

B-AMPCO-1

Reference(s): Exhibit B, Tab 2, Schedule 1

Preamble:

- a) Please provide a list of the rate riders where the OEB may have to limit the duration of the riders.**

Response:

- 1 a) Please see the Applicants' response to Interrogatory B-EP-3c).

B-AMPCO-2

Reference(s): Exhibit B, Tab 5, Schedule 1, Page 2; Attachment 11, City of Vaughan, Extract from Special Council Meeting Minutes of October 7, 2015, Page 14

Preamble:

At Reference 1 the evidence indicates the proposed transaction results in lower LDC Co. rates than the status quo during the rebasing deferral period. At Reference 2, the benefits to the City of Vaughan indicate future utility rate reductions of \$40 per customer per year.

a) Please provide the detailed analysis to support these statements.

Response:

a) The Applicants' statement in Reference 1, is based on the general notion that the rate impacts from rebasing are greater than under Price Cap IR; accordingly, the proposed transaction results in lower LDC Co rates than the *status quo* during the rebasing deferral period from the time each Party's rate plan expires. Please see Exhibit B, Tab 5, Schedule 1, page 1.

Each of the consolidating distributors would have filed Cost of Service or Custom IR applications during the proposed ten year rebasing deferral period in the absence of the proposed consolidation. The pre-existing rate plans for Horizon Utilities (2015-2019 Custom IR) and PowerStream (as proposed in its current Custom IR rate application, 2016-2020) will continue until their expiry, and rate adjustments will then take place under Price Cap IR through to the first rebasing of LDC Co.

In the absence of the proposed consolidation and rebasing deferral, rebasing for Horizon Utilities and PowerStream would have taken place in 2020 and 2021, respectively, and projected rate increases would have been greater than under Price Cap IR. Enersource was scheduled to rebase in 2017 but has received OEB approval to defer the rebasing. HOBNI is scheduled to rebase in 2020.

19 Figures in Attachment 11, City of Vaughan, Extract from Special Council Meeting Minutes of
20 October 7, 2015, page 14, were prepared and provided by Navigant Consulting Ltd.
21 ("Navigant") in its Report *"Decision support between PowerStream Holdings Inc.,*
22 *Enersource Corporation, and Horizon Holdings Inc., and the joint acquisition of Hydro One*
23 *Brampton Networks Inc.* (issued September 2015). Navigant was engaged by and
24 performed this analysis for the City of Markham. The Applicants do not have and are unable
25 to provide the detailed analysis to support these statements.

B-AMPCO-3

Reference(s): Exhibit B, Tab 5, Schedule 5, Page 5

Preamble:

- a) Please provide the number of existing call centres and control rooms currently in place for each of Enersource, Horizon, PowerStream and Hydro One Brampton.**
- b) Please explain why the Holdco Head Office, LDC Co Head Office and the Sustainability and Innovation Head Office are not proposed to be located at one facility.**

Response:

- 1 a) Please see the Applicants' response to Interrogatory B-Staff-5a).
- 2
- 3 b) Since none of the existing single facilities of any of the Parties is large enough to
- 4 accommodate all staff for the anticipated functions, each of the three existing buildings is
- 5 being utilized.

B-AMPCO-4

Reference(s): Exhibit B, Tab 6, Schedule 1

Preamble:

The evidence indicates the anticipated gross savings of LDC Co. are \$354.6 million in operating costs and \$167.6 million in capital costs.

- a) Please provide a detailed breakdown and description of the gross operating savings by year.
- b) Please provide a detailed breakdown and description of the gross capital savings by year.
- c) Please provide the assumptions, analysis and calculations used to arrive at the projected annual savings amounts.
- d) Please identify any specific factors that may affect the achievement of the expected efficiencies and the recovery of costs associated with the proposed transaction in the timelines projected.
- e) Please explain how the forecast savings take into account the forecast productivity savings previously identified in the last rebasing or Custom IR applications of the four LDCs pre-merger.
- f) Please provide the total gross payroll reduction savings over the ten year period 2016 to 2025.
- g) Please provide the total employee reductions by year for the years 2016 to 2025.

Response:

- 1 a) Please see the Applicants' response to Interrogatory B-Staff-7a).
- 2
- 3 b) Please see Table 1 below for a detailed breakdown of the gross capital savings by year.
- 4

5 **Table 1 - Detailed Breakdown of Gross Capital Savings by Year (\$MM)**

Capital Synergies	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Integration of Asset Management systems	1.4	1.2	0.3	0.2							3.1
Integration of IT systems	17.8	13.8	20.8	15.1	22.0						89.5
Supply Chain discounts and rationalization	0.5	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	29.3
Other Operations economies of scale	3.3	4.4	4.5	4.7	4.8	4.8	4.8	4.8	4.8	4.8	45.7
TOTAL	23.0	22.6	28.8	23.2	30.0	8.0	8.0	8.0	8.0	8.0	167.6

6
7
8 c) The Applicants have used 2015 Budget numbers as the base for calculating operating and
9 capital synergies.

10
11 The following assumptions apply to operating savings categories as identified in section a)
12 above:

- 13 • Consolidation of core enterprise applications during years one, two and three post
14 consolidation; to include: i) legacy Customer Information Systems will be migrated to a
15 single consolidated Oracle Customer Care and Billing ("CC&B") system; ii) legacy
16 Enterprise Resource Planning ("ERP") systems will be migrated to a single consolidated
17 system; and iii) legacy Geographic Information Systems ("GIS") and Outage
18 Management Systems ("OMS") will be consolidated to a single system;
- 19
20 • Consolidation of four existing Call Centres to two, and four existing Control Rooms to
21 two;
- 22
23 • Utilization of six existing service centres for Construction and Maintenance, Trouble
24 Response, Logistics, Fleet Services and Metering; and
- 25
26 • The Parties will leverage best practices in Asset Management; to include: i) evaluation of
27 long term capital plans; ii) maintenance practices; iii) design standards; and iv) operating
28 standards.

The following assumptions apply to capital savings categories as identified in section b) above:

Integration of Asset Management systems

- Consolidation of GIS and OMS of the legacy companies is expected to migrate into one common Intergraph GIS and OMS environment;
- All legacy GIS-OMS systems are expected to be migrated to a single consolidated Intergraph GIS-OMS system by the end of Year 3; and
- All legacy SCADA systems are expected to be migrated to a single consolidated SCADA system by mid of Year 2.

Integration of IT systems

- The new company will be standardized on a single set of common best-practices business processes;
- Consolidation of Customer Information Systems of all legacy companies is expected to migrate to one common Oracle CC&B system, by the end of year three, to facilitate integration of Customer Service business functions and improve service to customers;
- Consolidation of the ERP system of all legacy companies into the JD Edwards system environment is expected by the end of year two, to facilitate the integration business operations; and
- To consolidate enterprise cyber security practices and technologies into a single common set of processes and systems that provides the protection of information and the entire information technology architecture to support all business and regulatory requirements of the new company.

Supply Chain discounts and rationalization

- Synergies created through contract consolidations, standardization of materials and purchasing volume discounts realized by economies of scales; and

- Rationalization of fleet investments through applying best practices.

Other Operations economies of scale

- Better aligned contractor management strategies will lead to a reduction in contractor costs in the new organization.

d) Please see the Applicants response to Interrogatory B-Staff-9d).

e) As mentioned in c) above, the Applicants used the combined 2015 Budget numbers from each utility as the base for the calculating transition costs and savings. The 2015 Budget figures incorporated productivity savings that were previously identified in the last rebasing or Custom IR applications of each of the LDCs before the merger.

f) As indicated in Figure 28 on page 2 of Exhibit B, Tab 6, Schedule 2, the total gross payroll reduction savings over the ten year period 2016 to 2025 is \$306.9MM.

g) Please see the Applicants' response to Interrogatory B-AMPCO-6c).

B-AMPCO-5

Reference(s): Exhibit B, Tab 6, Schedule 1, Figure 25

Preamble:

- a) Please provide a detailed breakdown and description of the forecast transition costs by year charged to operating and capital.**
- b) Please confirm if in-house staffing costs are included in the transition costs.**

Response:

- 1 a) Please see the Applicants' response to Interrogatory B-Staff-9a).
- 2
- 3 b) The Applicants confirm that some incremental in-house staffing costs are included in the
- 4 transition costs.

B-AMPCO-6

Reference(s): Exhibit B, Tab 6, Schedule 1

Preamble:

- a) Please complete the following Table to show the existing FTE levels of the four Parties pre-merger.**

FTEs	Enersource	Horizon	PowerStream	Hydro One Brampton
Executive Management				
Senior Management				
Management				
Non-Union				
Union				
Temporary				
Total				

- b) Please provide the number of vacancies for Enersource, Horizon, PowerStream and Hydro One Brampton at December 31, 2015.**
- c) Please provide the total number of FTEs in the categories in part (a) for LDC Co. for the years 2016 to 2025.**

Response:

- 1 a) The Applicants have provided the pre-consolidation FTE breakdown for the Parties in Table
- 2 1 below.

Table 1 – FTE Breakdown by Party

FTEs	Enersource	Horizon Utilities	PowerStream	HOBNI
Executive Management	7	9	18	1
Management	42	51	61	17
Non-Union	112	77	133	59
Union	260	278	342	166
Total FTEs	421	415	554	243
Temporary	3	3	25	5

The Parties do not have a definition of “Senior Management”. The number of FTEs reported for “Management” include all management employees other than Executives.

Temporary staff is not included as FTEs and are hired to provide short-term support on an as-needed basis. The number of temporary staff at PowerStream reflects additional support required during the implementation of the new Customer Service Information System in 2015.

b) The number of vacancies for each of the four Parties at December 31, 2015 is provided in Table 2 below.

Table 2 – Vacancies by Party

Utility	# of Vacancies
Enersource	19
Horizon Utilities	27
PowerStream	31
HOBNI	17
Total	94

c) Table 3 below provides a forecast of FTEs for the first five years of the rebasing deferral period, post consolidation. FTEs at the end of year five, post consolidation, for years six to ten are forecast to remain stable.

20 **Table 3 – Forecast of FTEs**



B-AMPCO-7

Reference(s): Exhibit B, Tab 5, Schedule 1, Page 3

Preamble:

The evidence indicates Operations staffing levels will not be changing.

a) Please identify the specific areas where staffing levels will be changing as a result of the consolidation.

Response:

- 1 a) With the exception of front line field staff, staffing levels will be changing in all other
- 2 departments as a result of the consolidation.

B-AMPCO-8

Reference(s): Exhibit B, Tab 7, Schedule 1, Page 1

Preamble:

The evidence states “During the rebasing deferral period, LDC Co may apply for rate adjustments using the Board’s ICM as may be necessary and in accordance with applicable Board policies with respect to eligibility for, and the use of, the ICM.

- a) Which years post merger does LDC Co. anticipate an ICM request and rate adjustments.**
- b) Please explain the forecast need for an ICM for Enersource, Horizon, PowerStream, and Hydro One Brampton.**
- c) Please provide all assumptions regarding an ICM that are built into the current application.**
- d) Please describe how an ICM would be structured and geographically applied within the context of the new merged entity.**

Response:

- 1 a) The Applicants anticipate filing ICM applications for the Enersource and HOBNI rate zones
2 for years one through ten, post consolidation. The Applicants anticipate filing ICM
3 applications for the Horizon Utilities and PowerStream rate zones for each year following the
4 conclusion of their Custom IR rate plan term.
- 5 b) Please see the responses to Interrogatories B-Staff-29, 30 and 31, B-EP-14, and B-BOMA-
6 20.
- 7 c) Please see the responses to Interrogatories B-Staff-29, 30 and 31, B-EP-14, and B-BOMA-
8 20.
- 9 d) Please see the responses to Interrogatories B-Staff-29, 30 and 31, B-EP-14, and B-BOMA-
10 20.

B-AMPCO-9

Reference(s): Exhibit B, Tab 6, Schedule 1, Page 4, Figure 26

Preamble:

- a) Please explain the decrease in distribution revenue in 2026.**
- b) Please explain the increase in distribution revenue in 2027.**
- c) Please explain the forecast increases in distribution revenue beyond 2027 (2028 to 2039).**
- d) Please provide all assumptions regarding an ICM in Figure 26.**
- e) Please provide the forecast revenue by year to be collected from any ICM recovery rate riders.**
- f) Please recast Figure 26 without an ICM.**

Response:

- 1 a) The decrease in distribution revenue in 2026 is the result of the first rebasing following the
2 ten year rebasing deferral period. The rebasing results in a forecast revenue requirement
3 reduction of \$69.3MM. On rebasing, the operating and capital synergies will be included in
4 the calculation of the rate base and be incorporated into customers' rates.
5
- 6 b) The Applicants expect and assume that LDC Co will file successive Custom IR applications
7 commencing in year eleven post-consolidation. Distribution rates are forecast to recover
8 prudently incurred costs.
9
- 10 c) Please see b) above.
11
- 12 d) The ICM Assumptions are:
 - 13 • Average customer growth factors: PowerStream: - 1.7%; Enersource: – 0.6%; Horizon
14 Utilities: – 0.7%; Hydro One Brampton: – 1.3%;
 - 15 • Price Cap Index increases: PowerStream and Horizon utilities: 1.30%; Enersource:
16 1.45%; HOBNI: 1.4%; and

- Deadband of 20.0%.

e) The forecast revenue by year to be collected via ICM recovery rate riders is identified in Table 1 below.

Table 1 - Incremental ICM Revenue

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Incremental ICM Revenue (\$MM)	3.7	6.1	7.3	8.9	10.3	12.7	16.0	19.3	21.9	24.3

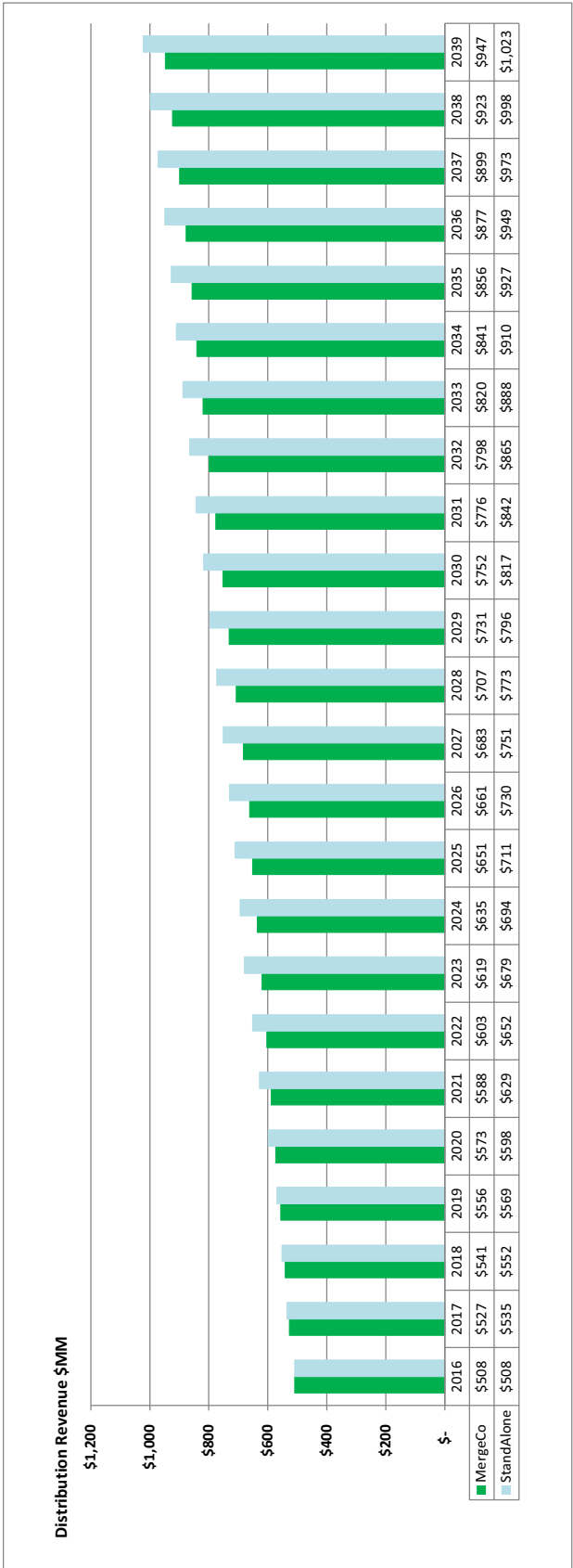
The aggregate ICM revenue is \$130MM.

26

27 f) Figure 1 below provides the distribution revenue trends restated without ICM.

28

29 **Figure 1 – Distribution Revenue Trends – restated without ICM**



30

B-AMPCO-10

Reference(s): Exhibit B, Tab 5, Schedule 1, Page 6

Preamble:

LDC Co expects be a leader in instituting CDM initiatives and will be able to reduce duplicate program administration costs.

- a) Please provide the CDM targets for the merged entity.**
- b) Please confirm the reduced CDM administration cost savings are included in the operating savings.**

Response:

- 1 a) The 2015-2020 CDM Target for LDC Co will be 1,604.55 GWh.
- 2
- 3 b) Reduced CDM administration costs are not included in the operating savings, as CDM
- 4 programs are not funded through electricity distribution rates.

B-AMPCO-11

Reference(s): Exhibit B, Tab 5, Schedule 1, Page 5, Figure 20

Preamble:

- a) For each year for SAIDI and SAIFI, please add the following adjustments to the Figure: Major Event Days Adjusted, Scheduled Outages Adjusted.**
- b) Please add the reliability data for 2015 to the table in part (a).**

Response:

- 1 a) In Table 1 below, the Applicants provide the following adjustments to Figure 20 for each
2 year of SAIFI and SAIFI: Major Event Days Adjusted, Scheduled Outages Adjusted.
3
- 4 With respect to the Major Event Days Adjusted calculation, the Applicants have adopted the
5 Institute of Electrical and Electronics Engineers ("IEEE") 1366 Standard definition of a Major
6 Event Day ("MED"). A MED is any day that exceeds a daily SAIDI threshold as determined
7 using historical data. HOBNI's definition of a MED for 2010-2015 was based on sustained
8 outages caused by severe weather storm conditions. HOBNI's classification of outages
9 related to major storms was based on the parameters used by Environment Canada for the
10 identification of major storms and severe weather related to the City of Brampton.

11 **Table 1: Reliability Metrics of the Parties for 2010-2014**

	2014			
	Enersource	Horizon Utilities	PowerStream	HOBNI
SAIDI	0.67	2.18	1.45	0.57
SAIDI Loss of Supply Adjusted	0.67	1.59	1.39	0.55
SAIDI Major Event Days Adjusted	0.53	1.05	1.23	0.57
SAIDI Scheduled Outages Adjusted	0.59	2.07	1.31	0.55
SAIFI	1.13	1.91	1.71	0.95
SAIFI Loss of Supply Adjusted	1.13	1.65	1.64	0.90
SAIFI Major Event Days Adjusted	0.97	1.34	1.48	0.95
SAIFI Scheduled Outages Adjusted	1.11	1.64	1.66	0.95

	2013			
	Enersource	Horizon Utilities	PowerStream	HOBNI
SAIDI	5.34	4.97	10.68	10.46
SAIDI Loss of Supply Adjusted	1.49	4.36	9.77	9.84
SAIDI Major Event Days Adjusted	0.60	1.01	1.21	1.12
SAIDI Scheduled Outages Adjusted	5.26	4.87	10.55	10.43
SAIFI	2.72	2.09	2.54	3.64
SAIFI Loss of Supply Adjusted	1.37	1.76	2.24	3.30
SAIFI Major Event Days Adjusted	1.41	1.24	1.37	1.26
SAIFI Scheduled Outages Adjusted	2.67	1.84	2.50	3.62

	2012			
	Enersource	Horizon Utilities	PowerStream	HOBNI
SAIDI	0.70	1.45	1.16	0.76
SAIDI Loss of Supply Adjusted	0.68	1.43	1.04	0.74
SAIDI Major Event Days Adjusted	0.70	1.13	1.16	0.76
SAIDI Scheduled Outages Adjusted	0.66	1.35	1.08	0.74
SAIFI	1.71	1.95	1.70	1.27
SAIFI Loss of Supply Adjusted	1.36	1.83	1.53	1.06
SAIFI Major Event Days Adjusted	1.71	1.49	1.70	1.27
SAIFI Scheduled Outages Adjusted	1.71	1.56	1.66	1.26

	2011			
	Enersource	Horizon Utilities	PowerStream	HOBNI
SAIDI	0.89	2.25	1.20	0.73
SAIDI Loss of Supply Adjusted	0.72	2.23	1.05	0.68
SAIDI Major Event Days Adjusted	0.89	1.01	1.06	0.73
SAIDI Scheduled Outages Adjusted	0.83	2.18	1.13	0.71
SAIFI	1.97	1.74	1.23	1.19
SAIFI Loss of Supply Adjusted	1.54	1.74	1.00	1.05
SAIFI Major Event Days Adjusted	1.97	1.42	1.13	1.19
SAIFI Scheduled Outages Adjusted	1.96	1.67	1.19	1.18

	2010			
	Enersource	Horizon Utilities	PowerStream	HOBNI
SAIDI	0.58	1.24	0.81	0.66
SAIDI Loss of Supply Adjusted	0.55	1.15	0.54	0.46
SAIDI Major Event Days Adjusted	0.59	0.90	0.64	0.66
SAIDI Scheduled Outages Adjusted	0.42	1.14	0.76	0.64
SAIFI	1.32	1.80	0.92	1.47
SAIFI Loss of Supply Adjusted	1.10	1.55	0.80	0.76
SAIFI Major Event Days Adjusted	1.32	1.71	0.91	1.47
SAIFI Scheduled Outages Adjusted	1.21	1.74	0.90	1.46

13 b) The Applicants provide the reliability data for 2015 in Table 2 below.

14

15 **Table 2: Reliability Metrics of the Parties for 2015**

	2015			
	Enersource	Horizon Utilities	PowerStream	HOBNI
SAIDI	0.72	1.77	1.99	0.72
SAIDI Loss of Supply Adjusted	0.64	1.69	1.93	0.68
SAIDI Major Event Days Adjusted	0.72	1.43	1.19	0.48
SAIDI Scheduled Outages Adjusted	0.60	1.66	1.87	0.68
SAIFI	1.64	1.92	1.52	1.22
SAIFI Loss of Supply Adjusted	1.46	1.58	1.42	0.89
SAIFI Major Event Days Adjusted	1.64	1.65	1.14	1.08
SAIFI Scheduled Outages Adjusted	1.60	1.67	1.48	1.20

16

B-AMPCO-12

Reference(s): Exhibit B, Tab 5, Schedule 1, Page 6, Figure 21

Preamble:

- a) Please confirm Figure 21 includes data for the years 2010 to 2014.**
- b) Please confirm Figure 21 excludes Loss of Supply.**
- c) Please provide the 5 year SAIDI and SAIFI averages excluding Loss of Supply, Major Event Days and Scheduled Outages for the years 2011 to 2015.**
- d) Please explain how new reliability targets will be set and evaluated for LDC Co.**
- e) Please provide LDC Co's forecast reliability targets.**

Response:

- 1 a) The Applicants confirm that Figure 21 includes data for the years 2010 to 2014.
- 2
- 3 b) The Applicants confirm that Figure 21 excludes Loss of Supply.
- 4
- 5 c) Table 1 below, an update to Figure 21, identifies the five year SAIDI and SAIFI averages
- 6 excluding Loss of Supply, Major Event Days and Scheduled Outages for the years 2011 to
- 7 2015.

Table 1 – Five Year Average (SAIDI & SAIFI)

Loss of Supply Adjusted	2011 - 2015 Results				
	Enersource	Horizon Utilities	PowerStream	HOBNI	LDC Co (Arithmetic Average)
5 year Average SAIDI (in hours)	0.82	2.15	2.76	2.45	2.05
5 year Average SAIFI	1.30	1.71	1.44	1.41	1.47

Major Events Adjusted	2011 - 2015 Results				
	Enersource	Horizon Utilities	PowerStream	HOBNI	LDC Co (Arithmetic Average)
5 year Average SAIDI (in hours)	0.66	1.02	1.06	0.77	0.88
5 year Average SAIFI	1.48	1.44	1.32	1.23	1.37

Scheduled Outages Adjusted	2011 - 2015 Results				
	Enersource	Horizon Utilities	PowerStream	HOBNI	LDC Co (Arithmetic Average)
5 year Average SAIDI (in hours)	1.67	2.65	3.34	2.75	2.60
5 year Average SAIFI	1.73	1.69	1.58	1.69	1.67

d) The Applicants have not yet determined how the new reliability targets will be set and evaluated for LDC Co.

Please see the Applicants' response to Interrogatory B-EP-6 for further details on the methodology proposed to calculate SAIDI and SAIFI. Historically, in assessing the four LDCs as one, a weighted average (based on annual customer count) would be best. A simple arithmetic average eliminates the customer size differences which is fundamental in the calculations of SAIDI and SAIFI.

e) The Applicants have not established forecast reliability targets for LDC Co. Please refer to part d) above.

B-AMPCO-13

Reference(s): Exhibit B, Tab 5, Schedule 3, Page 1, Figure 23

Preamble:

a) **Please provide the OM&A Cost per Customer for the years 2015 to 2025.**

Response:

a) The 2015 OM&A cost per customer for Enersource, Horizon Utilities, PowerStream and HOBNI is: \$297.16; \$262.88; \$257.78; and \$180.79, respectively. These figures are consistent with the statistics filed in each of the LDCs' 2015 Annual RRR Filing.

The OM&A Cost per Customer for the years 2016 to 2025 for LDC Co, provided in Table 1 below, are computed using the LDC Co OM&A from Exhibit B, Tab 5, Schedule 2, Figure 22, page 1, divided by the total number of customers for LDC Co, as identified on "Key Metrics", of the live Business Case Model. The live Business Case Model has been filed confidentially in the Applicants' response to Interrogatory B-SEC-27.

Table 1 – OM&A Cost per Customer

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
OM&A PerCustomer	\$ 253	\$ 231	\$ 218	\$ 206	\$ 207	\$ 214	\$ 216	\$ 219	\$ 221	\$ 223

B-AMPCO-14

Reference(s): Exhibit B, Tab 5, Schedule 5, Page 7 Performance Targets

Preamble:

- a) Please provide the current performance targets of Enersource, Horizon, PowerStream and Hydro One Brampton that are not included in the OEB Annual Scorecard.**

Response:

- a) As stated in Exhibit B, Tab 5, Schedule 5, Page 7, LDC Co's operational plans will be closely linked to the achievement of customer service satisfaction levels. This includes the consideration of each utility's present service levels, the service levels required by OEB regulation, competitive benchmarks and customer survey results.

The current customer-facing performance targets utilized by Enersource, Horizon Utilities, HOBNI and PowerStream, exclusive of metrics included in the OEB Scorecard are provided in the table below.

Table 1 – Current Customer-Facing Performance Targets by Utility

Performance Targets	Enersource	Horizon Utilities	PowerStream	HOBNI
Call Quality Scoring	≥ 90%	≥ 90%		
Speed of answer - Call Centre		≤ 30 seconds	≤ 60 seconds	
Speed of answer - Connections			≤ 90 seconds	
Average talk time		≤ 4 minutes		
Average calls completed / hour		≥ 15, fully qualified agent		
% of customers unbilled at normal Bill Issuance Date			≤ 3%	

In addition to OEB Scorecard requirements and customer service-specific operational targets, Enersource, Horizon Utilities, HOBNI, and PowerStream each have corporate performance objectives that target increased levels of customer satisfaction and trust with their utility.

The following table identifies the current corporate metrics for each organization that align with these attributes.

20

Table 2 – Current Corporate Metrics by Utility

Performance Targets	Enersource	Horizon Utilities	PowerStream	HOBNI
Lost Time Injury/Critical Injuries Fatalities	0	0	0	
Number of incidents / 200,000 hours re: Occupational Safety and Health Administration recordable rate				≤ 1.2
Work Related Medical Aid Claims		≤ 11		
Safety inspections completed			≥ 2,300	
Motor Vehicle Accidents	≤ 10	≤ 8		
"Near miss" reports completed		≥ 213		
Public Safety - # of serious electrical incidents / 1,000 km of line				0%
H&S Program assessment / improvement		≥ 2 corrected gaps		
Quality of H&S investigation / reporting		≥ 95%		
Employee Health / Absenteeism rate	≤ 6 days			
Employee Retention / voluntary turnover rate	≤ 7%			
Net Income	≥ \$26.88 MM	\$18.8MM to \$19.8MM	≥ \$36.5 MM	≥ \$12.8 MM (after tax)
Controllable Cost / Customer		\$255.91 to \$261.09		
Capital investment plan achievement	≥ 75% on plan 100% on budget	≥ \$40.5MM	≥ 80% of project scheduled	≥ 92% program achievement
Productivity / efficiency achievement		Cumulative 2011 to 2016: ≥ \$7.5MM	≥ \$250,000	
Project Management Office projects completed			≥ 80%	
Number of Innovation Projects implemented			≥ 4	
Implementation of staff engagement activities			≥ 90%	

B-AMPCO-15

Reference(s): Exhibit B, Tab 6, Schedule 5, Page 1

Preamble:

At reference 1, the evidence states “The financial plan has been modelled on the basis that the ongoing sustainment and growth requirements of the electricity distribution system are provided for in a manner consistent with the long-term forecasts of the entities comprising LDC Co. Each entity has long-term capital plans based on detailed asset condition assessments, growth estimates, and sound engineering principles

a) Please complete the following Table regarding the current condition assessment of system assets:

LDC	Total # of Assets	% of Assets At or Beyond Typical Useful Life	% of Assets in Poor or Very Poor Condition	% of Assets in Fair Condition
Enersource				
Horizon				
PowerStream				
HOBNI				

Response:

a) The most recent summaries of the Asset Condition Assessments (“ACA”) for Enersource, Horizon Utilities, Powerstream, and HOBNI are provided in the tables below.

Enersource

Enersource’s ACA is based on the Kinectrics Inc. methodology where the assets are categorized and the Health Index is calculated for the assets within each group. An asset’s Health Index is given as a percentage, with 100% representing “as new” condition. The Health Index results are categorized as follows:

Very Poor	Health Index < 25%
Poor	25% ≤ Health Index < 50%
Fair	50% ≤ Health Index < 70%
Good	70% ≤ Health Index < 85%

Very Good Health Index \geq 85%

Enersource's ACA does not determine the percentage of assets at or beyond typical useful life.

Table 1 below provides the asset information from Enersource's ACA dated June, 2016.

Table 1 – Enersource Asset Condition Assessment

Enersource				
Asset	Total # of Assets	% of Assets At or Beyond Typical Useful Life	% of Assets in Poor or Very Poor Condition	% of Assets in Fair Condition
Sustation Transformers - In Service	108	n/a	4%	8%
Sustation Transformers - Spares	12	n/a	8%	0%
Substation Circuit Breakers - All	432	n/a	0%	5%
Substation Circuit Breakers - High Voltage	56	n/a	0%	0%
Substation Circuit Breakers - Low Voltage	376	n/a	0%	6%
Transformers - Pole Mounted	5,353	n/a	3%	5%
Tansformers - Single Phase Pad Mounted	14,261	n/a	6%	5%
Transformers - Three Phase Pad Mounted	1,860	n/a	4%	2%
Transformers - Vault	3,854	n/a	11%	6%
Pad Mounted Switchgear	834	n/a	7%	3%
Overhead Switches - 44 kV	337	n/a	2%	5%
Overhead Switches - 27.6 kV	206	n/a	0%	7%
Overhead Switches - Inline	2,000	n/a	4%	10%
Overhead Switches - Motorized	110	n/a	2%	9%
Underground Cable - Main Feeder Primary	2,238 (km)	n/a	12%	6%
Underground Cable - Distribution Primary	4,076 (km)	n/a	21%	10%
Poles - Wood	12,436	n/a	16%	26%
Poles - Concrete	9,488	n/a	3%	11%

Horizon Utilities

Horizon Utilities' ACA was also performed by Kinectrics Inc. using Kinectrics' methodology. Horizon Utilities' ACA does not determine the percentage of assets at or beyond typical useful life. Horizon Utilities utilizes the same Heath Index distribution as Enersource.

Table 2 below provides the asset information from Horizon Utilities' ACA dated November 27, 2013.

30 **Table 2 – Horizon Utilities Asset Condition Assessment**

Horizon				
Asset	Total # of Assets	% of Assets At or Beyond Typical Useful Life	% of Assets in Poor or Very Poor Condition	% of Assets in Fair Condition
Substation Transformers	70	n/a	0%	10%
Substation Circuit Breakers	279	n/a	23%	16%
Substation Switchgear	37	n/a	32%	49%
Pole Mounted Transformers	12,886	n/a	6%	4%
Overhead Conductors - Primary	3386 (km)	n/a	5%	1%
Overhead Conductors - Secondary	2196 (km)	n/a	9%	3%
Overhead Conductors - Service	1901 (km)	n/a	11%	4%
Overhead Line Switches	712	n/a	20%	10%
Wood Poles	42,037	n/a	11%	7%
Concrete Poles	9,761	n/a	5%	2%
Underground Cables - XLPE Primary	2060 (km)	n/a	29%	18%
Underground Cables - PILC Primary	1532 (km)	n/a	1%	2%
Underground Cables - Direct Buried Secondary	757 (km)	n/a	42%	22%
Underground Cables - In Duct Secondary	533 (km)	n/a	42%	18%
Underground Cables - Direct Buried Service	447 (km)	n/a	63%	21%
Underground Cables - In Duct Service	588 (km)	n/a	4%	18%
Pad Mounted Transformers	5,906	n/a	0%	0%
Pad Mounted Switchgear	186	n/a	1%	3%
Vault Transformers	4,169	n/a	49%	40%
Utility Chambers	2,075	n/a	1%	2%
Vaults	3,413	n/a	0%	0%
Submersible LBD Switches	117	n/a	46%	23%

33 **PowerStream**

34 PowerStream uses the ACA methodology developed by Kinectrics Inc. On an on-going
 35 basis, PowerStream continues to fine-tune the ACA models and updates the parameters to
 36 reflect PowerStream's current asset information. The Health Index results are categorized
 37 as follows:

38	Very Poor	Health Index < 30%
39	Poor	30% ≤ Health Index < 50%
40	Fair	50% ≤ Health Index < 70%
41	Good	70% ≤ Health Index < 85%
42	Very Good	Health Index ≥ 85%

44 PowerStream does calculate the percentage of assets at or beyond typical useful life. This
 45 calculation is based on the asset age compared to the Useful Life as indicated in the Asset
 46 Amortization Study conducted by Kinectrics Inc. for the OEB.

48 Table 3 below provides the asset information from PowerStream's ACA dated December 31,
 49 2014.

50 **Table 3 – PowerStream ACA Asset Information**

PowerStream				
Asset	Total # of Assets	% of Assets At or Beyond Typical Useful Life	% of Assets in Poor or Very Poor Condition	% of Assets in Fair Condition
Transformer Station Power Transformers	24	0%	0%	0%
Municipal Station Power Transformers	72	25%	0%	1%
Transformer and Municipal Station Circuit Breakers	398	10%	13%	1%
Transformer Station 230 kV Primary Switches	22	0%	0%	0%
Municipal Station Primary Switches	58	1%	0%	0%
Transformer Station Capacitor Banks	9	0%	0%	0%
Transformer Station Reactors	34	0%	0%	0%
TS Station Service Transformers	20	0%	0%	0%
TS 230 kV Primary Metering Units	30	0%	0%	0%
TS P&C Relays - Electromechanical	35	11%	23%	17%
TS P&C Relays - Solid State	45	20%	9%	38%
TS P&C Relays - Microprocessor	115	2%	0%	8%
Underground Cable	8,220 (km)	33%	29%	13%
Distribution Transformers	44,112	2%	14%	20%
Switchgear	1,821	10%	10%	6%
Mini-Rupter Switches	433	17%	9%	28%
Automated Switches	360	2%	4%	5%
Wood Poles	38,070	9%	3%	19%

53 **HOBNI**

54 HOBNI's ACA was also performed by Kinectrics Inc. using Kinectrics' methodology.
 55 HOBNI's ACA does not determine the % of assets at or beyond typical useful life. HOBNI
 56 utilizes the same Heath Index distribution as Enersource.

58 Table 4 below provides the asset information from Hydro One Brampton ACA dated May 31,
 59 2013.

60 **Table 4 – HOBNI Asset Condition Assessment**

HOBNI				
Asset	Total # of Assets	% of Assets At or Beyond Typical Useful Life	% of Assets in Poor or Very Poor Condition	% of Assets in Fair Condition
Substation Transformers	20	n/a	25%	5%
Substation Breakers - Air	7	n/a	86%	0%
Substation Breakers - SF6	19	n/a	0%	0%
Substation Breakers - Vacuum	47	n/a	0%	4%
Transformer - Single Phase Pole Mount	1,582	n/a	10%	6%
Transformer - Mini-Pad	12,431	n/a	1%	4%
Transformer - 3 Phase Pad Mounted	825	n/a	0%	1%
Transformer - Vault	1,413	n/a	6%	3%
Switches - Load Break	140	n/a	0%	0%
Pad Mount Switchgear	292	n/a	7%	0%
Wood Poles - Less than 55 feet	5,716	n/a	9%	32%
Wood Poles - Greater than 55 feet	3,851	n/a	1%	11%
Underground Feeder Cable - Primary XLPE	711 (km)	n/a	23%	2%
Underground Distribution Cable - Primary XLPE	2,411 (km)	n/a	27%	3%
SCADA Batteries	157	n/a	10%	6%

ATTACH2-AMPCO-16

Reference(s): Attachment 2, Financial Summary, Slide 6

Preamble:

- a) Please confirm the timeframe of lower ongoing capital expenditure requirements and resulting lower rate base.**

Response:

- a) The Applicants anticipate that the gross capital expenditures savings of \$8MM annually, projected from 2021 to 2025 (Exhibit B, Tab 6, Schedule 1, Figure 25), will be sustained after the rebasing deferral period.

ATTACH11-AMPCO-17

Reference(s): Attachment 11, Markham, Resolution of Council Meeting dated November 19 and 20, 2015

Preamble:

- a) Please provide a copy of the report titled “PowerStream Merger” with recommendations updated on November 19, 2015.**

Response:

- 1 a) Please see the Applicants' response to Interrogatory MUN-CCC-11 for the document requested.

ATTACH11-AMPCO-18

**Reference(s): Attachment 11, City of Vaughan, Extract from Special Council Meeting
Minutes of October 7, 2015, Page 19**

Preamble:

a) Please provide a copy of the four attachments listed.

Response:

- 1 a) Please see the Applicants' response to Interrogatory MUN-CCC-11 for the four attachments.

B-AMPCO-19

Reference(s): Exhibit B, Tab 2, Schedule 1

Preamble:

The evidence indicates a larger utility will have an expanded ability to monitor, report and improve system reliability and power quality.

a) Power quality is an important issue for AMPCO. Please explain further how system power quality will be monitored and improved for customers under LDC Co.

Response:

a) LDC Co will have access to analytical tools, system resources, and monitoring to improve power quality.

Analytical Tools

LDC Co will utilize system software modelling tools (e.g., CYME Power Engineering software) for determining fault location, and various modules in CYME (Distributed Generation and Battery Module) to analyze feeders for voltage variations.

LDC Co will utilize the Customer Information System ("CIS") and smart meter systems for transformer loading inquiries including identifying potential overloading conditions prior to failure.

Monitoring

LDC Co, through the System Control Centre, will make use of the following technologies:

- Supervisory Control and Data Acquisition ("SCADA") system

The SCADA system monitors the distribution system and identifies, through alarms, changes from normal operating parameters. These include but are not limited to voltage, current, true and apparent power, and frequency. The SCADA system also monitors fault levels and provides fault indication through remote sensors where

21 installed. Pad-mounted and areal remote controllable devices with power quality
22 monitoring are also monitored through the SCADA system.

23

24 • Smart Meters:

25 Smart meters will be used to access power quality data.

26

27 • Customer Premises

28 Power quality recorders can be installed at a customer premise, on request, to
29 provide a full report on the power quality delivered to the customer at the service
30 entrance.

31

32 Advanced Technologies

33 LDC Co will have the ability to execute and implement large scale energy storage and
34 demand response projects that can support the grid for voltage, frequency, loss of
35 supply, etc.

ATTACH2-AMPCO-20

Reference(s): Attachment 2, Page 2

Preamble:

- a) One of the key assumptions in the Financial Summary is that LDC Co. may apply for ICM in each year. For the charts on Pages 6, 7, 8 and 9, please provide the assumptions regarding an ICM by year.**

Response:

- 1 a) Please see the Applicants' responses to Interrogatories B-Staff-29, 30 and 31, B-BOMA-20,
- 2 and B-EP-14.

ATTACH2-AMPCO-21

Reference(s): Attachment 2, Page 12

Preamble:

- a) With respect to the analysis regarding sensitivity to achieved synergies, has any analysis been undertaken where achieved synergies are greater than 100%? (i.e. 125% synergies) If not, why not?**

Response:

- 1 a) No analysis has been undertaken where achieved synergies are greater than 100%.

2

- 3 All identified synergies are a result of analysis conducted by teams of subject matter experts
4 from each party. The analysis was completed to identify the maximum synergies that are
5 attainable within each area of expertise, and as such, the synergies identified are considered to
6 be the maximum savings available in the consolidated utility.

ATTACH9-AMPCO-22

Reference(s): Attachment 9, Page 30 (33) Condition of Assets

Preamble:

a) Please provide the asset categories covered under PowerStream Realty Interests, Enersource Hydro Realty Interests, and Horizon Realty Interests.

Response:

- 1 a) The Realty Interests categories for each entity are real property, leased property and
- 2 easements, and rights of way.