

**Ontario Energy Board**

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

**AND IN THE MATTER OF** an application by Hydro One  
Remote Communities Inc. for an Order or Orders approving  
or fixing just and reasonable rates and other charges for the  
distribution of electricity as of May 1, 2013.

---

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

---

**March 19, 2013**

**HYDRO ONE REMOTE COMMUNITIES INC.  
2013 RATES REBASING APPLICATION  
EB-2012-0137**

**ENERGY PROBE RESEARCH FOUNDATION  
INTERROGATORIES**

**EXHIBIT A – ADMINISTRATIVE**

**A-Energy Probe-1**

**Ref: Exhibit A, Tab 4, Schedule 1**

**Page 4 describes the funding limitations for generation upgrades imposed by AANDC resulting in increased “capital and maintenance work programs” for Remotes.**

- a) According to lines 14-21 on page 3, it appears that Remotes has contractual agreements in place with the Federal Government that require AANDC to provide funding for generation upgrades and expansions. Please explain what actions Remotes has taken to enforce the provisions of those agreements in the face of generation funding constraints imposed by AANDC.**
- b) Please describe the increased capital program required to compensate for the AANDC generation funding constraints.**
- c) Has Remotes attempted to recover its increased capital costs caused by the funding constraints from AANDC? If yes, please describe the outcome. If not, please explain why recovery from AANDC would not be feasible.**

**EXHIBIT C – COST OF SERVICE**

**C-Energy Probe-2**

**Ref: Exhibit C, Tab 2, Schedule 2**

**Line 19 on page 5 refers to a cost of \$300 k for “road maintenance to the Shoulderblade Falls site at Deer Lake”. Please explain what this project involved and why it was needed.**

### **C-Energy Probe-3**

**Ref: Exhibit C1, Tab 2, Schedule 2**

**Lines 2-3 on page 6 refer to “a battery survey initiated to investigate batteries and chargers after a battery failure at Sandy Lake” at a cost of \$166 k. Please describe the survey and its results.**

### **C-Energy Probe-4**

**Ref: Exhibit C1, Tab 2, Schedule 2**

**Page 6 describe on site operator agents as being “responsible for responding to emergencies such as power outages, house fires and spills”.**

- a) Please describe the role of agents in house fires.**
- b) Page 7 states that Remotes has increased the number of agents in most communities.**
  - 1. How many agents are normally employed in a community?**
  - 2. Are they Remotes employees or are they contract employees?**
  - 3. What is the average annual cost per agent?**

### **C-Energy Probe-5**

**Ref: Exhibit C1, Tab 2, Schedule 4, Page 1**

**Table 1 shows Customer Care costs increased from \$1,143 k in 2009 to \$1,930 in 2011, an increase of \$787 k. About \$333 k of the increase in 2011 is attributed to Remotes share of the cost of a new billing system.**

- a) Please explain the balance of \$454 k (\$787k - \$333k).**
- b) Bridge year spending is shown as \$1,689 k and the reduction from 2011 is attributed to the new billing system project costs winding down. How much of the \$1689 k in 2012 is attributable to the billing system project?**
- c) Test year spending is shown as \$1,855 k and the increase is attributed to the cost of including Cat Lake and Pikangikum in the Remotes customer care system. How much of the \$1,855 k is attributable to each of these new communities?**

- d) Please compare the expected Customer Care costs in Cat Lake and Pikangikum to the average Customer Care costs for the rest of Remotes service territory and explain any variances.

**C-Energy Probe-6**

**Ref: Exhibit C1, Tab 2, Schedule 4, Page 2**

According to the evidence on this page, outstanding account receivables have been reduced from \$9,532 k to \$4,685 k by the end of 2012 as a result of negotiated payment plans with most First Nations Band Councils leaving a balance of \$4,847 k.

- a) Please describe the circumstances leading to this large amount of receivables.
- b) How is Remotes treating the outstanding balance? I.e. is another payment plan contemplated to reduce it or is it to be written off to bad debt expense?
- c) Bad debt expense is forecast to rise again in 2012 and 2013. Please describe the actions taken by Remotes to prevent another large accumulation of receivables from First Nation Band Councils.

**C-Energy Probe-7**

**Ref: Exhibit C1, Tab 2, Schedule 5, Page 1**

Table 1 shows Community Relations costs have increased from \$394 k in 2009 to \$444 k in 2011. Some or all of this \$50 k increase appears to be related to the program to offer rebates for the purchase of Energy Star appliances.

- a) Please describe the rebate program offered. How does it compare with past or present OPA programs offered in non-Remotes service territories?
- b) Increased conservation spending is proposed for 2012 (\$344 k) and 2013 (\$361 k) according to lines 24-25 on page 2. Please describe in more detail the actions planned “to conserve electricity used in band operated assets such as Band Offices, arenas and water and sewage plants” referred to in lines 26-27.
- c) How much energy is expected to be saved by this increased effort and how much will it reduce costs?

### **C-Energy Probe-8**

**Ref: Exhibit C1, Tab 2, Schedule 5**

**In the previous proceeding EB-2008-0232, Remotes responded to Board Staff IR#22 that the OPA was compiling research results from a test CDM project for remote communities and planned to launch a program in 2009. Was the program ever introduced? Please provide an update.**

### **EXHIBIT D – RATE BASE**

### **D-Energy Probe-9**

**Ref: Exhibit D1, Tab 2, Schedule 1, Pages 10-11**

**Distribution system improvement costs are projected to increase in 2012-2013 and this is attributed to the acquisition of the Cat Lake and Pikangikum systems.**

- 1. Has Remotes conducted a condition assessment of these systems? If yes, please provide a summary of the work necessary to bring the systems up to acceptable standards.**
- 2. If Remotes has not conducted a condition assessment of the systems, please describe what the increased costs in 2012-2013 are based on.**

### **D-Energy Probe-10**

**Ref: Exhibit D2, Tab 2, Schedule 2**

**In the previous proceeding EB-2008-0232, Board Staff IR#3 asked about Remotes “plans to test catalytic reactor technology at its Armstrong station at a cost of \$358,368”. Please provide an update on that project including results, cost and effect on Remotes operating strategy for its generating plant.**

**D-Energy Probe-11**

**Ref: Exhibit D2, Tab 2, Schedule 3. Attachment 3**

**This attachment describes distribution system improvement projects. Page 1 refers to expected system expansion into the communities of “Pikangikum and Peawanuk (2013 and 2014)”.**

- a) Please describe the expansion projects planned for these two communities including an analysis of need.**
- b) Will Cat Lake also require some expansion work?**