



***PUBLIC INTEREST ADVOCACY CENTRE  
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February 6, 2009

**VIA MAIL and 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-2008-0205  
Oshawa PUC Networks Inc. – 2009 Electricity Distribution Rate Application  
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)**

Please find enclosed the Interrogatories of the Vulnerable Energy Consumers Coalition (VECC) on the Applicant's evidence in the above-noted proceeding regarding Incremental Capital.

We have also directed a copy of the same to the Applicant.

Thank you.

Yours truly,

Michael Buonaguro  
Counsel for VECC  
Encl.

cc: Oshawa PUC Networks Inc.

**OSHAWA PUC NETWORKS INC. (OPUCN)  
3GIRM INCREMENTAL CAPITAL APPLICATION  
EB-2008-0205**

**VECC Interrogatory Requests**

**Concrete Pole Replacement**

**Question #1**

**Reference:** i) Oshawa PUC, 3GIRM Incremental Capital Application, pages 5-7  
ii) EB-2007-0710, Exhibit 2/Tab 3/Schedule 1

- a) Please confirm that the 2006 Kinetrics Asset Condition Assessment included a review of “concrete poles” – per reference (ii), Appendix D, page E-2. If so, why weren’t the issues discussed on page 5 (reference (i)) identified during this assessment?
- b) Apart from the 2006 Kinetrics Report, had OPUCN under taken any other inspections/reviews/assessments of the condition of its concrete poles in the three years prior to the July 21, 2008 incident? If not, why not? If yes, why did these inspections not uncover the problems noted in the Application?
- c) Please confirm that OPUNC has an ongoing pole replacement program and provide a schedule that sets out:
  - Total Actual Spending on Pole Replacement for 2006-2008
  - Total Forecast Spending (excluding the requested \$1,521,800) on Pole Replacement for 2009.
  - The number of wood poles and the number of concrete poles replaced annually from 2006-2008.
  - The number of wood poles and the number of concrete poles to be replaced in 2009 – with out the provision for the incremental funding.
- d) Please address the ability of OPUCN to address this issue within its current Pole Replacement Program budget.
- e) Has OPUCN consulted other Ontario distributors regarding their experience and practices regarding concrete poles? If yes, please provide the results.
- f) Has OPUCN sought any external third party advice regarding the condition of and need to replace its concrete poles?
- g) Have there been any additional concrete pole failures since the July 2008 incident? If yes, please provide a schedule setting out the date and circumstances associated with each failure.

- h) Has OPUCN assessed the location of its concrete poles to determine what percentage of them are in high risk (public) areas such as near high traffic (car/pedestrian) corridors, near schools/playgrounds, etc.? If yes, what were the results?
- i) Did OPUCN consider undertaking a two/three year replacement program that prioritized high risk areas? If yes, why was it rejected? If not, please provide comments on undertaking such an approach.

### **Long Term Load Transfer Elimination**

#### **Question #2**

**Reference:** i) Oshawa PUC, 3GIRM Incremental Capital Application, pages 7-9

- a) Given the current economic conditions, is OPUCN still experiencing “rapid growth of its customer base” – per pages 8 and 10? Please provide a schedule setting out the number of new service connections each year for 2006-2008 and current projections for 2009.
- b) Please provide a schedule that:
  - Breaks down the customers to be transferred in each year (per page 8) by customer class
  - Sets out the loads by customer class for each year’s customers
  - Sets out the incremental distribution revenues OPUCN will receive (based on approved 2008 rates) from the customers that will be transferred each year.
- c) Please provide a schedule that sets out the annual capital spending (including 2008) based on the current four-year plan to eliminate LTLT – per page 8.
- d) Please confirm that even with the proposed acceleration of the LTLT program OPUCN will not be in compliance with the Distribution System Code.

## **Distribution System Reliability Improvement**

### **Question#3**

**Reference:** i) Oshawa PUC, 3GIRM Incremental Capital Application, pages 9-11  
ii) EB-2007-0710, Exhibit 2/Tab 3/Schedule 1  
iii) EB-2007-0710, Exhibit 2/Tab 3/Schedule 2

- a) Please identify more specifically the feeder targeted for replacement in terms of age, location, voltage, length, number of customers connected, etc.
- b) What is the recent reliability performance of the targeted feeder relative to other similar feeders on OPUCN's system?
- c) Please provide a schedule that sets out OPUCN's total Enhancement (defined per reference (iii)), capital spending budget for 2009 and list all projects with spending over \$100,000 – including those associated with the incremental capital spending being applied for. Note: Please distinguish between new projects and those continuing from 2008 (approved).
- d) Based on the Asset Investment Tool described in reference (ii), pages 15-19, please undertake the following:
  - Provide the value creation and risk mitigation ranking for each project planned for 2009 and listed in response to part (c).
  - Discuss the relative ranking of the feeder project proposed for incremental capital funding relative to other new projects in OPUCN's 2009 budget.
  - Identify the projects with the lowest scores (in terms of value and risk) totalling \$500,000 in spending and comment on the implications of not proceeding with these expenditures in 2009 (i.e., a one-year delay).

## **Mobile Work Force**

### **Question #4**

**Reference:** i) Oshawa PUC, 3GIRM Incremental Capital Application, pages 12-13

- a) Please provide a copy of the cost/benefit analysis that justifies the investment in the purchase of a mobile workforce system.
- b) The application makes reference to 1 person year of work being eliminated as result of the project. What is the associated annual savings in OM&A costs (i.e., wages, benefits, pension costs, etc.)?
- c) What is the expected life of the new system and the annual operating/licensing costs?

## **2009 Capital Budget**

### **Question #5**

**Reference:** i) Oshawa PUC, 3GIRM Incremental Capital Application, page 3  
ii) EB-2007-0710, Exhibit 2/Tab 3/Schedule 2

- a) Please provide a schedule that sets out OPUCN's total 2009 capital budget broken down between Expansion, Connections, Enhancement, Meters, Vehicles and Special/Individual Projects (per definitions in reference (ii)). Please identify the gross spending and spending net of capital contributions. On the same schedule please provide actual annual spending for 2006-2008 and Board approved 2008 spending.
- b) With respect to part (a), please identify in which spending category each of the four 2009 "incremental capital projects" is included.
- c) Please provide a variance explanation if 2009 spending in any of the following categories varies by more than 5% from the 2008 spending approved by the OEB:
  - Meters
  - Vehicles
- d) Please list and provide an explanation (i.e., drivers) for any Special/Individual Projects budgeted for 2009 with spending of \$100,000 or more. What capital contributions (if any) are associated with the 2009 projects in this area
- e) Please confirm that the new MS (i.e., MS9) project and the SCADA replacement project were both completed in 2008 as outlined in OPUCN's 2008 Rate Application. If not, please identify the spending in the 2009 budget associated with these projects.

- f) For the Connections category please indicate the number of new connections and connection upgrades planned for 2009 and contrast this with the numbers for 2007 and 2008. Please provide a variance explanation if the projected spending for 2009 exceeds the Board approved 2008 levels by more than 5%.
- g) For the Expansion category, please undertake the following:
- Indicate the total number of projects,
  - Provide a listing of projects with spending of \$10,000 or more ,and
  - Provide an explanation for any project with spending exceeding \$50,000.
- h) For the Enhancement category, please undertake the following:
- Provide a schedule that sets out spending for 2008 and 2009 broken down between: i) 2008 programs that are continuing in 2009, ii) 2008 programs that are completed in 2008 (e.g., MS9 and SCADA replacement) and iii) New 2009 Enhancement projects
  - For 2008 Enhancement programs that continue in 2009 and 2009 spending exceeds \$100,000, please describe the nature of the program and provide an explanation for variances of 5% or more.
- i) Please describe how OPUCN identified the \$1,703,249 in capital project spending that it considered to be discretionary and/or included in the approved rate base (per reference (i)).

### **2009 3GIRM Revenue Requirement Adjustment**

#### **Question #6**

**Reference:** Oshawa PUC's 3GIRM Supplementary Filing Module

- a) Please confirm that the Supplementary Filing Module does not apply the ½ year rule to either the rate base impact or the depreciation impact of incremental capital spending.