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December 03, 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: Vulnerable Energy Consumers Coalition (VECC)
Submission of VECC Interrogatories EB-2013-0127
Espanola Regional Hydro Distribution Corporation

Please find enclosed the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Thank you.

Yours truly,

Michael Janigan
Counsel for VECC
Encl.

Cc: Espanola Regional Hydro Distribution Corporation

ONTARIO ENERGY BOARD

IN THE MATTER OF

the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15 (Schedule B), as amended;

AND IN THE MATTER OF an Application by

Espanola Regional Hydro Distribution Corporation for an order or orders
approving or fixing just and reasonable
distribution rates to be effective May 1, 2014.

Information Requests of the Vulnerable Energy Consumers Coalition (VECC)

VECC Question # 1

Reference 1: 6. LRAM and LRAM Variance Account, Page 5

Reference 2: Exhibit 9, 2012 IndEco Report, Page 3

Preamble: At reference 1, Espanola summarizes the persisting losses by rate class from pre-2010 programs in 2011 and for the 4 months of 2012 ending April 30, 2012. At reference 2, Espanola indicates that since final 2010 OPA program results have yet to be provided by the OPA, the LRAM claim for the 2010 programs is based on savings estimates and is thus preliminary. The LRAM claim associated with 2010 OPA programs will be finalized once the OPA releases its final 2010 OPA program results.

- a) Please confirm the year that Espanola's load forecast was approved by the Board prior to the 2012 load forecast that underpins current rates and discuss how CDM is reflected in that forecast.
- b) Please confirm the persisting losses in the current application are based on pre-2011 CDM programs implemented from 2006 to 2010.
- c) Please provide a table to show the energy savings by customer class by CDM measure that support the requested LRAM amounts separately for 2011 and for the 4 months of 2012 ending April 20, 2012.
- d) Please update the LRAM request as required to reflect the OPA's final CDM program results for 2010 and the OPA's latest information regarding persisting savings in 2011 and the 4 months of 2012 ending April 30, 2012 from pre-2011 programs and provide a copy of the OPA results. In the update please include the energy savings by customer class by CDM measure and the calculation to determine the LRAM amount by customer class.

- e) Please confirm the LRAM claim for persisting savings in 2011 and the first 4 months in 2012 reflects the measure lives and unit savings for any/all measures that have expired prior to or in 2011 and 2012.
- f) Please adjust the LRAM as necessary to reflect the measure lives and unit savings for any/all measures that have expired.

VECC Question # 2

Reference: 10. Incremental Capital Module, Page 9

Preamble: Espanola indicates that none of the capital costs provided in the table (2014 Preliminary Budget) are discretionary in nature.

- a) Please discuss on what basis each of the projects provided in the 2014 Preliminary Budget are considered non-discretionary.

VECC Question # 3

Reference: 10. Incremental Capital Module, Page 11

Preamble: Espanola indicates it is seeking funding from Infrastructure Ontario for a loan related to the costs of the new municipal substation.

- a) Please provide the amount of the funding request and the status of the request.
- b) Please discuss the likelihood that Espanola will receive the funding in 2014 and provide the impact on the current ICM request should Espanola be approved for a loan.

VECC Question # 4

Reference: 10. Incremental Capital Module, Page 11

Preamble: The evidence states that in the event the Board does not approve the ICM application, Espanola will likely be faced with a significant negative cash flow in the short term and financial hardship during the IR term.

- a) Please explain this statement more fully.
- b) Please discuss this statement in the context of Espanola being approved for a loan from Infrastructure Ontario related to the costs of the new municipal substation.

VECC Question # 5

Reference: Exhibit 11, Station Contingency Review – Costello Associates, 10. Additional Substation Capacity

Preamble: Costello Associates recommends that Espanola consider adding new substation capacity to allow for the unplanned failure of an existing station and also to allow for system growth. It appears as though there is some winter growth but it is clear that there is definitely summer growth occurring.

- a) Please provide and discuss actual system growth over the period 2008 to 2013 and planned load growth for the period 2014 to 2017.

VECC Question # 6

Reference: Exhibit 12, New Municipal Substation Report - Costello Associates

- a) Please provide the date of the report at Exhibit 12.
- b) Page 2 – Requirement for SCADA – Costello Associates indicate that it is anticipated that a small SCADA system will either be purchased in the future or provided as a shared-service by a nearby LDC.
 - i. Please discuss Espanola's preference, plans, timeframe and forecast costs regarding the purchase of a SCADA system compared to a shared-service by a nearby LDC and confirm the LDC.
- c) Page 4 – Costello Associates indicates that to replace a transformer with a unit that is physically quite different could take much more time than at least 3 days work to replace a failed transformer with an identical unit. Please explain what is meant by much more time.
- d) Page 5 – Costello Associates indicates that the proposed design has been utilized by several northern LDCs in recent years. Please confirm the northern LDCs.
- e) Page 10 – Please discuss if Espanola has sourced a replacement transformer or other major component. If yes, please provide the source and timeframe needed to both receive the replacement and install the replacement. If not, why not?

VECC Question # 7

Reference: Excel Spreadsheet, Espanola_2014 IRM_Incremental Capital Project_20131018

- a) Please provide the nature of the land costs of \$54,000.

VECC Question # 8

Reference: Exhibit 11, Station Contingency Review – Costello Associates

- a) Please provide information on the winter and summer failure rates for each of the three existing substations for the years 2008 to 2013.