of a physical connection. The activity also includes notification to the end customer of*  
17                   *capacity.*  
18                   *b. Maintenance of Feeder capacity thresholds (microFit and Net Metering) – based on*  
19                   *connection requests received and updated for expired connection requests (no connection*  
20                   *after 6 months). This information is provided to Hydro One on a quarterly and annual basis*  
21                   *as InnPower is embedded to Hydro One. The report is also utilized for OEB RESS quarterly*  
22                   *and annual reporting.*  
23                   *c. Managing the IESO portal - updating and providing information to IESO on all phases of a*  
24                   *connection (minimum 4 times at 5 mins per update) to ensure that all timelines are*  
25                   *adhered to and that the end customer has e-signed the contract to commence payment.*  
26  
27           *b) With the changes from the amended application and IRR’s the cost allocation model reflects a*  
28           *charge of \$5.26 for microFIT. The O3.6 Cost Allocation Output tab does not address the additional*  
29           *functions identified in InnPower’s response to 8.0 Staff – 75 (a). InnPower has updated the cost*  
30           *allocation output tab O3.6 in response to 8.0 Staff – 75 (e).*  
31  
32           *c) InnPower has not yet had a Net Metering customer physical connect to achieve billing thus no*  
33           *service charge has been applied.*  
34  
35           *d) The additional functions identified in response to a) and e) have been performed since the rollout*  
36           *of microFIT and the introduction of the IESO portal. These functions are outside the billing activities*  
37           *for microFIT and are not performed in the billing CIS.*  
38  
39           *e) InnPower has updated output Tab O3.6 for the microFIT rate class. The updated table is presented*  
40           *on the next page.*  
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42  
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**EB-2016-0085**

**Sheet 03.6 MicroFIT Charge Worksheet -**

**Instructions:**  
 More Instructions provided on the first tab in this workbook.

**ALLOCATION BY RATE CLASSIFICATION**

<u>Description</u>	Residential	Monthly Unit Cost
Customer Premises - Operations Labour (5070)	\$ 48,233.73	\$ 0.26
Customer Premises - Materials and Expenses (5075)	\$ 87,480.04	\$ 0.47
Meter Expenses (5065)	\$ 211,798.79	\$ 1.14
Maintenance of Meters (5175)	\$ 22,481.37	\$ 0.12
Meter Reading Expenses (5310)	\$ 3,039.41	\$ 0.02
Customer Billing (5315)	\$ 430,585.45	\$ 2.32
Amortization Expense - General Plant Assigned to Meters	\$ 33,877.28	\$ 0.18
Admin and General Expenses allocated to O&M expenses for meters	\$ 105,136.62	\$ 0.57
Allocated PILS (general plant assigned to meters)	\$ 1,501.90	\$ 0.01
Interest Expense	\$ 11,478.47	\$ 0.06
Income Expenses	\$ 19,480.28	\$ 0.11
<b>Total Cost</b>	<b>\$ 975,093.34</b>	<b>\$ 5.26</b>
1. Feeder Capacity Checks per connection application	\$ 4,004.00	\$ 1.90
2. Maintenance of Feeder Capacity Spreadsheet	\$ 273.00	\$ 0.13
3. 20 minutes per connection request maintaining IESO portal	\$ 6,006.00	\$ 2.84
<b>Number of Residential Customers</b>	<b>15459.36449</b>	<b>\$ 10.13</b>

1. 30 minutes per connection request, includes updating of tracking spreadsheet and notification to consumer @ burdened rate of \$45.5
2. 1/2 hour monthly @ burdened rate of \$45.5
3. 20 minutes per connection request @ burdened rate of \$45.5

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**8-SEC-45**

**Ref: Ex. 8, p 15**

**With respect to the proposed specific charge for access to power poles, please provide:**

- a) The basis for the rate and hours used, for each 'admin', 'replacement' and 'field work' tasks, as well as the basis for the number of occurrences.
- b) A breakdown and explanation of the basis for the net embedded cost per pole calculation.
- c) A breakdown and explanation of the basis for pole maintenance per pole calculation.
- d) The basis of the 6627 'Poles with Attachments' number.
- e) For each of 2016 and 2017, the number of in-service poles.
- f) The basis for using a 3% capital carrying cost per year.
- g) The each of 2016 and 2017, the Applicant's pre-tax weight average cost of capital.
- h) For each of 2016 and 2017, the number of third-party attachers (wireline, wireless, streetlight etc) billed.

- 1           i) Are there any attachers on poles that are not billed? If so, please provide the number for each  
2           of 2016 and 2017, and details why they are not billed.

3  
4 *InnPower Corporation Response:*  
5 *Not applicable*  
6

7 **8.0-VECC-48**

8  
9 **Ref: Ex. 8 (Amended), pg 93-96**

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

14  
15 *InnPower Corporation Response:*

- 16  
17           a) *The rates that were used in Tables 8-10 through 8-13 are based on historical year end 2015.*  
18  
19

20 **8.0-VECC-49**

21  
22 **Ref: Ex. 8 (Amended), pg 97**

- 23  
24           a) What year are the rates used for the Admin, Replacement and Field Work costs in Table 8-  
25           14 based on? If not the same year as was used for Tables 8-10 through 8-13, please explain  
26           why.  
27           b) What incremental activities does InnPower undertake when poles have third party  
28           attachments that give rise to the Replacement cost set out in the table?  
29           c) What is the basis for the 150 value for poles that are replaced with third party attachments?  
30           d) What incremental activities does InnPower undertake for Wires Down Field Work that give  
31           rise to the Wires Down costs set out in the table?  
32           e) What is the basis for the 1 hour value for annual Wires Down activity?  
33           f) What incremental activities does InnPower undertake for Tree on Line Field Work that give  
34           rise to the Tree on Line costs set out in the table?  
35           g) What is the basis for the 1 hour value for annual Tree on Line activity?  
36

37 *InnPower Corporation Response:*

38  
39 *Not applicable*  
40  
41

42 **8.0-VECC-50**

43  
44 **Ref: Ex. 8 (Amended), pg 97**

- 1  
2 a) What customers does InnPower apply its Charge for Access to Power Poles to (e.g., does it  
3 also include municipal attachments such as street lights and traffic lights as well as telecom  
4 and cable companies)?  
5 b) Are there parties that with attachments to InnPower's power poles that are not charged? If  
6 yes, who are they and why are the not invoiced?  
7 c) What is the basis for the 6,627 value for the number of poles with attachments (e.g., is it a  
8 forecast value for the test year or based on an historical year and, if the later, what year)?  
9 d) Please provide a breakdown of the number of poles with attachments by type of third  
10 parties that are billed by InnPower (e.g. telecom& cable, street lights, traffic lights, etc.).  
11 e) What are the net book value and total number of poles used to calculate the \$1,625  
12 embedded cost per pole and on what year are they based? In responding please reconcile  
13 the total embedded poles cost value used with the values provided in the asset continuity  
14 schedule.  
15 f) In calculating the embedded cost per pole, was any adjustment made for power-specific  
16 assets? If yes, what was it? If no, why not?  
17 g) Please provide the derivation of the \$11.90 pole maintenance cost per pole. In responding,  
18 please indicate if any adjustment was made for power specific assets.  
19 h) What is the basis for the 3% capital carrying cost rate used and on what year is it based?  
20 i) Please explain how the 3% relates to InnPower's before-tax average weighted cost of capital.  
21 j) What it the basis for using "two" as the number of third party attachments.  
22 k) Please clarify whether the costs are based on number of 3rd party attachers or number of  
23 3rd party attachments per pole. (Note: An attacher can have more than on attachment to  
24 the same pole).  
25 l) Please provide the derivation of the 30% factor used to determine the cost per 3rd party  
26 attachment/attacher.  
27

28 *InnPower Corporation Response:*

29  
30 *Not applicable*  
31  
32  
33  
34  
35  
36  
37

38 *~Respectfully Submitted~*