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December 10, 2010

BY EMAIL & COURIER

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge St, Suite 2701  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Board File No. EB-2010-0291 Great Lakes Power Transmission Inc.  
2011-2012 Transmission Rates Application  
Energy Probe – Interrogatories**

Pursuant to the Procedural Order No. 1, issued November 17, 2010, please find attached the interrogatories of Energy Probe Research Foundation (Energy Probe) in the EB-2010-0291 proceeding.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh  
Case Manager

cc: Andy McPhee, Great Lakes Power Transmission Inc. (By email)  
Charles Keizer, Torys LLP (By email)  
Olena Loskutova, Consultant to Energy Probe (By email)  
Peter T. Faye, Counsel to Energy Probe (By email)  
Intervenors of Record (By email)

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**Ontario Energy Board**

**IN THE MATTER OF** the *Ontario Energy Board Act*,  
1998, S.O. 1998, c.15, (Schedule B);

**AND IN THE MATTER OF** an Application by Great  
Lakes Power Transmission Inc. on behalf of Great Lakes  
Power Transmission LP, seeking changes to the Uniform  
Provincial Transmission Rates for 2011 and 2012.

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**INTERROGATORIES OF  
ENERGY PROBE RESEARCH FOUNDATION  
("ENERGY PROBE")**

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**December 10, 2010**

**GREAT LAKES POWER TRANSMISSION INC.  
UNIFORM PROVINCIAL TRANSMISSION RATES APPLICATION  
EB-2010-0291**

**ENERGY PROBE RESEARCH FOUNDATION  
INTERROGATORIES**

**Issue 1: Calculation of Transmission Rate Base for the Test Years**

**Interrogatory # 1**

**Ref: Exhibit 2, Tab 1, Schedule 1, Page 7**

**This page of the exhibit discusses the retirement of assets in the old 115 kV yard at Third Line TS.**

**Please provide a table showing the assets to be removed from rate base, their respective book values at retirement and any salvage value.**

**Interrogatory # 2**

**Ref: Exhibit 2, Tab 1, Schedule 1, Page 7**

**The Evidence states that the Third Line Redevelopment project will result in reduced environmental risk and maintenance costs.**

- a) Please describe the reduced environmental risk.**
- b) Please provide an estimate of the reduced maintenance costs.**

**Interrogatory # 3**

**Ref: Exhibit 2, Tab 1, Schedule 1, Page 8, Lines 15 - 17**

**Please provide the study that recommended purchase of a new emergency dual fuel generator.**

#### **Interrogatory # 4**

**Ref: Exhibit 2, Tab 1, Schedule 1, Page 8-9**

**These pages describe the proposed Sackville Road emergency generator and references a 2009 study to determine its need. In addition to Board Staff requests for additional information, please provide the following:**

- a) Was the cost of this project part the Board approved capital in EB-2009-0408 application? If not, please explain why it was not included in that application.**
- b) Please describe the old generator in terms of size, age and capability to provide the necessary service.**
- c) What is GLPT doing with the old generator? Does it have any remaining book value?**
- d) Does the old generator have any salvage value? If yes, please provide the reference in the evidence where the gain/loss on disposition is shown.**

#### **Interrogatory # 5**

**Ref: Exhibit 2, Tab 1, Schedule 1, Page 9-11**

**These pages describe the Sackville Building HVAC replacement project. In addition to Board Staff requests for additional information, please provide the following:**

- a) An inventory of roof top units referred to in Lines 6-7 on Page 10 along with each unit's current age.**
- b) Do all of these units use R-22 refrigerant? If not, please describe the other refrigerants used and comment on their environmental suitability.**
- c) Service life is described as between 15-20 years in Line 7. Please explain how service life is determined?**
- d) Line 10 states that the Carrier VVT building automation system currently in use will suffer from parts unavailability and lack of manufacturer support in the "foreseeable future". Please elaborate on what the foreseeable future is.**

- e) **Has Carrier notified GLPT that it will no longer provide parts or support for this system? If yes, please provide a copy of the correspondence. If not, what is the basis for the conclusion?**
- f) **How much of the \$410 k budget for the project is attributed to the new building automation system?**
- g) **Can the building automation system be replaced independently after the HVAC components have been replaced? Please comment on the pros and cons of deferring the building automation system part of the project.**
- h) **Please quantify the energy cost reduction referred to on Line 3 of Page 11.**
- i) **Please explain how replacing the HVAC components and the building automation system will result in better air quality referred to on Line 7 of Page 11.**

#### **Interrogatory # 6**

**Ref: Exhibit 2, Tab 1, Schedule 1, Page 11-14**

**These pages describe the Asset Management System Enhancements project. In addition to Board Staff requests for additional information, please provide the following:**

- a) **Please describe how OM&A costs to support the software upgrades will differ from the support costs for the existing software.**
- b) **Will additional internal or contract staff be needed to support the new software? If yes, please provide the annual cost.**
- c) **Will annual licensing fees apply to the new software? If yes, please provide the annual cost.**
- d) **What is the expected service life of the new software?**

**Interrogatory # 7**

**Ref: Exhibit 2, Tab 1, Schedule 1, Page 14-15**

**These pages describe the Clergue TS Overload Protection project.**

- a) **When was Clergue TS first placed in service?**
- b) **Please provide a copy of the assessment referred to in Line 7 on Page 14.**
- c) **Please explain how the N-1 available capacity requirement has changed since the station was first put in service resulting in the assessed deficiency in the cables and transformers referred to in Line 8.**
- d) **Please explain the economic and practical consequences of rejecting the generation/load referred to in Lines 15-16.**
- e) **If the scheme involves rejecting load (i.e. Resulting in customer outages), please explain how this would achieve improved reliability referred to in Line 2 on Page 15.**
- f) **How much are the cost savings to ratepayers of not replacing the cables and transformers referred to in Lines 3-6 on Page 15?**

**Interrogatory # 8**

**Ref: Exhibit 2, Tab 1, Schedule 1, Page 15-16**

**These pages describe the Magpie TS Lightning Arrestor project.**

- a) **When was Magpie TS first placed in service?**
- b) **Is the high incidence of lightning strikes referred to in Lines 8-10 on Page 15 a recent phenomenon? If yes, what is it attributed to?**
- c) **If not a recent phenomenon, how were the effects of lightning strikes addressed in the original design and/or subsequent modifications to the station?**
- d) **Does the station currently have lightning arrestors? If yes, please describe their deficiencies for handling lightning strikes.**

**Interrogatory # 9**

**Ref: Exhibit 2, Tab 1, Schedule 1, Page 16-17**

**These pages describe the MacKay TS Station Service Voltage Regulator project.**

- a) Please describe the magnitude and frequency of the voltage variations referred to in Lines 9-10 on Page 16.**
- b) What are the variations attributed to?**
- c) Are there other solutions that would eliminate the variations so that voltage regulation at the station is not required? Please describe.**
- d) What is the expected service life of the voltage regulators?**
- e) What is the expected OM&A cost of operating and maintaining them annually?**

**Interrogatory # 10**

**Ref: Exhibit 2, Tab 1, Schedule 1, Page 17-20**

**These pages describe the Master SCADA system replacement project. In addition to Board Staff requests for additional information, please provide the following:**

- a) Please confirm that the reference to Ex 4-2-4 on Line 6 of Page 18 should be Ex 4-2-3 and that the applicable license fee payable to GLPL in the test years is \$280.6 k.**
- b) Please describe how the existing SCADA system does not comply with NERC requirements referred to in Line 19 on Page 18. What are the consequences of not complying with NERC requirements in this regard?**
- c) What is the expected service life of the new SCADA system?**
- d) Will any modifications be required to line or station equipment to integrate the new SCADA system with the existing transmission system? If yes, please describe what is necessary and advise where the applicable costs are shown in the evidence.**

- e) Will additional internal or external staff support be required for the new SCADA system? If yes, please advise what additional annual costs are expected and where they are included in the evidence.
- f) Will annual licensing fees for the system software be required? If yes, please advise how much they will be and where they are included in the evidence.

**Interrogatory # 11**

**Ref: Exhibit 2, Tab 1, Schedule 1, Page 20**

**This page describes the Third Line TS redevelopment project. In addition to Board Staff requests for additional information, please provide the following:**

- a) What will the old 115 kV yard be used for after it is decommissioned?
- b) Please describe the special precautions that are involved in treating each breaker as if it is contaminated by PCBs as referenced on Lines 13-14?
- c) Can oil samples be taken from each breaker before it is dismantled and moved to determine if it is contaminated with PCB's? If yes, please explain why this would not be an appropriate approach to the problem of determining the PCB content of the equipment.
- d) If on site testing revealed that some or all breakers were not contaminated with PCBs how would this affect the removal procedures and costs?

**Interrogatory # 12**

**Ref: Exhibit 2, Tab 1, Schedule 1, Page 20-21**

**These pages describe the Goulais TS civil refurbishment project.**

- a) When was Goulais TS first placed in service?
- b) Has the applicable standard for crushed stone cover changed since the station was first placed in service? If not, please explain why the station does not have adequate crushed stone cover on the grounding grid as referenced in Lines 1-2 on Page 21.



- c) How old is the fencing referred to on Lines 3-4 of Page 21? What is the expected service life of chain link fencing?
- d) Will the new fencing differ in design or construction from the old? If yes, please describe the differences.
- e) How much of the \$489 k budget for the project is attributable to the fencing?

**Interrogatory # 13**

**Ref: Exhibit 2, Tab 1, Schedule 1, Page 21-22**

**These pages describe the Work Management System Conversion project. In addition to Board Staff requests for additional information, please provide the following:**

- a) What is the expected service life for this system?
- b) Will additional internal or external staff be required for support of the new system? If yes, please describe and advise where the applicable costs are shown in the evidence.
- c) Will annual licensing fees for the system software be required? If yes, please advise how much they will be and where they are included in the evidence.

**Interrogatory # 14**

**Ref: Exhibit 2, Tab 1, Schedule 1, Page 25-26**

**These pages describe the Echo River TS protection upgrade project. Lines 4-9 on Page 26 provide the variance explanation for incremental spending on this project.**

- a) Please provide details of what parts of the project were underestimated as referred to in Lines 4-5 and what caused the estimating error.
- b) Is the 2010 expenditure of \$52,500 part of the underestimate?

## **Issue 2: Transmission Operating Costs for the Test Years**

### **Staff Levels and Compensation**

#### **Interrogatory # 15**

**Ref: Exhibit 2, Tab 2, Schedule 1, Page 5**

**This page shows OM&A costs by uniform system of accounts. In addition to Board Staff requests for additional information please provide the following:**

- a) Table 4-2-1 C on Page 5 shows executive salaries and expenses (Account 5605) increasing substantially over the test years compared to the 2010 forecast. Please provide an explanation for why these costs are increasing much faster than other OM&A costs.**
- b) Outside services employed (Account 5630) shows a significant decline in cost in the test years. Please provide an explanation for this decline.**

#### **Interrogatory # 16**

**Ref: Exhibit 2, Tab 2, Schedule 2, Appendix B**

**This exhibit is the collective agreement with the PWU. Article 12.2.1 on Page 19 of the agreement references the Extended Health Care and Drug Plan.**

- a) Does the drug plan referred to in this article cover non-prescription drugs? If yes, please provide a copy of the plan setting out what is covered in the non-prescription drug category.**
- b) If the plan does cover non-prescription drugs, is this provided at no cost to employees? If yes, what is the annual cost of the non-prescription drug part of the plan? If no, what contribution does the employee make?**

#### **Interrogatory # 17**

**Ref: Exhibit 2, Tab 2, Schedule 2, Appendix B**

**Article 12.4 on Pages 19-20 refers to Benefits for Retirees. For each of Union, Non Union and Executive groups of employees please provide:**

- a) **What percentage of retiree benefits costs is paid by the company?**
- b) **How long are retirees able to participate in the retiree benefits plan?**
- c) **Are surviving spouses of retirees eligible for continued retiree benefits? If yes, please describe the terms and conditions that apply.**

**Interrogatory # 18**

**Ref: Exhibit 2, Tab 2, Schedule 2, Appendix B**

**Article 16.1.5 on Page 23 references recreational facilities provided by the Company at permanent work quarters.**

**Please describe the kind of recreational facilities provided and their annual cost.**

**Interrogatory # 19**

**Ref: Exhibit 2, Tab 2, Schedule 2, Appendix B**

**Article 16.2.2 on Page 24 describes the replacement of personal tools. The last paragraph of the article states that employees hired after January 1, 1994 will be required to supply their own tools of the trade.**

**Does the tool replacement policy referred to in the first paragraph of the article apply to this group of employees or just to employees hired prior to January 1, 1994?**

**Interrogatory # 20**

**Ref: Exhibit 4, Tab 2, Schedule 1, Appendix A, Page 8  
Table 1: OM&A Year over Year Comparisons**

**Please explain in detail what additional Administrative & General work is expected to be carried out in 2010 that would result in a 45 % increase compared to 2009 in OM&A expenses for this category?**

**Interrogatory # 21**

**Ref: Exhibit 4, Tab 2, Schedule 2, Page 2**

**Table 4-2-2A – Employee compensation shows that the 2010 forecast of employee compensation is substantially higher than in 2009. The difference in total compensation in 2010 compared to 2009 is \$1,533,600, which is a 40% increase.**

- a) Please explain the need for such an increase.**
- b) Also, please describe in detail what the expenditure increase will be for?**

**Interrogatory # 22**

**Ref: Exhibit 4, Tab 2, Schedule 2, Appendix A, Page 5**

- a) What does GLPT consider an effective environmental management system?**
- b) What environmental incidents wouldn't be taken into consideration when evaluating working group performance?**
- c) Please provide a list of high-risk incidents that would influence working group performance.**
- d) Did GLPT have situations in the past when environmental incidents resulted in lower working group performance? If yes, please give some examples.**
- e) Did the explosion of a PT in April 2009 at Mackay influence health and safety performance and result in lower working group performance?**

**Interrogatory # 23**

**Ref: Exhibit 4, Tab 2, Schedule 5, Page 3**

**Table 4-2-5B – Depreciation Expense by Asset Class**

- a) Please explain the substantial increase in depreciation expense for the communication equipment asset class (1955) in 2012 compared to 2009, an increase from 24.3 to 74.1 (in \$000's).**
- b) Please explain the substantial increase in computer software depreciation expense (asset class 1925) in 2012 compared to 2009, an increase from 25.7 to 495.9 (in \$000's).**