

Ontario Energy Board

Canadian Niagara Power Inc.

**Application for electricity distribution rates beginning
January 1, 2017**

**INTERROGATORIES OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

September 28, 2016

**CANADIAN NIAGARA POWER INC.
2017 RATES REBASING CASE
EB-2016-0061**

**ENERGY PROBE RESEARCH FOUNDATION
INTERROGATORIES**

EXHIBIT 1 – ADMINISTRATIVE DOCUMENTS

1-Energy Probe-1

Ref: Exhibit 1, Tab 1, Schedule 2, pages 11 & 12

- a) The evidence indicates that based on customer feedback, CNPI's DSP and DAMP include ongoing maintenance and upkeep initiatives to ensure reliable delivery of electricity.

Please provide a detailed list of what changes to the DSP and DAMP took place as a direct result of customer feedback. In other words, what is CNPI proposing to do now that it would not have done in the absence of customer feedback and what is it now not proposing to do as a result of customer feedback?

- b) Were any changes made to the tree trimming program as a result of customer feedback? If yes, please provide details.
- c) How many and what percentage of customers, by rate class, have indicated that they want access to their time of use and interval data?
- d) Does CNPI track usage of customers accessing their time of use and interval data? If yes, please provide the number of customers that have done so over the last year.

1-Energy Probe-2

Ref: Exhibit 1, Tab 1, Schedule 2, pages 20 & 21

- a) Please confirm that based on 2015 data, CNPI remains in Group 4 based on the PEG efficiency assessment.
- b) Please update the total cost per customer to reflect actual data for 2015, along with the forecast for 2016 and 2017 based on the evidence in the application.

1-Energy Probe-3

Ref: Exhibit 1, Tab 1, Schedule 2, page 24

Please update the total cost per km of line to reflect actual data for 2015, along with the forecast for 2016 and 2017 based on the evidence in the application.

1-Energy Probe-4

Ref: Exhibit 1, Tab 3, Schedule 1

Are any of the costs related to the Conservation and Demand Management team included in either the historical OM&A costs or in the forecasts for 2016 and 2017? If yes, please provide the amount by year.

EXHIBIT 2 – RATE BASE

2-Energy Probe-5

Ref: Exhibit 2, Tab 1, Schedule 2

- a) How many months of actual capital expenditures are included in the 2016 continuity schedule shown on page 5?**
- b) Please update the 2016 continuity schedule (Table 2.1.2.4) to reflect the most recent year-to-date figures available for 2016 along with the most current forecast for the remainder of 2016.**
- c) Please provide a revised 2017 continuity schedule (Table 2.1.2.5) based on the response to part (b) above and to reflect any changes related to timing, etc., coming from 2016.**

2-Energy Probe-6

Ref: Exhibit 2, Tab 1, Schedule 2

Please explain the significant difference in cost at the beginning of the year shown for 2013 in Table 2.1.2.1 (\$110,282,520 before AUC) with the closing balance for 2012 shown in Exhibit 2, Tab 1, Schedule 5, page 4 in EB-2012-0112 of \$92,014,368 (before allocations).

2-Energy Probe-7

Ref: Exhibit 2, Tab 1, Schedule 2

What is the net book value in each of 2016 and 2017 associated with the assets that would have been allocated if the methodology used in previous years in calculating the allocations related to costs and accumulated depreciation were used in the bridge and test years?

2-Energy Probe-8

Ref: Exhibit 2, Tab 2, Schedule 2

Please provide a version of Appendix 2-AB (Table 2) that includes the total planned capital expenditures for each of 2012 through 2015. Please confirm that the 2012 planned figure is as filed in EB-2012-0112 for the bridge year of \$6,410,633. If this cannot be confirmed, please explain.

2-Energy Probe-9

Ref: Exhibit 2, Tab 2, Schedule 2

- a) Please provide the status of the Gilmore distribution substation noted on page 8. Is it still scheduled to be completed and placed into service by the end of the year?**
- b) Please provide the status of each of the expenditures noted in the table on page 9. In particular, are these expenditures expected to be completed and placed into service by the end of 2016?**

EXHIBIT 3 – OPERATING REVENUE

3-Energy Probe-10

Ref: Exhibit 3, Tab 2, Schedule 2, Appendix A

Please provide the number of customers (or connections) based on the most recent monthly available in 2016 for each rate class. Please provide the figures for the corresponding month in 2015.

3-Energy Probe-11

Ref: Exhibit 3, Tab 4, Schedule 1

Please provide the most recent year-to-date actuals for the 2016 bridge year in the same level of detail as shown in the Other Distribution Revenue Offset Table. Please also provide the figures for the corresponding period in 2015.

3-Energy Probe-12

Ref: Exhibit 3, Tab 4, Schedule 1

a) Please explain the drop in account 4325 in the bridge and test years relative to the actual figures for 2014 and 2015.

b) Please confirm that all of the OM&A costs associated with the provision of services to earned revenue in account 4325 are included in account 4330. If this cannot be confirmed, please provide the OM&A costs for each of 2013 through 2017 associated with the generation of revenue in account 4325 that are not included in account 4330.

c) Please confirm that there are no costs or revenues associated with CDM or carrying costs on regulatory accounts included in the table shown on page 1. If this cannot be confirmed, please provide a table that eliminates these costs and revenues for the period shown.

3-Energy Probe-13

Ref: Exhibit 3, Tab 4, Schedule 1

Account 4375 shows revenues of \$1,139,217 in the test year but nothing in the previous years.

a) Please confirm that the amount shown for 2017 is all incremental revenue compared to previous years. If this cannot be confirmed, please explain.

b) Please explain why there are no costs shown in account 4380 associated with the revenue in account 4375.

c) Please provide the OM&A costs associated with the account 4375 revenue and confirm that these costs are included in the total OM&A costs in Table 4.1.1.1. If this cannot be confirmed, please explain fully.

d) Please provide the gross asset cost, accumulated depreciation, net book value and depreciation expense associated with the assets used to generate the revenue in account 4375.

EXHIBIT 4 – OPERATING EXPENSES

4-Energy Probe-14

Ref: Exhibit 4, Tab 1, Schedule 1

- a) How many months of actual data are included in the 2016 bridge year figures shown in Table 4.1.1.1?
- b) Please provide the most recent year-to-date actuals for the 2016 in the same level of detail as found in Table 4.1.1.1. Please also provide the figures for the corresponding period in 2015.
- c) Based on the response to part (b) what is the most current forecast of OM&A expenses for 2016, based on the most recent year-to-date actuals?
- d) Please confirm that the figures in Table 4.1.1.1 include both LEAP and property taxes for all years shown.

4-Energy Probe-15

Ref: Exhibit 4, Tab 2, Schedule 2, Table 4.2.2.1

- a) Please explain the vehicle depreciation credit driver shown in 2013 and 2014.
- b) Please provide the total vehicle depreciation included in each of 2013 through 2017 and included in OM&A costs.

4-Energy Probe-16

Ref: Exhibit 4, Tab 2, Schedule 3, Appendix 2-L

Please provide the corresponding figures shown in Appendix 2-L for actual 2012.

4-Energy Probe-17

Ref: Exhibit 4, Tab 11, Schedule 2

- a) Please reconcile the 2017 total depreciation for revenue requirement of \$4,808,841 shown in Appendix 2-C with the figure of \$4,766,329 shown in the RRWF.
- b) Is any of the vehicle depreciation shown as a reduction in the depreciation expense in Appendix 2-C of \$65,987 in 2017 included in OM&A or is the total amount capitalized and included in capital expenditures?

EXHIBIT 5 - COST OF CAPITAL AND CAPITAL STRUCTURE

5-Energy Probe-18

Ref: Exhibit 5, Tab 1, Schedule 3

With respect to the affiliate debt of \$20 million from FortisOntario Inc.:

- a) Can CNPI pay off this debt when it wants? If not, please highlight the portion of the promissory note that indicates this. If yes, are there any penalties associated with the payment? If yes, please highlight the portion of the promissory note that reflects this.
- b) Has CNPI investigated third party financing to replace the affiliate debt? If not, please explain why not. If yes, please provide the details such as timing, amount of debt, term and rates.

EXHIBIT 6 - CALCULATION OF REVENUE DEFICIENCY OR SUFFICIENCY

6-Energy Probe-19

Ref: Exhibit 6

Based on any corrections, changes or updates, please provide updated live Excel work forms for the RRWF, PILS, Chapter 2 appendices, cost allocation model and any other work forms that have been changed as a result of the changes or updates. Please include the necessary entries in the Tracking Form in the RRWF indicating the interrogatory response which is the basis for the change made.

EXHIBIT 7 – COST ALLOCATION

7-Energy Probe-20

Ref: Exhibit 7, Tab 1, Schedule 3

Given that the embedded distributor class is effectively a new class for an existing customer, please explain why CNPI is not proposing to move the revenue to cost ratio to 100% for this new class.

EXHIBIT 9 - DEFERRAL AND VARIANCE ACCOUNTS

9-Energy Probe-21

Ref: Exhibit 9, Tab 1, Schedule 1

Is CNPI requesting the approval of any new deferral or variance accounts other than the new subaccount for 1557? If yes, please provide details.