

EB-2012-0153
Northern Ontario Wires Inc.
2013 Cost of Service Electricity Rate Application
AMPCO Interrogatories

EXHIBIT 1 - ADMINISTRATIVE DOCUMENTS

1.0-AMPCO-1

Reference: Exhibit 1, Tab 1, Schedule 13, Page 2

Preamble: The application indicates NOW Inc. commits to formally review and update its Conditions of Service after this proceeding and bring that revised document forward to the next cost of service proceeding (currently expected in 2017).

- a) Please discuss why NOW is not reviewing and updating its Conditions of Service as part of this application.

1.0-AMPCO-2

Reference 1: Exhibit 1, Tab 2, Schedule 1, Page 1

Reference 2: Exhibit 1, Tab 2, Schedule 7, Page 1

Preamble: At the first reference NOW refers to a service revenue requirement of \$3,575 k whereas the second reference refers to a service revenue requirement of \$3,229 k. Please reconcile the two amounts.

EXHIBIT 2 – RATE BASE

2.0-AMPCO-3

Reference: Exhibit 2, Tab 3, Schedule 3, Attachment 1, Appendix 2-B, 2013 Test year, MIFRS

- a) Please provide a breakdown of the expenditures in 2013 for account 1920, computer equipment hardware.

2.0-AMPCO-4

Reference: Exhibit 2, Tab 6, Schedule 2, Page 1

- a) Does NOW track momentary outages?
- If yes, please provide the MAIFI data from 2008 to 2012 and discuss the trend.
- If no, please provide an explanation.
- b) Please provide NOW's internal SAIDI, SAIFI, CAIDI & MAIFI targets for 2013.

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- c) Please provide the number of interruptions, customers affected and customer minutes for each of the years 2008 to 2012.
- d) Please provide a breakdown of customer minutes by cause codes for the years 2008 to 2012.
- e) Please provide a further breakdown of defective equipment on the basis of cause and customer minutes.
- f) Please discuss how NOW compares to other utilities in its cohort in terms of reliability.

EXHIBIT 4 - OPERATING COSTS

4.0-AMPCO-5

- a) Please indicate whether Tables 2-I, 2-G, 2-J, 2-M and 2-L reflect CGAAP or MIFRS.

4.0-AMPCO-6

Reference: Exhibit 4, Tab 1, Schedule 1

- a) Page 2 (lines 14-15) - Please provide the source for the forecasted inflationary increase of 2.5% in 2013.
- b) Page 3 (lines 9-10) - Please identify the management positions realigned to maximize leadership in the operational departments.
- c) Page 3 - Please provide any savings resulting from the efficiencies discussed and indicate how any savings are accounted for in NOW's application.

4.0-AMPCO-7

Reference: Exhibit 4, Tab 1, Schedule 2

- a) Page 2 – Please provide the maintenance schedule for NOW's maintenance activities for 2009, 2012 and proposed for 2013 and discuss any variances.
- b) Page 2 – Please provide the status of the GIS project, the work planned for 2013 and the forecasted 2013 OM&A costs for the project.

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- c) Page 3 (Rolling Stock/Service Centre) – Please provide a breakdown of NOW's fleet vehicles by type from 2009 to 2013.
- d) Page 4 (Staffing) – NOW indicates the majority of the increase in staffing is the result of the addition of one full time lineman changing the lineman compliment from 7 to 8. At Exhibit 4, Tab 1, Schedule 1, Page 4 (line 9) NOW refers to the replacement of 1 lineman. Please reconcile.
- e) Page 4 (Shift in Labour Costs from OM&A to Capital) – NOW discusses the reduced requirement on outside staff to perform meter reading due to the change from conventional meters to smart meters. Please identify and meter reading cost savings and how they have been reflected in the application.
- f) Page 4 (Maintenance Materials & Services) - Please identify the revenue offsets to the additional costs discussed.
- g) Page 4 (Maintenance Materials & Services) - Please provide more details on the service centre rent incurred from Jan-June 2012
- h) 3 while transitioning from the previously rented facilities to the newly purchased building.
- i) Page 6 (Third Party Services) – Please provide a breakdown of Third Party Services costs from 2009 to 2013, including updated 2012 actuals.

4.0-AMPCO-8

Reference: Exhibit 4, Tab 1, Schedule 2, Table 4.1.1 Operating Cost Trend Table

- a) Please explain the decrease in billing and collecting in 2010 compared to 2009 actual and the significant increase forecasted in 2013 compared to 2010.
- b) Please explain the increase in 2013 compared to 2011 actual in Administrative and General Expenses.

4.0-AMPCO-9

Reference: Exhibit 4, Tab 4, Schedule 1

- a) Page 3 – Please explain the increasing workload for NOW and the need to hire a purchasing manager in 2011 with 40% of the costs allocated to NOW.

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- b) Please provide a summary of the management and union increases from 2009 to 2013.

4.0-AMPCO-10

Reference: Exhibit 4, Tab 4, Schedule 1, Attachment 1, Appendix 2-K

- a) Please confirm the incremental positions by employee type from 2009 to 2013 and confirm the total cost of these positions (salary & benefits).
- b) Please confirm the number of Part-Time employees in 2013.

EXHIBIT 5 - COST OF CAPITAL AND RATE OF RETURN

5.0-AMPCO-11

Reference: Exhibit 5, Tab 1, Schedule 1, Page 1

Preamble: The evidence states the calculated amount has been reduced by \$6,825 to reflect the MIFRS transition. This results in the total 2013TY regulated return on capital of \$433,350.

- a) Please provide this calculation.

EXHIBIT 7 – COST ALLOCATION

7.0-AMPCO-12

Reference: Exhibit 7, Tab 1, Schedule 1, Page 1

Preamble: NOW's provides two tables showing weighting factors for "Services" and "Billing and Collecting" by customer class.

- a) Please reproduce the "Services" table to show NOW's proposed weighting factors compared to the default values for each customer class.
- b) Please confirm NOW's Billing and Collecting weighting factors are the default weighting factors.
- c) Please discuss NOW's position on potential changes to weighting factors related to meter capital installations and meter reading.

7.0-AMPCO-13

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Reference: Exhibit 7, Tab 1, Schedule 1, Page 1

Preamble: The evidence states “NOWI review of their assets, and identified average costs of services recorded to 1855 for the Residential, General Service less than 50kW, and General Service 50 to 4,999 kW. No information was available for Street Lighting and Unmetered Scattered Load, although it is believed that these accounts have costs recorded to 1855.”

- a) Please discuss why NOW believes that these accounts (Street Lighting and Unmetered Scattered Load) have costs recorded to 1855
- b) Please provide a breakdown of the service costs recorded to 1855 for Street Lighting and Unmetered Scattered Load.

7.0-AMPCO-14

Reference: Exhibit 7, Tab 2, Schedule 1, Attachment 1.2, Page 2

Preamble: Table 2 shows the proposed 2013 Revenue to Cost Ratios compared to 2009.

- a) Please provide the rationale in maintaining the status quo ratios and proposing revenue to cost ratios for the GS<50 kW, GS>50 KW and USL customer classes away from unity.
- b) Please discuss why NOW is not proposing phased movement towards unity in the IRM years.
- c) Please provide NOW’s perspective on the quality of data and the level of modeling experience reflected in the 2013 cost allocation study compared to 2006.
- d) Please provide the rates and bill impacts by customer class based on revenue-to-cost ratios equal to unity in 2013.

EXHIBIT 8 - RATE DESIGN

8.0-AMPCO-15

Reference: NOWI 2014 CA Study, Page 13

- a) Please recalculate the volumetric rate and the fixed and variable percentages for the GS 50 to 4,999 kW customer class if the monthly fixed charge is set at the Minimum System with PLCC, i.e. \$120.91.