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Our File No. 143165

VIA RESS, EMAIL AND COURIER

Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

Attention: Ms. Kirsten Walli,
Board Secretary

Dear Ms. Walli:

**Re: EB-2014-0083: Hydro One Brampton Networks Inc.
2015 Cost of Service Distribution Rate Application**

Please find attached BOMA's written questions

Yours truly,

FOGLER, RUBINOFF LLP

Thomas Brett
TB/dd

cc: Scott Miller, Hydro One Brampton Networks Inc. *(via email)*
Marion Fraser, Fraser & Company *(via email)*

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 Hydro One
Brampton Networks Inc. for an order approving just and
reasonable rates and other charges for electricity distribution to be
effective January 1, 2015.

Questions of Building Owners and Managers Association, Greater Toronto ("BOMA")

Clarifications of Responses to Board Staff Interrogatories

1. Reference: Page 7 of 162

In order to improve Customer Service Expectations, Hydro One Brampton is in the process of restructuring its call centre operations to create three (3) defined working groups so that calls may be directed to the specific working group where individuals that have specialized knowledge in their area of expertise can address the customer directly. This will address concerns pertaining to knowledge and helpfulness of staff. This new customer service structure will also facilitate a quicker customer response.

Please clarify if Hydro One Brampton is seeking to improve its customer service, not its "Customer Service Expectations", i.e. improve its performance rather than increase its targets excepting the scorecard changes cited in Reference 4 below.

Please confirm that the biggest gap between Hydro One Brampton performance and the average for UP Ontario Data is on the "quality of information". Please clarify why Hydro One Brampton is not addressing this gap.

2. Reference: Page 9 of 162

Hydro One Brampton will be launching an outage map system on its website in 2014 to enable a more timely outage management information system for its customers.

Please clarify how customers will access their internet when their power is off.

3. Reference 11 of 162

Please refer to the attached table that was published in Energy Council of Canada website on July 16, 2014. This table clearly identifies that Hydro One Brampton currently has the lowest residential distribution rates as compared to the other comparable LDC's.

Please clarify if Hydro One Brampton also provides customers with information on the impact of its rate applications on their bills.

Please clarify how and when Hydro One Brampton provides customers on how to reduce their bills through conservation or taking advantage of time of use pricing showing them how to reduce their bills even if rates go up as a result of increased revenue requirements.

Please clarify if Hydro One Brampton would rather increase its rates so as to have residential rates similar to other comparable LDCs rather than its own cost structure.

Please clarify if Hydro One Brampton has compared its rates for non-residential customers to that same cohort of LDCs.

4. Reference: Page 12 of 162

The Hydro One Brampton's Board of Directors approved the business plan but requested a number of changes to the 2014 scorecard.

Please confirm if Hydro One's Board of Directors required any changes to Hydro One Brampton's Business Plan.

5. Reference: Page 13 of 162

In previous years Hydro One Brampton has conducted a customer satisfaction survey of its residential customers. In 2014, the Company will also conduct a survey of its commercial and industrial customers. The target for both surveys will be to achieve a customer satisfaction rating of $\geq 90\%$

Please confirm if Hydro One Brampton has ever done a customer satisfaction survey of its commercial and industrial customers prior to the one cited for 2014.

6. Reference: Page 16 of 162 – Attachment Page 6

2014-19 HYDRO ONE BUSINESS PLAN SCHEDULE

Please clarify if Hydro One's Board of Directors required any changes to Hydro One Brampton's Business Plan after October 16, 2013.

7. Reference: Page 36 of 162

b) The Major Defective Equipment History for Transformers shows a significant increase from 47 failures in 2010 to 139 failures in 2013. Please comment on the reason for the significant increase in major failures for this category and what steps Hydro One Brampton has taken to address such issues.

Hydro One Brampton performs annual inspections on a rotation based on a geographically organized manner. In 2013, the inspections covered an area containing older vintage transformers which had a higher population of transformers that reached or exceed their useful life. Due to the higher population of older transformers inspected, the inspectors identified 139 transformers that required replacement due to their physical condition.

Please clarify if the failures were actual failures or failures predicted by the inspections. If actual, please clarify how many of these failures affected non-residential customers. If the replacements were the result of inspection, please clarify how many of these older transformers served non-residential customers.

8. Reference: Page 37 of 162

Hydro One Brampton does not have any arrangements with any entities for shared ownership of a spare transformer. Hydro One Brampton has tried to reach an agreement with other utilities in the past but was unsuccessful.

Please clarify if the failure to reach agreements with other utilities on this matter was mutual or due to the lack of interest by the other utilities.

9. Reference: Page 38 of 162

The feeder tie switches will not be remotely controllable. The proposed plan is to implement manually operated switches.

Please clarify why replacement of feeder tie switches are not part of Hydro One Brampton's smart grid efforts, i.e., remotely controllable.

Please clarify how the fact that Hydro One Brampton did not forecast funds for smart grid applications like remotely controlled switches in its Business Plan and Rate filing is consistent with the Renewed Regulatory Framework for Electricity which includes: *Public Policy Responsiveness*: utilities deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board) which are both strongly supportive of smart grid implementation.

10. Reference: Page 47 of 162

HOBNI examines pole replacement needs with other major projects such as road widening and conversion projects, where possible scheduling of a pole line replacement is coordinated with a development of a major road project.

Please clarify why Hydro One Brampton does not include pole replacements in major projects such as road widening and conversion projects within its pole replacement plan and reporting even if their costs are accounted for separately.

11. Reference: Page 72 of 162

Ref: Exhibit 3, Tab 2, Schedule 3, page 2: Table 5 shows a decline in Residential class kWh usage in 2013. a) Please explain the 4.21% decline in Residential kWh usage.

RESPONSE

Between 2012 and 2013, the number of residential customers increased by 4,024 or 3.10% yet the total kWh consumption declined by 15,164,771 or -1.24%. The decline in kWh consumption can be partially explained by the ice storm at the end of 2013 which resulted in major disruption to the power supply in HOBNI's service territory. In addition, 2013 was a cooler year with 336.9 cooling degree days as compared with 2012, which had 482.7 cooling degree days. Residential load is significantly affected by cooling degree days which impact the air conditioning load and thus kWh consumption. Cooling degree days in 2013 were 30.21% lower than in 2012, causing an overall reduction to the Residential Class usage.

Please clarify if Hydro One Brampton attributes any of these declines in Residential kWh usage to conservation and demand management programs.

12. Reference: Page 79 of 162

As part of Hydro One Brampton's Smart Metering Implementation Plan, the Company installed smart meters on customers with demands of > 50 kW and < 200 kW. The radios in these meters have not functioned as planned despite many attempts by the manufacturer to resolve the issue. As a result, these meters have to be read manually. As part of the latest OEB initiative, pertaining

to these customers, Hydro One Brampton will be changing out these meters and installing a traditional interval meter that can be read directly from the MV-90 system. This will reduce manual meter reading costs for these customers.

Please clarify if any of the higher administration costs were caused by data or billing errors.

13. Reference: Page 80 of 162

Hydro One Brampton entered into an agreement with HONI at the onset of the smart meter initiative in 2007 in order to take advantage of economies of scale. At that time, HONI and Hydro One Brampton were two of only three utilities utilizing the Trilliant system. Consequently there are no other vendors which could support the infrastructure other than the Trilliant system.

Please clarify who provides the meter reading service: Trilliant or Olameter.

Clarifications of Responses to BOMA Toronto Interrogatories

14. Reference: Page 4 of 71

HOBNI only outsources when it makes sense to do so and is cost effective.

Please clarify if Hydro One Brampton completes business cases to determine if outsourcing is cost effective.

15. Reference: Page 7 of 71

It is difficult to develop savings estimates for some of the outsourced functions due to the complexity of the contracts. Specific savings have been provided for some of the major outsourced functions and qualitative information has been provided for the other major outsourced areas. This information is provided below.

A&W: Labour cost savings. The hourly rate paid to A&W for Lines staff is less than the hourly rate plus benefits that are paid to HOBNI staff.

| | HOBNI Hourly Salary Including Benefits | A&W Hourly Rate |
|-----------------------|--|--------------------|
| Line Journey person | 68.46 | 65.02 |
| Apprentice - 4th Year | 61.85 | 54.64 |

Please clarify how Hydro One Brampton assures itself that the results of outsourcing as cost effective after the fact as the business cases projected and when the costs associated with outsourcing are included in the cost/benefit analysis before and after outsourcing.

16. Reference: Page 40 of 71

The decision not to forecast funds for expansion type projects over the planning period related to rebuilding and converting the distribution system as outlined above is due to the assumption that the forecasted OPA contracted Renewable Energy Generation projects to be connected to the grid during the planning period of the DSP is expected to within HOBNI's available system capacity.

Please clarify that the OPA forecasts the amount of renewable energy expected in Hydro One Brampton's service territory over the planning period.

Please clarify if the OPA forecasts the amount of combined heat and power expected in HOBNI's service territory over the planning period.

Please clarify why there is sufficient capacity for renewable energy but not for combined heat and power over the planning period.

17. Reference: Page 41 of 71

(b) How is this "policy" consistent with the government's policy to encourage the growth of renewable energy in Ontario?

RESPONSE

The fact that HOBNI did not forecast funds for expansion in its Business Plan and Rate Filing is not a policy. HOBNI continues to aid and enable the growth of renewable energy in Ontario and is guided by program rules and policies set out by the OPA and the Minister of Energy and the Ontario Energy Board. HOBNI ensures it remains compliant with the requirements of the Distribution System Code and makes every effort to enable the growth of renewable energy in Brampton without compromising the reliability and safety of its electrical supply to its rate payers.

Whether a Hydro One Brampton "policy" or not, please clarify how the fact that Hydro One Brampton did not forecast funds for expansion in its Business Plan and Rate filing is consistent with the Renewed Regulatory Framework for Electricity which includes: *Public Policy Responsiveness*: utilities deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).

18. Reference: page 42 of 71

The table below provides the capacity (kW) and production kWh data of the 23 FIT generators for the 2013 calendar year.

Please clarify how many of these generators are also customers of Hydro One Brampton who generate at their billing premise.

Please clarify if the standby rate will be based on peak demand.

19. Reference: Page 3 of 71

The revenue to be generated in 2015 from the Distributed Generation Rate Class in the amount of \$49,066 is not incremental, it is part of the Revenue Requirement that the Company is applying for.

Please clarify that if this rate is not approved, the revenue requirement will decrease by \$49,066.

20. Reference: Page 65/6 of 71

The revenue decoupling solution may end up being in a different format from the alternatives which are currently being considered; moreover, the current electricity distribution rate design

needs improvement as it is not aligned with distributors cost structure and drivers. Electricity distribution utilities are in the business of building infrastructure, with investments with a long useful life with LDC's costs being largely fixed; rate design should better reflect this.

Please clarify which option HOBNI plans to adopt.

Please clarify if it will be consistent with the standby rate structure for distributed generation including renewable energy.

Clarifications of Responses to Schools Energy Coalition Interrogatories

21. Reference: Page 33 of 33

For the General Service 50 to 699 kW, General Service 700 to 4,999 kW and the Large User classes HOBNI's fixed revenue ratio was substantially less than those of other large distributors; HOBNI's adjustment also permitted its fixed revenue ratio to be closer to those of other large distributors.

Please clarify if Hydro One Brampton's rationale for increasing the fixed/variable split for other rate classes is how its ratios compare to the averages of other large distributors rather than its own cost allocation studies.