

Undertaking No. J2.5

Undertaking: Mr. McKeown to advise the source document for the numbers found in paragraph 104 of his evidence with respect to lighting attachments.

Mr. McKeown's Response:

In paragraph 104 of my evidence, I refer to Hydro Ottawa's response to IR:H-7-1(Carriers #16) and to a projection of lighting "attachments" provided in its application. In paragraph 105, immediately following the table, I draw the conclusion that the projections for 2016 and beyond seem overly conservative.

The use of the term "lighting attachments" was not intended to mean that these were streetlight attachments. Use of the term "lighting connections" as used in Hydro Ottawa's Exhibit C, Tab 1 Schedule 2, Appendix 2-IA and which was the source of the information provided in paragraph 104 of my evidence, may have been more appropriate but would not have changed my conclusion in paragraph 105.

Undertaking No. J2.6

Undertaking: With reference to page 10 and the comparison of the two methodologies, to provide the calculation using both the 12.5 percent and the 20.9 percent figures.

Mr. McKeown's Response:

Page 10 of my evidence provides the following summary table showing the factor to allocate indirect costs.

TABLE 1

	Number of attachers		
	2.0	2.5	3.0
Proportional Use	15.7%	12.5%	10.4%
Equal Sharing	24.6%	20.9%	18.2%

Table 2 (below), Column 1 provides Hydro Ottawa's cost calculation, Column 2 is the calculation provided in JTC3.4 that used an allocation factor of 12.5%, and Column 3 provides the requested calculation using an allocation factor of 20.9%.

TABLE 2

		Hydro Ottawa Column 1	Evidence per JTC3.4 Column 2	J2.6 Column 3
DIRECT COSTS				
Admin	Total	141,291	141,291	141,291
	Poles with attachments 35,663			
	Admin per pole	3.96	1.58	1.58
LIP-Pole replacement	Field Verification			
	Cost of Field verification	81,410.21	0.00	0.00
	Returning Crew			
	Cost of Returning Crew	188,987.99	0.00	0.00
	Total LIP-Pole replacement	270,398.21	0.00	0.00
LIP-Field Verification	Wires Down	14,720.00	14,720.00	14,720.00
	Tree on Wires	25,300.80	25,300.80	25,300.80
	Total Cost due to Loss In Productivity	310,419.01	40,020.80	40,020.80
	Poles with attachments 35,663			
	LIP per pole	8.70	0.45	0.45
INDIRECT COSTS				
Net Book Value per pole		1,678.00	1,257.84	1,257.84
Depreciation Expense per Pole		43.29	34.80	34.80
Pole Maintenance Expense per Pole		12.61	10.64	10.64
Capital Carrying Costs per Pole		112.43	84.28	84.28
	Total Indirect Costs per pole	168.33	129.71	129.71
Allocation Factor		25.9%	12.5%	20.9%
		43.60	16.21	27.11
Total Cost per Pole with attachments per year		56.26	18.24	29.14

Numbers may not balance due to rounding