



**PUBLIC INTEREST ADVOCACY CENTRE**

**LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC**

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March 22, 2013

**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: Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)  
EB-2012-0137 – Hydro One Remote Communities inc. (Remotes)**

Please find enclosed the Interrogatories of VECC with respect to the above-noted proceeding. As per Procedural Order No. 1 we have also directed a copy of the same to the Applicant as well as their counsel.

Yours truly,

Michael Janigan  
Counsel for VECC

Cc: Remotes – Jamie Waller – [Regulatory@hydroone.com](mailto:Regulatory@hydroone.com)  
Counsel - Michael Engleberg – [mengelberg@hydroone.com](mailto:mengelberg@hydroone.com)

**VECC INTERROGATORIES**  
**HYDRO ONE REMOTE COMMUNITIES INC.**  
**2013 RATE APPLICATION – EB-2012-0137**

**EXHIBIT A - ADMINISTRATION**

**A – VECC – 1**

**Reference:** Exhibit A, Tab 9, Schedule 3, page 3 and pages 5 and 6 (Tables)

- a) Please provide a table showing the revenue received by Remotes from Networks in respect of metering and lines services provided by Remotes in 2012 and forecasted for 2013.

**A – VECC – 2**

**Reference:** Exhibit A, Tab 15, Schedule 1, page 2, Table 1

- a) Are actual 2012 Customer Service Indicators now available? If so, please provide 2012 actuals.

**A – VECC – 3**

**Reference:** Exhibit A, Tab 15, Schedule 1, page 5, Table 2

- a) Are actual 2012 Service Reliability Indicators now available? If so, please provide 2012 actuals.
- b) Does Remotes track momentary outages?

**EXHIBIT C – COST OF SERVICE**

**C – VECC – 4**

**Reference:** Exhibit C1, Tab 2, Schedule 4, page 1, Table 1, and page 2

**Preamble:** On lines 6-10 of page 2, Remotes states that “*Customer Care spending in 2011 was higher mainly due to participation on the corporate project to replace Hydro One’s billing system (\$333 thousand). Bridge year spending is expected to be lower as the billing system project is implemented and required involvement in the project design*”

*winds down. Increases in 2013 relate to the inclusion of Cat Lake and Pikangikum in Remotes' service territory."*

- a) Focussing on the line item "Customer Care" in Table 1, the increase in 2010 Customer Care spending over 2009 was \$337 thousand. Please provide the main drivers of this increase.
- b) Similarly, the increase in 2011 Customer Care spending over 2010 was \$450 thousand, \$333 thousand of which Remotes attributes to Remotes' participation in the corporate billing system project. Please provide the main driver(s) of the residual 2011 increase of \$117 thousand in Customer Care spending.
- c) Please indicate how the cost of Remotes' participation in the project was determined and provide the allocation of the project's costs to all other parties.

#### **C – VECC – 5**

**Reference: Exhibit C1, Tab 2, Schedule 4, page 1, Table 1, and page 2**

- a) Please reconcile the reduction in accounts receivable of \$4,847 thousand (from \$9,532 thousand in January 2009 to \$4,685 thousand in January 2011) with the corresponding line items shown for "Bad Debt" in Table 1.
- b) Are the entries in Table 1 for the 2012 Bridge Year actual or forecasted?

#### **C – VECC – 6**

**Reference: Exhibit C1, Tab 6, Schedule 1, page 3, 2013 Forecasted Labour Rate**

- a) Please provide a table similar to the one at the top of page 3, that shows comparable "Billable \$ per Hr." by component for the years 2009-2012 inclusive.

### **EXHIBIT G – COST ALLOCATION AND RATE DESIGN**

#### **G – VECC – 7**

**Reference: G-Staff-31**

**Exhibit G1, Tab 1, Schedule 1**

- a) With respect to page 1 (lines 18-20), please indicate precisely where in its EB-2008-0232 Decision the Board “prescribed the methodology for calculating the average rate increase for other Local Distribution Companies (“LDC”) to apply in a cost-of-service proceeding”.
- b) With respect to page 2 (lines 2-3), if the information is available, please provide a calculation of the average increase approved by the Board in 2012.

## **G – VECC – 8**

**Reference: G-Staff-3**

**Exhibit G1, Tab 1, Schedule 2, page 1 (line 28) to page 2 (line 2)**

- a) Please provide a schedule that sets out, for 2013, the total forecast costs (i.e. revenue requirement) associated with service to Off Grid communities, the total forecast kWh sales to these communities and the resulting average 2013 cost per kWh.
- b) Please provide a schedule that sets out the forecast 2013 average revenue per kWh for
  - Standard A Road/Rail Access customers
  - Standard A Air Access customers, and
  - All Standard A customers.

## **G – VECC – 9**

**Reference: Exhibit G1, Tab 1, Schedule 2**

**Preamble:** The Schedule calculates proposed 2013 Grid-connected Standard A rates but in doing so uses: i) Generation Costs excluding Fuel for 2012 (Table 1); ii) Fuel Costs for 2009-2011 (Table 3); iii) Commodity Charges for 2011; iv) Current (2012?) Wholesale Market and RRRP charges; v) HON’s proposed 2013 RTSRs and vi) the 2012 Standard A General Service Air Access Rate.

- a) Given the starting point for the this rate is the 2012 Standard A General Service Air Access Rate, why wasn’t the result of calculation as set out in Table 5 escalated by 3.45% in order to produce the proposed rate for 2013?

- b) Please re-do the calculation set out in Table 5 using the following:
- Generation Costs excluding Fuel for 2012 (per Table 1)
  - Average Fuel Costs based on 2009-2012 average
  - Commodity Costs for 2012
  - 2012 Wholesale Market and RRRP charges
  - 2012 RTSRs and
  - 2012 Standard A General Service Air Access Rates
  - A 3.45% escalation factor to derive 2013 rates.
- c) Please also re-do the calculation using 2013 costs/rates for all components.  
(Note – For commodity costs a forecast of HOEP and Global Adjustment is available in the Board's most recent Regulated Price Plan – Price Report)

#### **G – VECC – 10**

**Reference: Exhibit G1, Tab 1, Schedule 2, page 1**

**Exhibit A, Tab 2, Schedule 1, page 2**

- a) Please provide a copy or reference for any Regulation that has been issued with respect to Hydro One Remotes serving Grid-connected communities.
- b) What is the current status of the discussions with Cat Lake and Pikangikum communities and AANDC (per G1/1/2)?
- c) What is the best estimate of when Hydro One Remotes will assume service for these communities?
- d) Please outline what the service arrangements generally will be in each case, i.e. what assets, if any, is Hydro One Remotes assuming, what responsibilities is it assuming, etc.?

#### **G – VECC – 11**

**Reference: Exhibit G1, Tab 1, Schedule 2, page 1**

**A-Staff-3**

**G-Staff-35**

- a) What is the effective date that Hydro One Remotes is proposing for its 2013 rates?
- b) Please provide a schedule sets out the portions of the requested \$35,329,000 RRRP that are required to make up the differences between revenues at proposed 2013 rates and 2013 revenue requirement for the Off Grid and the Grid-connected communities respectively.

**G – VECC – 12**

**Reference: Exhibit G1, Tab 1, Schedule3, page 4**

**Exhibit G1, Tab 2, Schedule 1, pages 2-4**

- a) Using the average use values from G1/1/3, page 4, please provide a schedule that sets out the 2013 monthly bill for each non-Standard A Off Grid customer class and compares it with the monthly bill that a similar customer would receive for 2013 if served by Hydro One Networks' Distribution.

**G - VECC - 13**

**Reference: Exhibit G1, Tab 1, Schedule 3, pages 7-8**

**G-Staff-25**

- a) If not provided in response to Staff 25, please provide schedules that set out the current rates for Cat Lake and Pikangikum and also provide definitions for the customer classes used by each community.
- b) Please provide the projected 2013 use per customer for each customer class for each of Cat Lake and Pikangikum.
- c) Using the average use values from part (b), please provide a schedule for each of Cat Lake and Pikangikum which sets out the 2013 monthly bill for each non-Standard A customer class and compares it with the monthly bill that a similar customer would receive for 2013 if served by Hydro One Networks' Distribution.

**G – VECC - 14**

**Reference: Exhibit G1, Tab 1, Schedule 3, page 8**

- a) Assuming Hydro One Remotes applies for 2014 rates based on IRM what will be the annual RRRP level for 2014 - \$34,510,000 or \$35,329,000?
- b) If it's the latter, please explain why?

**\*\*\*End of Document\*\*\***