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September 22, 2014

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: Application by Great Lakes Power Transmission LP for
2015 and 2016 Transmission Rates (EB-2014-0238)**

Please find enclosed the interrogatories of VECC in the above-noted proceeding.

Yours truly,

Michael Janigan
Counsel for VECC

Attachment

cc:

Mr. Duane Fecteau, VP Operations, GLPT
dfecteau@glp.ca
Mr. Scott Seabrook, Director of Administration, GLPT
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Mr. Charles Keizer, Torys, LLP
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tdyck@torys.com

REQUESTOR NAME	VECC
INFORMATION REQUEST ROUND NO:	# 1
TO:	Great Lakes Power Transmission LP (GLPT)
DATE:	September 22, 2014
CASE NO:	EB-2014-0238
APPLICATION NAME	2015-16Transmission Rate Application

1.0 ADMINISTRATION (EXHIBIT 1)

1.0 – VECC -1

Reference: ALL

- a) Please provide the results of any benchmarking reviews or studies undertaken by GLPT since 2012 and that are in addition to the 1QC benchmarking study.

2.0 RATE BASE (EXHIBIT 2)

2.0 – VECC -2

Reference: 2/T1/S1/pg.7

- a) As part of the Wood Structure Replacement project, what is the incremental cost of replacing the four poles which are 20-30 years old?
- b) Why has GLPT chosen not to replace the conductor in the Hogg and Gartshore projects described at pages 6 and 7 of the above reference?

2.0 – VECC - 3

Reference: 2/T1/S1/pg.10

- a) What are the expected cost savings in moving to stand-by (or other) rate from Algoma Power for the Highway 101 TS?
- b) What rate is currently charged to GLPT by API? What rate is expected after the completion of this project?

2.0 – VECC - 4

Reference: 2/T1/S1/pg.21

- a) Please describe the Hydro One “supporting guarantees” including their current costs and the expected savings once the Watson TS project is completed.

2.0 – VECC - 5

Reference: 2/T1/S1/pg.28

- a) Please provide a table which shows for each year the in-service forecast and actual in-service amounts for the capital projects presented in EB-2012-0300 for 2012 through 2014.

2.0 – VECC - 6

Reference: 2/T1/S1/pg.28

- a) Please provide the inventory levels (values) used in the working capital calculation for 2013 and 2014 (i.e. in EB-2012-0300). Please compare and contrast these to the values being proposed for 2015 and 2016.

2.0 – VECC -7

Reference: 2/T3/S1/pg.1-4

- a) What, if any, service quality metrics/targets does GLPT propose to use to assess the outcomes of its capital program?
- b) How are the Delivery Point Performance Standards integrated into the performance metrics of employees of GLPT?

2.0 – VECC - 8

Reference: 2/T3/S1/Appendix A

- a) Please provide the baseline for each delivery point as contemplated in section 4 of GLPL CDPPS.
- b) What, if any, service quality metrics/targets does GLPT propose to judge the outcomes of its capital program?

3.0 OPERATING REVENUE (EXHIBIT 3)

3.0 –VECC -9

Reference: 3/T1/S2/pg.2

- a) Please reconcile the statement on page 2 that “Consistent with the forecasting methodology used in EB-2012-0300, in calculating a 2014, 2015 and 2016 revenue forecast, GLPT assumed no changes in revenue requirement” with the results reported in Table 3-1-1 B and Table 3-1-1 C which show that the 2015 and 2016 revenue requirements are greater than the approved 2014 revenue requirement.

3.0 –VECC -10

Reference: 3/T1/S1/pg. 2

Preamble: The application states that “GLPT has assumed the actual provincial peak volumes will be equal to the approved provincial charge determinant forecast for each year, resulting in forecasted revenue for each year being equal to GLPT’s Board-Approved 2014 revenue requirement from EB-2012-0300”.

- a) Please clarify what GLPT is referring to as the “approved provincial charge determinant forecast for each year”. If they are the approved provincial forecast charge determinants for 2015 and 2016, please indicate the source of the values.

3.0 –VECC -11

Reference: 3/T1/S2/pg. 4 (filed September 18, 2014)

- a) Are the historical peaks reported by the IESO and used by GLPT in its analysis (per Table 3-1-2 A) the actual observed peaks or have they been weather corrected?
- b) If they are the actual observed peaks, has GLPT undertaken any analysis as to the weather sensitivity of its directly connected customers’ loads and how this would impact the values reported?
- c) Please provide the year to date 2014 billing determinants for GLPT for each asset pool and the 2013 values for the comparable months.

3.0 –VECC -12

Reference: 3/T1/S2/pg. 7 (filed September 18, 2014)

- a) In Section 1.3 GLPT states that it “has applied the historical trend” and then made adjustments to account for forward-looking customer information. However, in Section 1.1 (page 5) GLPT states that it uses an historical average as the starting point before accounting for forward-looking customer information. Please reconcile whether the starting point is the historical average or trend.

3.0 –VECC -13

Reference: 3/T1/S3/pg. 2 – Footnote 1

- a) The first sentence indicates that GLPL bills GLPT for 41% of the OM&A costs related to the fibre optic network. Please explain the basis/rationale for this charge to GLPT.

4.0 OPERATING COSTS (EXHIBIT 4)

4.0 -VECC -14

Reference: 4/T2/S1/Table 4-2-1 D

- a) Please explain why USoA account 4916 – Maintenance of Transformer Station Equipment - is projected to increase significantly and notwithstanding the significant proposed investments in Transformer Stations that GLPT is making in 2016.
- b) Please explain the same for Maintenance of Overhead lines (account 4945) which has increased from \$87.4 million in 2012 to a projected \$153 million in 2016.
- c) Please explain why property insurance has increased by over \$100 million since 2012 (account 5635).

4.0 -VECC -15

Reference: 4/T2/S1/Appendix A

- a) Is Hydro One Transmission included in the cohort shown in the benchmarking study?

- b) For 2010 through 2016 please show the A&G per Gross Asset and the Transmission Lines & Substations OM&A plus A&G per Gross Asset of GLPT as compared to Hydro One Transmission (i.e. Figures 1 and 2 of Appendix A).

4.0 -VECC -16

Reference: 4/T2/S2/pg.4

- a) Using Table 4-2-2 A, please provide the incentive pay separately for each of the employment categories for the years 2012 through 2016.

4.0-VECC-17

Reference: 4/T2/S3/pg.3-5

- a) Are there alternative third party suppliers of communication systems that meet GLPT needs? Please explain what steps GLPT took to investigating alternative communication suppliers.
- b) Does GLPL have any other customers using the network attached to GLPT's Transmission system? If yes, what rents does GLPT charge for use of its towers?
- c) Please explain how the \$70,000 in operating and maintenance costs for the shared radio system is derived.

4.0-VECC-18

Reference: 4/T2/S3/pg.9 / EB-2012-0300 Exhibit 4/T2/S4/Appendix B

- a) Please explain the nature of the shareholder communications costs allocated to GLPL.
- b) Please explain the nature of the executive oversight services allocated to GLPL.
- c) At page 3 of the Navigant Corporate Overhead Cost Allocation Study the authors were provided in Table 1 the Electric Utility Group Corporate Budget (see copy below). Please provided the updated Corporate Budget for 2015 and 2016.

Table 1 - Electric Utility Group Corporate Budget

Expense Category	2013 Budget	2014 Budget
Information Technology	\$18,558	\$19,133
Equity Resourcing	\$111,348	\$114,800
Tax	\$37,116	\$38,267
Human Resources	\$18,558	\$19,133
Finance	\$1,135,425	\$1,170,623
sub-total	\$1,321,005	\$1,361,956
Executive Oversight	\$1,485,706	\$1,531,763
Total	\$2,806,711	\$2,893,719

4.0-VECC-19

Reference: 4/T4/S1&S3/

- a) Please confirm that none of the property tax amounts shown in Table 4-4-1 are for the leased offices at 2 Sackville Road.

5.0 COST OF CAPITAL AND CAPITAL STRUCTURE (EXHIBIT 5)

6.0 DEFERRAL AND VARIANCE ACCOUNTS (EXHIBIT 6)

6.0 – VECC - 20

Reference: 6/T1/S2/pgs.11-12

- a) Please provide details as to the nature of the \$274,963 and \$170,000 in costs incurred by senior employees on the East-West Tie Line.

6.0-VECC-21

Reference: 6/1/S4/pg.1

- a) Please explain why the Three Year Liability Repayment disposition should not continue such that it is returned as originally contemplated by year end 2015, by making the final adjustment to the 2015 revenue requirement?

- b) Please explain what is meant by “*In 2014, GLPT reduced its revenue requirement for UTR purposes by \$748,608, reflecting the return of funds to ratepayers for the year.*” (i.e. was this the expected normal adjustment or something different?)

6.0-VECC-22

Reference: 6/T2/S1/pg.1 (see also 6-Staff-33)

- a) Please describe the nature of the “organic load growth in the Wawa area” and the reasons that GLPT has to believe there is a reasonable chance of new facilities needing to be built.
- b) Please describe generally the nature of the facilities that are being contemplated and the approximate costs that might be incurred.

7.0 COST ALLOCATION TO RATE POOLS (EXHIBIT 7)

7.0 – VECC – 23

Reference: 7/T1/S1, pg. 1

- a) Has GLPT undertaken any analysis to determine, based on its assets and the use of its system, what portion of its revenue requirement should be considered Network versus Line Connection versus Transformation Connection? If so, please provide the results.

8.0 RATE DESIGN

- No Interrogatories

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