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September 10, 2014

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
PO Box 2319  
2300 Yonge Street, 27th Floor  
Toronto ON M4P 1E4

Dear Ms. Walli,

**RE: Hydro One Brampton Networks Inc.'s 2015 Cost of Service Electricity Distribution Rate Application; Responses to Technical Conference Undertakings; EB-2014-0083**

Hydro One Brampton Networks Inc. ("Hydro One Brampton") is pleased to provide the enclosed Responses to Technical Conference Undertakings received in the above noted proceeding.

Hydro one Brampton is filing its Responses to Technical Conference Undertakings through the OEB Regulatory Electronic Submission System ("RESS") followed by two (2) hard copies.

If you have any questions, please contact the undersigned.

A handwritten signature in black ink that reads "Scott Miller". The signature is written in a cursive, flowing style.

Scott Miller  
Director of Regulatory Affairs & Communications  
Hydro One Brampton Networks Inc.  
(905) 452-5504  
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Paul Tremblay, President & CEO, Hydro One Brampton Networks Inc.  
Marc Villett, Vice-President, Finance, Hydro One Brampton Networks Inc.

**UNDERTAKING NO. TCJ1.1**

LOOK AT 2011 TO 2013 OM&A, INTERNAL BUDGET VERSUS ACTUAL, TO SEE WHETHER THERE IS A SIMILAR PATTERN

**RESPONSE**

	2011	2012	2013
OM&A - Actual	\$20,156,799	\$20,488,607	\$23,430,855
OM&A – Plan	\$20,070,266	\$21,312,151	\$24,679,000
<b>Variance</b>	<b>\$88,533</b>	<b>(\$823,544)</b>	<b>(\$1,248,145)</b>

Note – 2011 OM&A - plan figure represents OEB Board approved OM&A.

## UNDERTAKING NO. TCJ1.2

PROVIDE PROPORTION OF LINE TO BE ALLOCATED TO EMBEDDED DISTRIBUTOR.

### RESPONSE

HOBNI owns the following four sections of line which HONI is supplied power along Chinguacousy Rd from the Pleasant Transformer Station through to Mayfield Rd. the capacity of each section of line and number of poles is provided below:

**Section A** - Chinguacousy - Pleasant TS to Bovaird Dr. - Section Capacity 74.35 MVA, 19 poles

**Section B** - Chinguacousy - Bovaird Dr. to Sandalwood Pkwy. - Section Capacity 53.725 MVA, 36 poles

**Section C** - Chinguacousy - Sandalwood Pkwy. to Wanless Dr. - Section Capacity 53.725 MVA, 33 poles

**Section D** - Chinguacousy - Wanless Dr. to Mayfield Rd. – Section Capacity 20.625 MVA, 22 poles

The capacity of the line reserved for the embedded distributor is 5.5 MVA on each section of the Chinguacousy line. Table 1 below in column C provides the ratio used to allocate capital costs, amortization expense and accumulated depreciation for each of the sections of line. In addition, since the capacities of each of the line sections are different, the weighted average line capacity for the entire section of line is required to calculate the expense allocator used for the Embedded Distributor Class, see column E in **Table 1** below.

Table 1 - Weighted Average Line Capacity Reserved for Embedded Distributor						
		A	B	C=A/B	D	E = C X D/110
Line Section	Location	Reserved Capacity (MVA) for Embedded Distributor	Capacity of Line Section	Capacity for Embedded Distributor (Capital Allocator)	Poles in Section	Weighted Average Line Capacity for Embedded Distributor
A	Pleasant TS to Bovaird Dr.	5.5	74.4	7.40%	19	1.278%
B	Bovaird Dr. to Sandalwood Pkwy.	5.5	53.7	10.20%	36	3.338%
C	Sandalwood Pkwy. to Wanless Dr.	5.5	53.7	10.20%	33	3.060%
D	Wanless Dr. to Mayfield Rd.	5.5	20.6	26.70%	22	5.340%
					110	13.016%

The total number of poles in all 4 line sections divided by the total number of poles in the system multiplied by the weighted average line capacity results in the allocator that was used for direct allocation purposes for OM & Customer Billing expenses as follows:

110 (poles in line)/ 11,237 (total poles in system) X 13.016% = 0.1274%.

**Table 2** below provides the calculation for the ratio of each section of the Chinguacousy line totaling to 0.1274%. HOBNI has used this ratio to allocate all OM& Customer Billing related

costs as a fair proxy of what these costs are to provide service to the embedded distributor class. See *Exhibit 7 Tab 1 Schedule 2, Table 7* of the evidence filed.

**Table 2 - Cost Allocation of 4 sections of Chinguacousy Line to Embedded Distributor**

Table 2 - Cost Allocation of 4 sections of Chinguacousy Line to Embedded Distributor								
		Ratio of Feeder to total System			Ratio of Feeder used by Embedded Distributor			
		A	B	C = A/B	D	E	F = D/E	G = C X F
Line Section	Location	Poles in Section	Poles In System	Ratio for Line Section	Reserved Capacity (MVA) for Embedded Distributor	Capacity of Line Section	Capacity for E	Allocated to Embedded Distributor (OM&Customer Billing Allocator)
A	Pleasant TS to Bovaird Dr.	19	11,237	0.17%	5.5	74.35	7.40%	0.0125%
B	Bovaird Dr. to Sandalwood Pkwy.	36	11,237	0.32%	5.5	53.73	10.20%	0.0327%
C	Sandalwood Pkwy. to Wanless Dr.	33	11,237	0.29%	5.5	53.73	10.20%	0.0300%
D	Wanless Dr. to Mayfield Rd.	22	11,237	0.20%	5.5	20.63	26.70%	0.0523%
								0.1274%

**UNDERTAKING NO. TCJ1.3**

PROVIDE PROPOSED 2015 COST FOR NON-MANDATORY CONTROLLABLE PROGRAMS.

**RESPONSE**

As per Table 2-AA Capital Expenditure Summary found on page 133 of the Distribution System Plan (Exhibit 2, Tab 6), the proposed 2015 capital expenditure is \$37,622,330. The 2015 cost for non-mandated controllable programs and projects is \$ 23,577,420 and the 2015 cost for mandated non-controllable programs and projects is \$ 14,044,910.

**UNDERTAKING NO. TCJ1.4**

TO PROVIDE THE 2011 AND 2012 SCORECARDS

**RESPONSE**

Please see **Attachments 1 & 2** below.

## **UNDERTAKING NO. TCJ1.4**

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### **Attachment 1**

### **2011 Scorecard**



## 2011 Approved Performance Scorecard

Strategic Objective		Performance Measure	Unit	2006	2007	2008	2009	2010	2011 Target	2011 Actual
Financial	Increase Shareholder Value <sup>1</sup>	Net Income after Tax (\$M)	\$M	\$11.7	\$10.4	\$11.0	\$10.4	\$14.7	\$13.3	\$16.4
		Controllable Cost Index (OM&A actual/OM&A budget)	%	95%	94%	94%	92%	95%	≤ 100%	102%
Customer Commitment	Meet Service Quality Commitments	Customer Service Index (% of measure meeting target)	# of measures meeting targets	7 of 7	6 of 7	7 of 7	9 of 9	8 of 9	8 of 9	9 of 9
		Connection of New Services - LV	%	100%	100%	100%	100%	100%	99%	100%
		Connection of New Services - HV	%	100%	100%	100%	100%	100%	99%	100%
		Underground Cable Locates	%	99%	98%	98%	99%	99%	98%	98%
		Telephone Accessibility	%	84%	84%	82%	82%	78%	80%	89%
		Telephone Call Abandon Rate	%	NA	NA	NA	1%	2%	<5%	1%
		Appointments	%	100%	100%	100%	100%	100%	99%	100%
		Re-scheduled Missed Appointments	%	NA	NA	NA	100%	100%	100%	100%
		Written Responses to Inquiries	%	99%	100%	100%	100%	100%	99%	100%
		Emergency Responses - Urban Areas	%	99%	98%	99%	99%	100%	99%	99%
		Reliability Indices (% of measures meeting target SAIDI, SAIFI & MAIFI)	# of measures meeting targets	1 of 2	0 of 2	2 of 2	2 of 2	3 of 3	3 of 3	3 of 3
		SAIFI	outages	1.486	1.84	1.13	1.27	0.76291	≤ 1.20	1.05
		SAIDI	hours	0.859	1.26	0.78	0.79	0.45766	≤ 0.80	0.68
		MAIFI	interruptions	NA	NA	NA	NA	2.78756	≤ 3.38	3.07
Satisfying Our Customers	Satisfying Our Customers	Customer satisfaction	% satisfied	92%	NA	NA	95%	96%	≥ 90%	91%
Business Excellence	Achieve Operational Excellence <sup>1</sup>	Work Program Achievement (reported quarterly)	(% of projects completed within HOBNI control)	90%	98%	95%	86%	87%	≥ 90%	90%
Organizational Strength	Achieve Health & Safety Excellence	Employee Safety (Medical Aids - WSIB Accepted) <sup>2</sup>	# of medical aids per 200,000 hours worked	7.23	6.49	4.49	4.55	6.37	≤6	2.5
Environment	Achieve Environmental Excellence	Connect FIT and MICROFIT applications as per OPA requirements	% of applications processed within OPA requirements	NA	NA	NA	NA	100%	100%	100%
		Conservation & Demand Management (CDM)	% of milestones met	NA	NA	NA	NA	NA	90%	90%

<sup>1</sup> A variance from plan of + or – 5% is considered on plan

<sup>2</sup> Source: WSIB report published quarterly.

<sup>3</sup> The results of HOBNI's customer satisfaction survey were received in June 2011

## **UNDERTAKING NO. TCJ1.4**

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### **Attachment 2**

### **2012 Scorecard**

## 2012 Approved Performance Scorecard

Strategic Objective		Performance Measure	Unit	2007	2008	2009	2010	2011	2012 Target	2012 Actual
Financial	Increase Shareholder Value <sup>1</sup>	Net Income after Tax (\$M)	\$M	\$10.4	\$11.0	\$10.4	\$14.7	\$16.4	\$14.0	\$17.3
		Controllable Cost Index (OM&A actual/OM&A budget)	%	94%	94%	92%	95%	102%	≤ 100%	96%
Customer Commitment	Meet Service Quality Commitments	Customer Service Index (% of measure meeting target)	# of measures meeting targets	6 of 7	7 of 7	9 of 9	8 of 9	9 of 9	9 of 10	10 of 10
		Connection of New Services - LV	%	100%	100%	100%	100%	100%	99%	100%
		Connection of New Services - HV	%	100%	100%	100%	100%	100%	99%	100%
		Underground Cable Locates	%	99%	98%	98%	99%	98%	98%	98%
		Telephone Accessibility	%	84%	84%	82%	82%	89%	80%	84%
		Telephone Call Abandon Rate	%	NA	NA	NA	1%	1%	<5%	1%
		Appointments	%	100%	100%	100%	100%	99%	99%	100%
		Re-scheduled Missed Appointments	%	NA	NA	NA	100%	100%	100%	100%
		Written Responses to Inquiries	%	100%	100%	100%	100%	100%	99%	100%
		Emergency Responses - Urban Areas	%	98%	99%	99%	100%	99%	99%	100%
		Reconnection Standards	%	NA	NA	NA	NA	NA	95%	100%
		Reliability Indices (% of measures meeting target SAIDI, SAIFI & MAIFI) <sup>3</sup>	# of measures meeting targets	0 of 2	2 of 2	2 of 2	2 of 2	3 of 3	3 of 3	3 of 3
		SAIFI	outages	1.84	1.13	1.27	0.76	1.05	≤ 1.12	0.89
		SAIDI	hours	1.26	0.78	0.79	0.46	0.68	≤ 0.76	0.60
		MAIFI	interruptions	NA	NA	NA	2.79	3.07	≤ 3.38	3.09
Satisfying Our Customers	Satisfying Our Customers	Customer satisfaction <sup>2</sup>	% satisfied	NA	NA	95%	96%	91%	≥ 90%	93%
Business Excellence	Achieve Operational Excellence <sup>1</sup>	Work Program Achievement (reported quarterly)	(% of projects completed within HOBNI control)	98%	95%	86%	87%	90%	≥ 90%	90%
Organizational Strength	Achieve Health & Safety Excellence	Employee Safety	All injury frequency rate per 200,000 hours worked	6.49	4.49	4.55	6.37	2.50	≤ 3.5	0.57
Environment	Achieve Environmental Excellence	Connect FIT and MICROFIT applications as per OPA requirements	% of applications processed within OPA requirements	NA	NA	NA	100%	100%	100%	100%
		Conservation & Demand Management (CDM)	% of milestones met	NA	NA	NA	NA	90%	90%	100%

<sup>1</sup> A variance from plan of + or – 5% is considered on plan

<sup>2</sup> The results of HOBNI's customer satisfaction survey were received in June 2012

<sup>3</sup> The 2007, 2008 and 2009 values include Loss of Supply