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BY E-MAIL

October 2, 2014

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Oakville Hydro Electricity Distribution Inc.
2015 IRM Distribution Rate Application
Board Staff Interrogatories
Board File No. EB-2014-0102**

In accordance with Procedural Order #1, please find attached Board Staff interrogatories in the above proceeding. The applicant and the intervenor have been copied on this fling.

Oakville Hydro responses to interrogatories are due by October 15, 2014.

Yours truly,

Original Signed By

Kelli Benincasa
Electricity Rates and Accounting

Encl.

**Oakville Hydro Electricity Distribution Inc.
EB-2014-0102
Board Staff Interrogatories**

Interrogatory #1

Ref: Proposed Tariff of Rates and Charges

- A. Please confirm the Rate Rider for Ice Storm Cost Recovery – effective until December 31, 2015 for the Sentinel and Street Lighting rate classes should be kW, not kWh, and Board staff will correct the model.
- B. Please confirm the Rate Rider for Disposition of Incremental Capital Expenditures – effective until April 30, 2015 for the Street Lighting rate class should be kW, not kWh, and Board staff will correct the model.

Z-Factor Interrogatories – Ice Storm Recovery

Interrogatory #2

Ref: Managers Summary – Page 15 – Audited Costs

- A. Please indicate the dollar amount and what costs have not been audited in relation to the restoration of power after the ice storm.
- B. Please indicate when all costs will be audited.

Interrogatory #3

Ref: Managers Summary – Page 15 – Carrying Charges

- A. Oakville Hydro states the total incremental OM&A costs incurred were \$356,237. Please confirm if this amount includes carrying charges.
- B. Please quantify the total carrying charges incurred and the starting and ending dates they are applicable to.

Interrogatory #4

Ref: Managers Summary – Page 15 – Emergency Operations Plan

- A. Please provide a copy of Oakville Hydro's Emergency Operations Plan.

Interrogatory #5**Ref: Managers Summary – Page 18 – Incremental Labour Costs**

Oakville Hydro states that it is applying for recovery of incremental labour costs.

- A. Please provide a breakdown of all Oakville Hydro's internal labour costs applicable for the affected period using the following format.

Department	Number of Eligible Employees	Regular Hours Worked	Total Regular Time Payments	Overtime Hours Worked	Total Overtime Payments
Management					
Other Non-Union Employees					
Subtotal Non-Union					
Union Employees:					
Operations					
Other					
Subtotal Union					
Total Internal Labour for Affected Period					
Total Z-factor Labour Costs					

- B. Please provide a copy of Oakville Hydro's policy for payment of overtime for non-union employees to support the amounts shown above, if applicable.
- C. Please identify any deviations from Oakville Hydro's normal approach to overtime payment during the affected period.
- D. Please provide the average shift length for internal crews involved in storm cleanup during the affected period and explain how this differs from Oakville Hydro's normal scheduling practice.

Interrogatory #6**Ref: Managers Summary – Page 18 and 19 – Third Party Contractors**

Board staff notes that Oakville Hydro relied partially on support from external contractors in the restoration effort.

- A. Please provide information supporting the choices made with respect to the procurement of external contractors shown in Table 6 – 2013 Ice Storm Costs.
- B. Were external contractors retained in a manner consistent with Oakville Hydro's procurement policies? If not, please provide the rationale supporting procurement.
- C. For each external contractor, please provide a breakdown of invoiced costs in the format shown below:

Contractor	Total Labour Charges	Accommodation Charges	Meal Charges	Fuel Charges	Truck Charges	Other Charges ¹	Total Invoice
Contractor #1 (name)							
Contractor #2 (name)							
... etc.							
Total							

- D. Please clarify if the invoiced costs from the external contractors are based on regular labour rates or premium rates, given the timing of the engagement, its urgency, or the amount of notice provided to suppliers.

Interrogatory #7

Ref: Managers Summary – Page 18 and 19 – Local LDC's

Board staff notes that Oakville Hydro relied partially on support from nearby LDCs in the restoration effort.

- A. Does Oakville Hydro have a group of utilities with which it regularly cooperates? If so, which utilities are included in this group?
- B. Does Oakville Hydro have an agreement with neighbouring utilities regarding the provision of services in emergencies? If so, please provide a copy of the agreement. If a copy of the agreement is not available, please describe any standard arrangements in place with local LDCs regarding payment for service in emergencies.
- C. For each participating LDC, please provide a breakdown of invoiced costs in the format shown below:

¹ Please describe any other applicable charges

LDC Name	Total Labour Charges	Accommodation Charges	Meal Charges	Fuel Charges	Truck Charges	Other Charges ²	Total Invoice
LDC #1 (name)							
LDC #2 (name)							
... etc.							
Total							

- D. Please clarify if the invoiced costs from the LDCs are based on regular labour rates or premium rates, given the timing of the engagement, its urgency, or the amount of notice provided to suppliers.

Interrogatory #8

Ref: EB-2013-0159 Exhibit 4, Tab 3, Schedule 1, Page 6

The above referenced exhibit describes the departmental and corporate OM&A activities normally undertaken by Oakville Hydro and included within Oakville Hydro's OM&A budget for the 2014 test year, which underpins Oakville Hydro's rates for the test year and ensuing IRM period. One of these activities is Emergency Maintenance, described in the evidence as follows:

Emergency Maintenance

This category includes unexpected electrical system repairs that must be addressed immediately. The related costs include repairs caused by storm damage, emergency tree trimming and on-call premiums.

- A. Please provide the amount included in Oakville Hydro's 2014 OM&A expense that relates to Emergency Maintenance.
- B. Please provide Oakville Hydro's actual Emergency Maintenance expenditures for the period from 2010 to 2014 and calculate a 5 year average.
- C. Please provide Oakville Hydro's budgeted Emergency Maintenance expenditures for the period from 2010 to 2014 and calculate a 5 year average.
- D. If Oakville Hydro had a capitalization change please provide Oakville Hydro's Emergency Maintenance expenditures prior to the capitalization change from 2010-2014.
- E. Please total how much Emergency Maintenance expenditures have been in Oakville Hydro's rates since 2010-2014 less how much has been spent.

² Please describe any other applicable charges

- F. Please provide 2013 actual Emergency Maintenance expense, excluding the ice storm damage claimed in this application.
- G. Please indicate what, if any, of the Emergency Maintenance budget was applied to the ice storm recovery costs.

Interrogatory #9

Ref: Managers Summary – Page 1 – Shareholder Contributions

Board staff notes that Oakville Hydro provided the following description of its ownership:

Oakville Hydro is a corporation incorporated pursuant to the Ontario Business Corporation Act with its head office in the Town of Oakville.

- A. Is Oakville Hydro's shareholder making any contribution to the restoration cost?
 - i. If not, why not?
 - ii. If so, please provide details.

Interrogatory #10

Ref: Accounting Standard - Board's letter³ dated July 17, 2012

Oakville Hydro has not specified the accounting standard (CGAAP, modified IFRS, etc.) under which its Z-factor application has been filed.

- A. Please provide the accounting standard under which Oakville Hydro's Z-factor application has been filed.
- B. Please confirm whether or not Oakville Hydro's Z-factor application is reflective of the capitalization policy changes as per the Board's letter "Regulatory accounting policy direction regarding changes to depreciation expense and capitalization policies in 2012 and 2013" dated July 17, 2012.
- C. How has the accounting standard under which Oakville Hydro has filed impacted the level of OM&A for the ice storm recovery?