

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 London Hydro
Inc. for an accounting order to establish deferral and variance
accounts.

**INTERROGATORIES OF THE
LONDON PROPERTY MANAGEMENT ASSOCIATION**

LPMA-1

Ref: Paragraph 4

Does London Hydro agree that the establishment of the requested deferral accounts in no way implies that London Hydro will be able to recover any amounts in the account in a future proceeding? If not, please explain.

LPMA-2

Ref: Manager's Summary

a) Please explain why London Hydro is proposing a deferral account to record the increase in costs rather than requesting treatment of this increase as a Z factor event.

b) Does London Hydro believe that increase in costs associated with the retiree life insurance benefit programs qualifies for treatment as a Z factor event? If yes, please explain fully how the increase in costs meets each of the criteria for a Z factor event (materiality, prudence, causation).

LPMA-3

Ref: Manager's Summary, page 1

a) The evidence indicates that in the EB-2012-0146 cost of service application the annual premium expense was \$210,000. Please provide a reference to the EB-2012-0146 evidence or interrogatory responses where this amount was identified.

b) Please provide references to the EB-2012-0146 evidence and/or interrogatory expenses that describes the death benefits noted in this application that have a cost of \$4.5 million.

LPMA-4

Ref: Manager's Summary, page 1

The evidence indicates that London Hydro may not be able to renegotiate a similar contract when the current contract expires at the end of December, 2014. What is the current status of contract negotiations?

LPMA-5

Ref: Manager's Summary, page 2

a) Please provide a copy of the Mercer report noted in the evidence.

b) London Hydro has provided cost estimates for the voluntary buy-out option (\$3.8 million) and for the paid-up life insurance option (\$4.3 million). Please provide an estimate of the self-insure option.

LPMA-6

Ref: Manager's Summary, page 1

The evidence indicates that London Hydro renewed the retiree life insurance benefit program for an additional term ending December 31, 2014 in September, 2013. Is this when was London Hydro became aware of the potential for significant cost increases? If not, why did London Hydro become aware of the potential for significant cost increases?

LPMA-7

Ref: Manager's Summary

What initiatives or other measures has London Hydro undertaken to reduce or moderate other increases in OM&A as a result of the potential increase in premiums? Please provide a list of all steps taken and the expected reduction in OM&A expenses that are expected to result.