



PUBLIC INTEREST ADVOCACY CENTRE  
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January 17, 2019

VIA E-MAIL

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge St.  
Toronto, ON

Dear Ms. Walli:

**Re: EB-2018-0063 Ottawa River Power Corporation - 2019 Electricity Distribution Rates  
Supplemental Interrogatories of Vulnerable Energy Consumers Coalition (VECC)**

Please find enclosed the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

(Original Signed By)

John Lawford  
Counsel for VECC

Copy to: Ottawa River Power Corporation

**EB-2018-0063**

**Ottawa River Power Corporation  
Application for electricity distribution rates effective May 1, 2019**

**Vulnerable Energy Consumers Coalition (VECC) Supplemental Interrogatories**

VECC-13

Ref 1: Ottawa River\_2019\_IRR\_VECC\_20181221

Ref 2: Ottawa River\_2019\_IRR\_VECC Revised\_20190109

Please provide the differences between the two documents.

VECC-14

Ref 1: Ottawa River\_2019\_IRR\_OEB Staff\_20181221

Ref 2: Ottawa River\_2019\_IRR\_OEB Staff Revised\_20190109

Please provide the differences between the two documents.

VECC-15

Ref 1: Ottawa River\_2019\_IRR\_VECC Revised\_20190109 VECC IR#1

Ref 2: Ottawa River\_2019\_IRR\_VECC\_App 1\_20121221

The capital amounts at reference #1 do not align with the capital amounts at reference #2.

Please reconcile.

VECC-16

Ref 1: Ottawa River\_2019\_IRR\_VECC\_App 1\_20121221

Ref 2: Section 22 Incremental Capital Module Rate Rider Request P18

The capital amounts for Substation 4 Build – Almonte at reference #1 do not align with the project estimate at reference #2. Please reconcile.

VECC-17

Ref: Filing Requirements for Electricity Distribution Rate Applications, Chapter 3 Incentive Rate-Setting Applications July 12, 2018 P24

The Board's Filing Requirements indicate the ICM is not available for incremental funding if a distributor's regulated return exceeds 300 basis points above the deemed return on equity embedded in the distributor's rates.

Please discuss and provide Ottawa River's deemed return on equity in base rates compared to its rate of return for 2017 and 2018 (forecast and actual).

VECC-18

Ref: Filing Requirements for Electricity Distribution Rate Applications, Chapter 3 Incentive Rate-Setting Applications July 12, 2018 P24

The requested amount for an ICM claim must be incremental to a distributor's capital requirements within the context of its financial capacities underpinned by existing rates and satisfy the eligibility criteria of materiality, need and prudence set out in section 4.1.5 of the ACM Report.

<b>Criteria</b>	<b>Description</b>
<b>Materiality</b>	<p>A capital budget will be deemed to be material, and as such reflect eligible projects, if it exceeds the OEB-defined materiality threshold. Any incremental capital amounts approved for recovery must fit within the total eligible incremental capital amount (as defined in this ACM Report) and must clearly have a significant influence on the operation of the distributor; otherwise they should be dealt with at rebasing.</p> <p>Minor expenditures in comparison to the overall capital budget should be considered ineligible for ACM or ICM treatment. A certain degree of project expenditure over and above the OEB-defined threshold calculation is expected to be absorbed within the total capital budget.</p>
<b>Need</b>	<p>The distributor must pass the Means Test (as defined in the ACM Report).</p> <p>Amounts must be based on discrete projects, and should be directly related to the claimed driver.</p> <p>The amounts must be clearly outside of the base upon which the rates were derived.</p>
<b>Prudence</b>	<p>The amounts to be incurred must be prudent. This means that the distributor's decision to incur the amounts must represent the most cost-effective option (not necessarily least initial cost) for ratepayers.</p>

a) Please explain how Ottawa River's ICM request satisfies the above criteria: materiality, need, and prudence.

VECC-19

Ref: VECC IR#3 (b)

a) Please provide historical load growth rates compared to current and forecast rates to demonstrate load is quickly being added to the Almonte 4 kV system at a rate substantially higher than previous years.

b) In what year does Ottawa River expect new load growth to exceed available capacity? Please provide all assumptions and calculations.

VECC-20

Ref: EB-2014-0195 DSP

a) Please provide the capital projections for 2015 and beyond included in the DSP.

VECC-21

Ref: VECC IR#2 (c)

Please discuss the potential to defer the new bucket truck in Almonte proposed for 2019.