



***PUBLIC INTEREST ADVOCACY CENTRE  
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September 4, 2009

**VIA E-MAIL**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON  
M4P 1E4

Dear Ms. Walli

**Re: EB-2009-0243: Application for Recovery of Contact Voltage  
Remediation Costs Toronto Hydro Electric System Ltd**

Please find enclosed the interrogatories of VECC in the above noted application.

Yours truly,

*Original signed*

Michael Buonaguro  
Counsel for VECC

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**Toronto Hydro Electric System Ltd**  
**Application for Recovery of Contact Voltage Remediation Costs**  
**Information Requests of Vulnerable Energy Consumers Coalition (VECC)**

VECC Question #1

Reference Application Page 3 para1

Preamble

*"In order to accomplish this substantial work program as quickly and effectively as possible, all the involved resources will be directed by senior management of the distribution utility. While Toronto Hydro will make every effort to capture and record all relevant information on the equipment itself and the directly associated expenditures, it will not be possible under the conditions to segregate the crews and assets of the streetlighting affiliate from those of the distribution utility. For any location determined to require repair, the first available crew will be dispatched regardless of the precise nature of the electrical fault or of crew personnel composition."*

- a) Explain why THESL could not track and determine (Post event) the costs of remediation on a site specific basis in order to facilitate an appropriate allocation of these costs.
- b) Why does not the utility's Work and Asset Management System work in such an emergency situation as for normal scheduled work. Please explain in detail.
- c) Explain in detail why in respect of tracking of costs this situation was different than the Storm Damage Emergency of August 2009?

VECC Question #2

Reference Application Page 5 Table 1

- a) What is the basis of the costs claimed in Table 1? Provide the summary Worksheets showing the breakdown of costs on each line.
- b) Explain in detail why Base compensation (as opposed to Overtime) for THESL staff deployed is incremental to the distribution revenue requirement? For example did THESL hire extra staff to back fill deployed staff?
- c) If not included in a), provide the split in Labour costs (regular and OT) between THESL and THESC/Streetlighting.
- d) Did THESL or Streetlighting not have Scanning Equipment and staff of its own that could be deployed? Explain.
- e) Was the Contract for Scanning Services Tendered? If so provide details. If not on what basis was Power Survey LLC ("PSC") retained?

- f) Provide details of the special equipment and personnel provided by this Contractor.

#### VECC Question #3

Reference Application Page 5 Table 1 and Page 6

Preamble:

*THESL also submits on the same basis that the costs for continued system scanning are clearly incremental to the approved revenue requirement for 2009; these costs were unforeseen and are novel for THESL's system.*

- a) Is the Level III emergency over? Provide copies of any correspondence in this regard.
- b) If the Level III Emergency is over, is THESL retaining PSC on an ongoing basis? Explain the scope, cost and duration of this arrangement.
- c) Provide information concerning the number of utilities PSC has provided similar services to in the last 3 years and if available whether the work related to low voltage urban distribution systems. Indicate Canadian utilities as a subset.
- d) Explain why would not a utility such as THESL conduct surveys of its underground equipment to on an ongoing basis to detect leakage/unsafe conditions (or respond to complaints) as do the gas utilities, including Enbridge Gas Distribution?
- e) Does THESL have the Equipment and trained staff to do routine Inspections surveys? If not why not?
- f) Why are the Ongoing Survey costs listed in Table 1 not part of ongoing operations. Provide a breakdown of this amount , including how the costs are allocated between distribution and Streetlighting/USL.
- g) Explain why this work is not work of an ongoing nature that is prioritized along with other underground maintenance/remediation work related to both the distribution system and Streetlighting/USL.

#### VECC Question #4

Reference Application Page

Preamble

*On March 4, 2009, the Board issued a letter to distributors (attached as Appendix 1 to this Application) addressing issues around contact voltage. Among other things, the Board stated:*

*"Public safety is of primary importance. Uncertainty as to connection demarcation points should not inhibit or delay the correction of unsafe wiring of unmetered load. Distributors should ensure that any unsafe wiring encountered on public walkways is addressed immediately."*

- a) Does THESL agree that there is no demarcation point(s) between distribution and streetlighting and between distribution and unmetered scattered load?
- b) Is there a difference between the physical connection points for streetlights and other loads including USL (street signs bus shelters and other street furniture. Explain in detail.
- c) With regard to the lack of demarcation between distribution and streetlighting does THESL adopt the testimony of MR Haines in EB-2009-0180-0183?

#### VECC Question #5

Reference Application Page 8

Preamble

*In its letter of March 4, the Board also stated:*

*"It is expected that distributors have planned for, and are able to accommodate, all necessary maintenance or isolation of connections for unmetered loads to ensure the public's safety. In this regard, distributors are also expected to recover from the customer the cost of repairs or isolation of customer owned equipment or connections. A one-time billing charge or direct invoice may be used for this purpose. Distributors should where possible discuss in advance the need for correction to customer equipment.*

- a) *Explain in more detail why the costs cannot be recovered from the streetlighting and USL/BIA asset owner. In particular is the reason based on lack of incident reports or the inability of THESL to determine causation or both*
- b) *Out of the 13,000- handwells inspected, how many were found defective?*
- c) *Provide a breakdown of the numbers according to the type of third party assets connected*

#### VECC Question #6

Reference Application Page 8

Preamble

*Nevertheless, as discussed below under Cost Allocation, THESL proposes that costs be recovered in a manner that results in an outcome substantially similar to that which likely would have prevailed if it had have been possible to discretely record and cost each individual piece of remediation work.*

- a) Explain in more detail why the proposed allocation is "substantially similar" to what would have prevailed if THESL had recorded the cost of each site remediation.
- b) If there is no basis for cost causation, why should any costs be allocated to the residential class. Explain fully why residential connections are part of the problem.

- c) Why is scanning of streetlevel handwells in any way connected to any other loads than end use loads such as streetlighting, USL and BIA assets connected to these points? Please Explain fully.
- d) Provide a tabulation showing estimated BIA assets/connections, customers and loads by class.

#### VECC Question #7

Reference Application Page 9/10: Exhibit 1 and 2a)and 2b)

#### Preamble

THESL proposes that of the total \$14.35 million of costs for which recovery is being sought, \$6.56 million of scanning costs be allocated to all classes on the basis that they were incurred to ensure the safety of the entire distribution system, while the remaining\$7.79 million related to the remediation of existing contact voltages and inspection and remediation of handwells be recovered from the Streetlighting and USL classes only.

- a) Please provide revised Exhibits 1, 2a and 2b on the basis of recovery of all costs from the Streetlighting and USL classes.
- b) Provide revised Exhibits1, 2a and 2b on the basis of recovery of all costs except ongoing scanning (\$2.4 million) from streetlighting and USLclasses
- c) Based on the response VECC IR 6 d) provide revised Exhibits1, 2a and 2b on the basis of recovery of all costs except ongoing scanning ,from streetlighting USL classes and Classes with BIA connections/loads.