

**Ontario Energy
Board**
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**Commission de l'énergie
de l'Ontario**
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY EMAIL

December 20, 2016

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Northern Ontario Wires Inc.
2017 Distribution Rates Application
OEB Staff Interrogatories
Board File Number: EB-2016-0096**

In accordance with Procedural Order No. 1, please find attached OEB staff's interrogatories in the above noted proceeding. Northern Ontario Wires and all intervenors have been copied on this filing.

Northern Ontario Wires' responses to interrogatories are due by January 31, 2017.

Yours truly,

Original Signed By

Lawrie Gluck
Case Manager

Enclosure

NORTHERN ONTARIO WIRES INC.

2017 RATES

EB-2016-0096

OEB STAFF INTERROGATORIES

December 20, 2016

Exhibit 1 – Administration

1-Staff-1

Ref: Responses to Letters of Comment

Preamble:

Following publication of the Notice of Application, the Board received 2 letters of comment. If the applicant has not received a copy of the letters, they may be accessed from the public record for this proceeding.

Question(s):

- a) Please file a response to the matters raised in the letters of comment referenced above.
- b) Going forward, please ensure that responses are filed to any subsequent letters that may be submitted in this proceeding. All responses must be filed before the argument (submission) phase of this proceeding.

1-Staff-2

Ref: Exhibit 1 / Tab 6 / Schedule 1 / p. 5
Exhibit 1 / Tab 6 / Schedule 1 / Attachment 2

Preamble:

Northern Ontario Wires noted that in 2016 it conducted an Electric Utility Customer Engagement Survey to obtain actionable and measureable feedback from Northern Ontario Wires' customers.

Overall, Northern Ontario Wires' customers seem to have responded positively to its Customer Satisfaction Survey. However, there is an area where a number of customers seem to have concerns.

Question(s):

- a) Please advise whether the survey was developed in-house or was developed by a third-party? If the survey was developed by a third-party, please provide the total cost of the survey.
- b) 10.85% customers responded that they experience problems with their electricity service "sometimes" and 0.71% responded that they experience problems with their electricity service "very often." Please provide any insight that Northern Ontario Wires may have into this perception.

1-Staff-3

Ref: Exhibit 1 / Tab 6 / Schedule 1 / p. 10

Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 16

Preamble:

Northern Ontario Wires described a virtual town hall held in July 2016 to collect feedback on the investment and spending plan for 2017 to 2021. Northern Ontario Wires received 10 responses compared to 450 for its customer satisfaction survey.

Question(s):

- a) Northern Ontario Wires noted that it was unable to track the number of views of the presentation. Please advise whether Northern Ontario Wires intends to begin tracking the number of views for future virtual town hall presentations to determine whether they are useful.
- b) What are potential reasons for the significant difference in responses to the virtual town hall compared to the customer satisfaction survey?
- c) Did Northern Ontario Wires find the virtual town hall an effective means to communicate its investment and spending plan to its customers?

d) Did Northern Ontario Wires consider holding a live town hall in each of the communities it served to communicate its investment and spending plan to its customers? If so, why was the virtual town hall chosen?

e) Does Northern Ontario Wires have any plans to hold future town hall meetings?

1-Staff-4

Ref: Exhibit 1 / Tab 3 / Schedule 13 / p. 1

Preamble:

Northern Ontario Wires noted that the current version of its Conditions of Service is available on its website.

Northern Ontario Wires stated that the rates and charges which are the subject of this rate application are not contained in the Conditions of Service, therefore no changes will result from the Cost of Service application.

Northern Ontario Wires also stated that there have been no changes to the Conditions of Service since its last Cost of Service Application.

Question(s):

- a) OEB staff was unable to locate the Conditions of Service on Northern Ontario Wires' website. Please advise where Northern Ontario Wires' Conditions of Service are available publically and provide a reference.
- b) If applicable, please identify any rates and charges that are included in Northern Ontario Wires' Conditions of Service but do not appear on the OEB-approved tariff sheet. Please provide an explanation for the nature of the costs being recovered through the rates and charges that are set out only in Northern Ontario Wires' Conditions of Service.
- c) If applicable, please provide a schedule outlining the revenues recovered from these rates and charges for the past 3 historical years and the bridge and test years.
- d) If applicable, please explain whether, in Northern Ontario Wires' view, these rates and charges should be included on Northern Ontario Wires' tariff sheet of approved rates and charges.

1-Staff-5

Ref: Exhibit 1 / Tab 9 / Schedule 1 / pp. 2-5

Preamble:

Northern Ontario Wires stated that the upgrade to its Outage Management System (OMS) system in 2017 will result in lower costs to restore power.

Northern Ontario Wires stated that cost savings due to the planned decommissioning of two substations will not be realized over the forecast period as those savings fall outside of the five-year window.

Northern Ontario Wires stated that sharing facilities and staff resources with its affiliate (Cochrane Telecom Services) results in cost savings.

Question(s):

- a) Please provide an estimate of the cost savings related to restoring power after outages on a per outage basis expected due to the upgrade of the OMS system.
- b) Please provide the total cost of the voltage conversion projects and provide a high-level estimate of the future savings (outside the forecast 5-year term) related to the voltage conversion projects.
- c) Please provide an estimate of the annual cost savings associated with sharing resources with Northern Ontario Wires' affiliate.

1-Staff-6

Ref: PEG Benchmarking Model

Question(s):

- a) Please provide references to the pre-filed evidence and / or file additional evidence supporting the amounts included on the sheet titled, "model inputs."
- b) If Northern Ontario Wires identifies any errors its review of the PEG Benchmarking Model, please file a corrected version.

Exhibit 2 – Rate Base

2-Staff-7

Ref: Exhibit 2 / Tab 1 / Schedule 1 / p. 1
Chapter 2 Appendices / Tab 2-BA

Question(s):

- a) Please explain the differences between the rate base continuity provided in Table 1 (Exhibit 2 / Tab 1 / Schedule 1 / p. 1) and the information provided as part of the Chapter 2 Appendices / Tab 2-BA. Please update the evidence if there are any errors.

2-Staff-8

Ref: Exhibit 2 / Tab 1 / Schedule 4 / p. 1

Preamble:

Northern Ontario Wires stated that the commodity price estimate used to calculate the Cost of Power was determined in a way that bases the split between RPP and the non-RPP customers on actual data and uses the most recent current RPP price.

The Cost of Power forms part of the Working Capital Allowance calculation.

Question(s):

- a) Please provide the detailed calculation for the Cost of Power. Please provide supporting evidence.

2-Staff-9

Ref: Exhibit 2 / Tab 2 / Schedule 1 / p. 1

Preamble:

Northern Ontario Wires stated that, as part of the planning process, it considered the possibility of the potential impacts of incremental Conservation and Demand Management (CDM) initiatives, however, none were identified.

Question(s):

- a) Please explain the above cited statement and provide additional details.

2-Staff-10

Ref: Exhibit 2 / Tab 2 / Schedule 1 / p. 5
Exhibit 2 / Tab 2 / Schedule 1 / Attachments 4-6

Preamble:

Northern Ontario Wires stated that its capital plans have been informed by the annual O.Reg 22/04 Audit Report, the site inspection samples report and the fleet matrix.

Question(s):

- a) Please advise whether the recommendations set out in the cited reports (attachments 4-6 to Exhibit 2 / Tab 2 / Schedule 1) will be implemented by Northern Ontario Wires during the test year (or the forecast period). For example, the Site Inspection, Oil Samples Report includes a number of findings. Please explain how Northern Ontario Wires intends to respond to each of the findings.
- b) If possible, please provide the cost of implementing each of the recommendations set out in the cited reports.
- c) In regard to the Fleet Matrix report (Exhibit 2 / Tab 2 / Schedule 1 / Attachment 6), there seems to be a number of vehicles that currently require, or are very close to requiring, replacement. Please advise whether Northern Ontario Wires has budgeted for the replacement of these vehicles during the test year (or the forecast period). If not, please explain.

2-Staff-11

Ref: Exhibit 2 / Tab 2 / Schedule 1 / pp. 10-30

Question(s):

- a) For every multi-year project listed in Exhibit 2 / Tab 2 / Schedule 1, please provide the total cost of the project and the spending per year in a table.
- b) For 2016 capital spending, please provide actual year-to-date spending and explain any differences between actual and budgeted. If there are any material differences, please explain whether those differences will impact capital spending during the test year and forecast period.

- c) Northern Ontario Wires stated that it noticed climate change and different weather patterns impacting equipment that was historically not affected (Exhibit 2 / Tab 2 / Schedule 1 / p. 11). Please provide relevant examples.
- d) What was the original cost of the bucket truck (Unit 526) (Exhibit 2 / Tab 2 / Schedule 1 / p. 12)?
- e) Please provide a detailed breakdown of the \$30,000 of capital spending on computer hardware for 2016 (Exhibit 2 / Tab 2 / Schedule 1 / p. 12). Please provide the newly installed server capacity and Northern Ontario Wires' actual 2015 (and 2016, if available) data storage requirements.
- f) Please provide a detailed breakdown of the \$120,914 of capital spending on computer software (Exhibit 2 / Tab 2 / Schedule 1 / p. 13).
- g) Please provide a detailed breakdown of the \$115,000 of 2017 computer software capital spending (Exhibit 2 / Tab 2 / Schedule 1 / p. 17). Please provide the expected implementation timelines for each of the projects incorporated in the computer software spending (e.g. OMS, electronic billing option).
- h) Please provide the actual capital spending on tools and equipment for the period 2014-2016 (to-date). Please explain the variance between the test year

2-Staff-12

Ref: Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 6
Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 11

Preamble:

At Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 6, Northern Ontario Wires stated that growth is expected in Cochrane in the near future due to the opening of the Detour Lake Gold Mine.

At Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 11, Northern Ontario Wires stated that it has not budgeted for any capital expenditures for customer service requests.

Question(s):

- a) Please explain why Northern Ontario Wires has not budgeted for any capital expenditures for customer service requests despite expecting growth in Cochrane in the near future.

2-Staff-13

Ref: Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 19

Preamble:

Northern Ontario Wires provided a table of performance metrics and the relevant motivation at Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 19.

Question(s):

- a) Please add the following to the table in your response:
- i. Desired outcome for each performance metric;
 - ii. Linkage to the relevant project that will address the performance metric and lead to the desired outcome (where applicable).

2-Staff-14

Ref: Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 25

Preamble:

Northern Ontario Wires provided its historical service quality measure performance in a table at Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 25.

Question(s):

- a) Please explain the 0% figure listed for telephone accessibility for 2012.

2-Staff-15

Ref: Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 26

Preamble:

Northern Ontario Wires provided its DSP Implementation Metrics and Targets in a table at Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 26.

Question(s):

- a) Please better explain the metric related to financial DSP progress.
- b) Please better explain the metric related to actual vs. planned cost of work completed.
- c) Please explain the difference between these two metrics.

2-Staff-16

Ref: Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 27

Preamble:

Northern Ontario Wires provided historical total cost per customer and per km of line for the period from 2012 to 2014 but not 2015.

Question(s):

- a) Please provide a detailed explanation of increase in total cost per customer and total cost per km of line for 2013. Please include a detailed discussion of what Northern Ontario Wires means by “experienced an atypical bad debt expense in conjunction with accounting treatment required by regulators.”
- b) Please provide amended Figures 2-6 and 2-7 that add 2015 total costs per customer and per km of line, respectively. If this is not possible, please explain why.

2-Staff-17

Ref: Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 29

Preamble:

Northern Ontario Wires has shown that historical electrical losses have been trending downward. Northern Ontario Wires indicates that proposed future projects will reduce electrical losses further.

Question(s):

- a) Please explain whether the benefits of Northern Ontario Wires' proposed voltage conversion projects are reflected in Northern Ontario Wires' proposed test year line losses (%).
- b) Does Northern Ontario Wires have a forecast of the percentage line losses during the future years of the Distribution System Plan (DSP) (2017-2021)? If so, please provide that estimate.

2-Staff-18

Ref: Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 32-33

Preamble:

Northern Ontario Wires noted that it has demographic and condition data on 50% of its pole-mounted transformers and 90% of its pad-mounted transformers. Northern Ontario Wires stated that it will obtain the missing data by the end of the DSP period.

In Figure 3-2, Northern Ontario Wires presented its planning process for system renewable projects. It is unclear in this process where pad-mounted and pole-mounted transformers are considered.

Question(s):

- a) How are pad-mounted and pole-mounted transformers considered in the planning process shown in Figure 3-2?
- b) Please explain how the limited demographic and condition data for these assets affects Northern Ontario Wires' planning of System Renewal investments.

2-Staff-19

Ref: Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 39

Preamble:

Northern Ontario Wires noted that the most recent (2015) Substation Oil Analysis report identified 11 substation transformers, load tap changers, and reactors with concerning results from the dissolved gas analysis and the oil quality tests.

Question(s):

- a) Please advise whether all of the recommendations in the noted report have been addressed during 2015-2016?
- b) Please advise when the next report of this nature will be completed.

2-Staff-20

Ref: Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / pp. 59-60

Preamble:

Northern Ontario Wires provided a numeric weighting for project prioritization at Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 59.

Northern Ontario Wires provided the prioritization list of its major projects / programs over the forecast period at Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 60.

Question(s):

- a) Please provide a detailed explanation for the numeric weightings and provide rationale.
- b) Please explain why engaging in environmental protection has a higher numeric weighting than reliability projects.
- c) Please advise who will be constructing the projects – Northern Ontario Wires internal staff or third-party contractors? Please provide a detailed explanation for each project.

2-Staff-21

Ref: Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / pp. 82-84

Preamble:

Northern Ontario Wires set out its spending by year and by service area for pole replacements in a table at Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 82. \$115,000 is budgeted for pole replacements in Cochrane in 2017. The budgeted spending for the other service areas in all years and for Cochrane during the 2018-2021 period is \$55,000.

Question(s):

- a) Please advise which service area has poles in the worst condition.
- b) Please explain why the budget is significantly higher for pole replacements in Cochrane in 2017 than in other years and in other service areas.
- c) In regard to table 4-9 (Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 82), please explain why the forecast cost is different in the years 2018-2021 when the project description is the same.
- d) In regard to Table 4-10 (Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 83), please explain the difference between the substation transformer bank replacements in 2018 and 2019.
- e) In regard to the voltage conversion project, Northern Ontario Wires stated that “the voltage conversion of the delta system is planned from the outside in; the innermost areas have the oldest poles and higher span lengths due to the wider lots” (Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 83). Please further explain this statement. Please advise why working from the outside in is the best course of action.
- f) In regard to Table 4-13 (Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 84), please explain in detail what software is being purchased in each year and in each category.

2-Staff-22

Ref: Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 12
Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / Appendix A / SR4A
Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / Appendix A / SR6
Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 13
Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / Appendix A / SS1A
Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 6

Preamble:

At the first reference, one of Northern Ontario Wires' major System Renewal projects is a rebuild of certain sections of the 4.16/2.4 kV lines in the Town of Cochrane because they have reached the end of the service life. At the second reference, Northern

Ontario Wires stated that the proposed project is preferred based on the trade-off between costs and benefits.

At the first reference, Northern Ontario Wires also explained that it is replacing transformers at the T2 transformer bank of the 4.16/2.4 kV Cochrane DS. The third reference does not include any alternatives for this project.

At the fourth reference, one of Northern Ontario Wires' major System Service projects is upgrading the 4.16/2.4 kV system in the Town of Kapuskasing to 25/14.4 kV because it will allow the 4.16/2.4 kV Kapuskasing DS to be retired and reduce O&M costs. At the fifth reference Northern Ontario Wires stated that the proposed project is preferred based on the trade-off between costs and benefits.

At the sixth reference, Northern Ontario Wires stated that growth is expected in Cochrane in the near future due to the opening of the Detour Lake Gold Mine.

Question(s):

- a) How much unused capacity will there be on the 4.16/2.4 kV lines in the Town of Cochrane?
- b) Would upgrading the 4.16/2.4 kV system in the Town of Cochrane assist Northern Ontario Wires in meeting expected load growth following the opening of the Detour Lake Gold Mine?
- c) Could the need to replace the transformers at the T2 bank of the Cochrane DS be eliminated or deferred if Northern Ontario Wires started converting the 4.16/2.4 kV system in the Town of Cochrane to a higher voltage?
- d) Did Northern Ontario Wires assess the value of the potential reduction in losses if the Cochrane 4.16/2.4 kV system in the Town of Cochrane was converted to a higher voltage?
- e) Please provide the dollar value for each of the costs and benefits assessed to determine that the second and fourth alternatives assessed in the second reference.
- f) Please provide the dollar value for each of the costs and benefits assessed to determine that the second and fourth alternatives assessed in the fifth reference.

2-Staff-23

Ref: Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / Appendix A / p. 33

Question(s):

- a) Please explain why there are no specific start dates or in-service dates for the Cochrane DS substation feeder upgrade project. Please provide an update on this project.

2-Staff-24

Ref: Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 41

Preamble:

Northern Ontario Wires stated that wood poles have a typical useful life of 45 years and therefore that poles greater than 40 years of age have a significant probability of failure.

Question(s):

- a) Does Northern Ontario Wires conduct statistical analyses of its asset demographics, asset conditions and asset failures? If so, please summarize those analyses. If not, please explain the basis for Northern Ontario Wires' view that poles greater than 40 years old having a significant probability of failure.

2-Staff-25

**Ref: Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 43-44
Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 6**

Preamble:

At the first reference, Northern Ontario Wires stated that the 4.16 kV Cochrane DS has sufficient capacity to supply customers in the event of a transformer outage. Northern Ontario Wires also stated that the 25 kV Cochrane DS does not have sufficient capacity to supply customers close if a transformer suffers an outage during times of high load.

At the second reference, Northern Ontario Wires stated that it expects loads in the Town of Cochrane to grow.

Question(s):

- a) Does Northern Ontario Wires expect the 25 kV Cochrane DS to serve the new load additions in the Town of Cochrane?
- b) How often is the Cochrane DS forecast to be unable to serve customers in the event of a transformer outage during the period from 2017 to 2021?
- c) Is Northern Ontario Wires concerned about its capability to supply consumers from the 25 kV Cochrane DS in the event of a transformer outage?

2-Staff-26

Ref: Exhibit 2 / Tab 2 / Schedule 1 / p. 45-46

Exhibit 2 / Tab 2 / Schedule 1 / Attachment 1 / p. 48

Preamble:

At the first reference, Northern Ontario Wires indicated that small deficiencies on distribution transformers are repaired but more severe deterioration requires replacement. Northern Ontario Wires stated that it does not implement life extension programs for distribution transformers outside of its three-year inspection cycle and that this keeps system O&M low.

At the second reference, Northern Ontario Wires indicated that it has no maintenance programs for pole-mounted transformers.

Question(s):

- a) Please explain whether the repairs of small deficiencies for distribution transformers are part of a maintenance program.
- b) Has Northern Ontario Wires assessed the reduction in system O&M costs attributable to its policy of not using life extension outside of the three-year inspection cycle? If so, please provide that assessment.
- c) Has Northern Ontario Wires assessed the cost impact of replacing transformers reactively instead of spending more to extend the lives of transformers? If so, please provide that assessment.
- d) Has Northern Ontario Wires compared its practice not to use life extension to the practices of other utilities? If so, please summarize any similarities and

differences between Northern Ontario Wires' practice and the practices of other utilities.

2-Staff-27

**Ref: Exhibit 2 / Tab 2 / Schedule 7 / pp. 1-3
Chapter 2 Appendices / 2-G**

Preamble:

Northern Ontario Wires stated that it developed its service reliability targets based on an average of the previous 5-years in accordance with the OEB's Report of the Board in EB-2014-0189.

Question(s):

- a) Please explain the difference between the 2017 service reliability targets at Exhibit 2 / Tab 2 / Schedule 7 / p. 3 and the 5-year reliability averages set out in Chapter 2 Appendices / 2-G.

Exhibit 3 – Operating Revenue

3-Staff-28

Ref: Exhibit 3 / Tab 1 / Schedule 2 / Attachment 1 / p. 1

Preamble:

Elenchus used monthly heating degree days and cooling degree days as measured at Environment Canada's Timmins Airport weather station in its regression equations. Timmins Airport is within 100 km of two of the three communities in Northern Ontario Wires' service territory.

Elenchus found that employment level does not exhibit a significant relationship to energy use.

Question(s):

- a) Please advise whether there are any weather stations closer to Northern Ontario Wires' three service areas.

- b) If applicable, please advise how many years of data is available from any closer weather stations.
- c) If applicable, please advise whether using data from a closer weather station could have material impacts on the weather normalized load forecast.
- d) Please confirm that there are no economic variables included in the regression analysis.

3-Staff-29

**Ref: Exhibit 3 / Tab 1 / Schedule 2 / Attachment 1 / pp. 2-3
Chapter 2 Appendices / 2-IB**

Question(s):

- a) For the tables titled "Normal Forecast," please provide 5-years of historical actual (2011-2015) kWh and kW data.
- b) The 2015 actual and weather normal kWh presented in the first table at Exhibit 3 / Tab 1 / Schedule 2 / Attachment 1 / p. 2 does not match the information provided at Chapter 2 Appendices / 2-IB. Please explain the difference and / or make corrections to the evidence if necessary.
- c) For the 2016 kWh, kW forecast, and customer count please provide the best available information at the time that the interrogatory responses are drafted.
- d) For the customer count information provided at Exhibit 3 / Tab 1 / Schedule 2 / Attachment 1 / p. 3, please provide 5-years of historical actual information.
- e) If possible, please provide a breakdown kWh, kW, and customer count for the historical years and forecast period by service area and rate class.

3-Staff-30

Ref: Exhibit 3 / Tab 1 / Schedule 2 / Attachment 1 / pp. 4-7

Question(s):

- a) For each rate class, please provide rationale supporting the number of observations used in the regression analysis.

- b) For each rate class, please explain the purpose of each of the variables used in regression analysis.

3-Staff-31

Ref: Exhibit 3 / Tab 1 / Schedule 2 / Attachment 1 / p. 8

Preamble:

Elenchus stated that Northern Ontario Wires adopted the most recent 10-year monthly degree day average as the definition of weather normal. Elenchus stated that this is consistent with many LDCs load forecast filings for cost of service applications.

Question(s):

- a) Please advise which other LDCs use the 10-year monthly degree day average as the definition for weather normal.
- b) Please provide further rationale supporting the use of a 10-year average for weather normal.
- c) Please advise whether using a 20-year monthly degree day average would result in material changes to the load forecast. If so, please provide the updated load forecast for each rate class.

3-Staff-32

**Ref: Exhibit 3 / Tab 1 / Schedule 2 / Attachment 1 / pp. 10-18
Exhibit 3 / Tab 2 / Schedule 1 / Attachment 1**

Question(s):

- a) Please confirm whether any economic variables were used in the calculation of residential consumption. If not, please explain the introductory sentence at Exhibit 3 / Tab 1 / Schedule 2 / Attachment 1 / p. 10.
- b) Please provide rationale for using the geometric mean of the annual growth from 2009 to 2014 to forecast the residential customer growth rate for 2016 to 2017. Does the forecast customer count change materially if the period 2009-2015 (or 2016 - if information is available) is used?

- c) Please provide rationale for using the geometric mean of the annual growth from 2009 to 2014 to forecast the GS <50 customer growth rate for 2016 to 2017. Does the forecast customer count change materially if the period 2009-2015 (or 2016 - if information is available) is used?
- d) Please provide detailed rationale supporting Elenchus' proposal to forecast GS > 50 consumption based on an average of 2014 / 2015 actual usage.
- e) Please explain the significant increase in GS > 50 annual consumption and demand in 2015 (compared to 2014). Please explain why Elenchus does not believe that this level of consumption and demand will continue in the future.
- f) If available, please provide the actual 2016 consumption and demand for the GS > 50 rate class.
- g) If available, please provide the actual 2016 consumption for the USL and streetlight classes. Please also provide the actual demand for the streetlight class.
- h) Elenchus noted that the streetlight conversion was largely completed in 2015. In that context, please explain the large forecasted decrease in consumption and demand for 2016 for the streetlight class.
- i) There is a discrepancy between the 2013 actual consumption presented at Exhibit 3 / Tab 1 / Schedule 2 / Attachment 1 at p. 12 for the GS > 50 rate class (61,406,393) and the 2013 actual consumption presented at Exhibit 3 / Tab 2 / Schedule 1 / Attachment 1 (51,406,393). Please confirm which amount is correct and update the evidence as necessary.

3-Staff-33

Ref: Exhibit 3 / Tab 1 / Schedule 4

Question(s):

- a) Please confirm that Northern Ontario Wires will update pass-through charges where applicable to reflect the OEB's latest approvals at the Draft Rate Order stage of the proceeding.

3-Staff-34

Ref: Exhibit 3 / Tab 3 / Schedule 1

Question(s):

- a) Please provide a detailed calculation (including assumptions) for the forecast \$30,045 of specific service charge revenues. Please explain why a 2.1% increase of specific service charge revenue in the test year (as compared to 2015) is appropriate.
- b) If available, please provide the actual 2016 specific service charge revenue.
- c) Please provide a detailed calculation (including assumptions) for the forecast \$89,347 of late payment revenue. Please explain why a 1.4% increase of late payment revenue in the test year (as compared to 2015) is appropriate.
- d) If available, please provide the actual 2016 late payment revenue.
- e) Please provide a detailed calculation (including assumptions) for the forecast \$119,246 of other operating revenues. Please explain why a 5.7% increase of other operating revenue in the test year (as compared to 2015) is appropriate.
- f) If available, please provide the actual 2016 other operating revenue.
- g) Please provide a detailed calculation (including assumptions) for the forecast \$30,280 of other income and deductions.
- h) If available, please provide the actual 2016 other income and deductions.

Exhibit 4 – Operating Costs

4-Staff-35

Ref: Exhibit 4 / Tab 1 / Schedule 1 / p. 7

Question(s):

- a) Please explain the difference between the figures presented in Table 4 at Exhibit 4 / Tab 1 / Schedule 1 / p. 7 and Exhibit 4 / Tab 2 / Schedule 1 / Attachment 4. Specifically, please discuss why different FTEs are presented in each table.

4-Staff-36

Ref: Exhibit 4 / Tab 3 / Schedule 1

Chapter 2 Appendices / 2-JA

Question(s):

- a) Does Northern Ontario Wires agree that given the significant amount of one-off OM&A expenses incurred in 2013 (disposition of smart meters, cost of service related regulatory expenses, bad debt related to a large customer, etc.), comparing historical year, bridge year and test year OM&A to 2013 actuals is not appropriate.
- b) Please provide an estimate of 2013 OM&A with the one-time expenses removed from the total. Please provide this information in the same format as shown in Table 2 (Exhibit 4 / Tab 3/ Schedule 1).
- c) Please recalculate the: (i) simple average of % variance for all years; and (ii) compound annual growth rate as shown in Chapter 2 Appendices / 2-JA excluding 2013 actuals.
- d) If available, please provide actual 2016 OM&A expenses by sub-category of spending. Please provide this information at the same level of detail as is provided for historical years in Exhibit 4 / Tab 3 / Schedule 1.
- e) For each category of OM&A spending (Table 1 at Exhibit 4 / Tab 3 / Schedule 1), please provide the amount that is related to employee salaries and benefits.
- f) Please confirm whether the amount cited at Exhibit 4 / Tab 3 / Schedule 1 / p. 4 noting that “operations costs in the 2017 test year are \$248,903 (44%) higher than 2013 actual costs” is correct. Please explain the discrepancy between that amount and the amount set out in Table 3 (Exhibit 4 / Tab 3 / Schedule 1 / p. 4).
- g) Northern Ontario Wires noted that with the introduction of the outage management system, it expects additional controls and predictive measures being applied (Exhibit 4 / Tab 3 / Schedule 1 / p. 5). Please describe what measures Northern Ontario Wires is referring to in the above cited statement. Please explain whether the OM&A budget includes spending on these measures.
- h) If available, please provide the total number of 2016 customer locates (Exhibit 4 / Tab 3 / Schedule 1 / p. 8).

- i) If available, please provide the number of animal guards installed in 2016. Please provide the average cost of an animal guard installation.
- j) Please confirm that the forecasted 100 animal guard installations per year will continue throughout the entire expected IRM period (Exhibit 4 / Tab 3 / Schedule 1 / p. 8).
- k) Please provide a detailed breakdown of the \$73,276 increase in engineering and operations expenses between 2017 and 2015 (Exhibit 4 / Tab 3 / Schedule 1 / p. 9).
- l) Please provide evidence supporting the relatively large increase in meter spending in 2017 (as compared to 2015 and 2013 OEB approved) (Exhibit 4 / Tab 3 / Schedule 1 / p. 9).
- m) Please explain why overhead line work is being prioritized over other maintenance work (Exhibit 4 / Tab 3 / Schedule 1 / p. 11).
- n) Please advise which third-party project Northern Ontario Wires is referring to that is concluding in 2016, which will allow it to focus more spending on overhead line work (Exhibit 4 / Tab 3 / Schedule 1 / p. 11).
- o) Northern Ontario Wires noted that the municipality of Cochrane has ceased its activities to maintain laneways where the majority of Northern Ontario Wires' assets are located. Northern Ontario Wires noted that this change will result in additional costs incurred. (Exhibit 4 / Tab 3 / Schedule 1 / p. 14).
 - i. Please advise whether there was a formal agreement with the municipality in place in the past regarding the maintenance of laneways.
 - ii. Please provide an estimate of these incremental costs for 2017.
 - iii. Please advise whether Northern Ontario Wires has approached the municipality about sharing these incremental costs.
- p) Northern Ontario Wires noted that it plans to have some vegetation control in each service area every year with more significant work every three years (Exhibit 4 / Tab 3 / Schedule 1 / p. 14). Please provide a detailed schedule for vegetation control by year (starting with the test year and extending into the expected IRM period).

- q) Please explain why billing and collection expenses were significantly lower in 2014 and 2015 (as compared to 2013 OEB approved and the test year forecast) (Exhibit 4 / Tab 3 / Schedule 1 / p. 16).
- r) Please provide an estimate of the incremental cost for 2017 associated with additional customers electing to make electronic payments (Exhibit 4 / Tab 3 / Schedule 1 / p. 18). Please also provide the total electronic payment fees incurred by Northern Ontario Wires during the 2013-2016 period.
- s) Please provide the manual meter read costs for the historical period and the bridge and test years (Exhibit 4 / Tab 3 / Schedule 1 / p. 19).
- t) Please provide a breakdown of the third-party costs associated with meter reading for the historical period and the bridge and test years (Exhibit 4 / Tab 3 / Schedule 1 / p. 19).
- u) Please provide a detailed breakdown of the training costs incurred during the historical period and forecast for the bridge and test years (Exhibit 4 / Tab 3 / Schedule 1 / pp. 22-24). Please explain the types of training that is provided to Northern Ontario Wires' staff and to its Board of Directors.
- v) Please provide a detailed breakdown of the travel costs incurred during the historical period and forecast for the bridge and test years (Exhibit 4 / Tab 3 / Schedule 1 / pp. 22-24).
- w) Northern Ontario Wires noted that the billing system is provided by a third-party that provides software and support. Northern Ontario Wires stated that this cost increased in the past and is anticipated to increase as more regulation requires greater customization and effort on the part of the provider. Please provide a detailed breakdown of the billing system costs incurred during the historical period and forecast for the bridge and test years (Exhibit 4 / Tab 3 / Schedule 1 / p. 24).
- x) Please confirm that the regulatory expenses set out at Exhibit 4 / Tab 3 / Schedule 1 / p. 24 of \$107,305 is made up of \$66,605 (20% of the COS related costs – Exhibit 4 / Tab 3 / Schedule 5) and \$40,700 of ongoing regulatory costs (Exhibit 4 / Tab 3 / Schedule 6 / Attachment 1).

- y) Please provide a detailed breakdown of the outside service expenditures (including the EDA fees) for the historical period and the bridge and test years (Exhibit 4 / Tab 3 / Schedule 1 / p. 26).
- z) Please provide a detailed breakdown of the property expenditures for the historical period and the bridge and test years (Exhibit 4 / Tab 3 / Schedule 1 / p. 27).
- aa) Please describe how the property insurance was selected. Please advise whether the decision arose from a competitive bidding process. Please provide rationale for the property insurance purchased by Northern Ontario Wires.

4-Staff-37

Ref: Exhibit 4 / Tab 3 / Schedule 2

Question(s):

- a) Please advise whether any staff are paid incentives for performance (Exhibit 4 / Tab 3 / Schedule 2 / p. 1).
- b) Please provide the management salary grid referenced at Exhibit 4 / Tab 3 / Schedule 2 / p. 2.
- c) Please provide the net impact on the compensation budget of the non-replacement of the CEO position for 2015, 2016 and 2017. The net impact calculation should include both the savings related to removing the CEO position and incremental salary paid to other staff that took over the responsibilities (Exhibit 4 / Tab 3 / Schedule 2 / p. 2).
- d) Please confirm that the “outside employees” that are shared with Cochrane Telecom Services (CTS) actually work entirely for Northern Ontario Wires (Exhibit 4 / Tab 3 / Schedule 2 / p. 3).
- e) Typically when an employee is shared, that employee actually splits their work with two companies. In the case of the “outside employees” that does not seem to be true (as OEB staff asked Northern Ontario Wires to confirm in the above question). Please explain why the “outside employees” do not work directly for Northern Ontario Wires (Exhibit 4 / Tab 3 / Schedule 2 / p. 3).

- f) Please explain the efficiencies that are gained by sharing the “outside employees” with CTS (Exhibit 4 / Tab 3 / Schedule 2 / p. 3). Please provide this response in the context of the substantial management fee that is paid to CTS (Exhibit 4 / Tab 3 / Schedule 3).
- g) Please provide an estimated comparison for 2017 of the total costs of continuing to share the “outside employees” with CTS and hiring these employees in-house.
- h) Please advise whether Northern Ontario Wires has a formal succession plan. If so, please file that plan (Exhibit 4 / Tab 3 / Schedule 2 / p. 7). If not, please provide a summary succession plan for the next 5 years (Exhibit 4 / Tab 3 / Schedule 2 / p. 7).
- i) Please explain Northern Ontario Wires’ competitive bid process for acquiring a health benefit provider. Please advise as to when the last time Northern Ontario Wires sought bids for its health benefit portfolio. Please explain how the provider was selected. Please advise as to when Northern Ontario Wires will next tender its benefits portfolio (Exhibit 4 / Tab 3 / Schedule 2 / p. 10).
- j) Please provide the average impact (on a percentage basis) to a unionized employee of the 2017 salary escalation of \$0.80 + 2% (Exhibit 4 / Tab 3 / Schedule 2 / p. 11).
- k) Please provide the total cost of overtime expenses during the historical period, the bridge year and the budgeted amount for the test year (Exhibit 4 / Tab 3 / Schedule 2 / p. 11).
- l) In regard to the lineman position that will be replaced in 2017, please advise when it was vacated. Please advise whether Northern Ontario Wires has hired for this position yet. If not, please explain when the hiring will occur (Exhibit 4 / Tab 3 / Schedule 2 / p. 17).

4-Staff-38

Ref: Exhibit 4 / Tab 3 / Schedule 3
Chapter 2 Appendices / 2-N

Question(s):

- a) Please provide the percentage of Northern Ontario Wires staff vs. CTS staff that work in the administrative building (Exhibit 4 / Tab 3 / Schedule 3 / p. 2).

- b) Please provide a detailed explanation of the allocation of the time spent by the GM and CFO on work for Northern Ontario Energy Inc. (NOE) (Exhibit 4 / Tab 3 / Schedule 3 / p. 3).
- c) Please provide rationale supporting a management fee of 12% charged by CTS to Northern Ontario Wires for direct labour and facility costs. Please provide management fees paid by other LDCs to affiliates for similar services (Exhibit 4 / Tab 3 / Schedule 3 / p. 4).
- d) For the final three lines in Appendix 2-N, please explain whether the amounts are payments to or from Northern Ontario Wires (in other words, are these credits or debits from Northern Ontario Wires' perspective).

4-Staff-39

Ref: Exhibit 4 / Tab 3 / Schedule 3 / Attachment 2

Question(s):

- a) Please better explain article 7.1 / part (d) of the Services Agreement (Exhibit 4 / Tab 3 / Schedule 3 / Attachment 2 / p. 8). Please advise whether a bonus to CTS has ever been paid (and provide the amount of the bonus).

4-Staff-40

Ref: Exhibit 4 / Tab 3 / Schedule 4 / Attachment 1

Question(s):

- a) Please describe what was included in the payments for each the third-party vendors listed in the table.
- b) If available, please provide a similar table with descriptions of the spending for 2016.

4-Staff-41

Ref: Exhibit 4 / Tab 3 / Schedule 5 / p. 1

Preamble:

At the reference, Northern Ontario Wires indicated that it retained a strategic consulting firm that provided guidance on customer engagement requirements and to assist the DSP.

Question(s):

- a) Were any consultants utilized to develop and produce Northern Ontario Wires' DSP? If so, please provide a list of consultants utilized and their role in the DSP's development.

4-Staff-42

Ref: Exhibit 4 / Tab 3 / Schedule 5

Question(s):

- a) Please provide a breakdown of the Cost of Service-related costs by task and service provider (consultant, legal, etc.) (Exhibit 4 / Tab 3 / Schedule 5 / p. 1).

4-Staff-43

**Ref: Exhibit 4 / Tab 4 / Schedule 1 UPDATED
Chapter 2 Appendices / Appendix 2-CH
Exhibit 4 / Tab 1 / Schedule 1**

Question(s):

- a) Please link each of the asset categories listed in Table 1 at Exhibit 4 / Tab 4 / Schedule 1 UPDATED / p. 4 to the asset categories in Appendix 2-CH. Please confirm that the depreciation rates used are consistent in both sections of the evidence.
- b) Northern Ontario Wires noted that the useful lives for Distribution Building & Infrastructure, Overhead Conductor and Devices, and Buildings (owned by Northern Ontario Wires) are below the minimum range set out by Kinectrics at Exhibit 4 / Tab 4 / Schedule 1 UPDATED / pp. 4-5. Please recalculate the depreciation expense in the test year for each of these asset categories using the lower end of the Kinectrics range. Please provide the response in respect of each asset category and on a total basis.
- c) Please confirm that Northern Ontario Wires applied the half-year rule when calculating its depreciation expenses.

- d) Please explain the difference between the depreciation expenses for each year set out in Chapter 2 Appendices / Appendix 2-CH and the depreciation expenses for each year set out in the table at Exhibit 4 / Tab 1 / Schedule 1 / p. 1. For 2017, please confirm the depreciation expense amount for which Northern Ontario Wires is seeking approval. Please advise where that amount can be found in the pre-filed evidence.

4-Staff-44

Ref: Exhibit 4 / Tab 5 / Schedule 1, PILs model

Preamble:

In the PILs model at the tab titled, "Taxable Income – Test Year," Northern Ontario Wires is using all of the \$156,220 losses carried forward from 2016 in calculating its Regulatory Taxable Income in 2017 of \$92,538.

Question(s):

- a) Is Northern Ontario Wires projecting similar magnitude of losses in each year of the rate-setting term? Please discuss and explain.
- b) If Northern Ontario Wires is not projecting any further losses, please file an updated PILs model using 1/5th of losses for the test year in line 331 "Non-capital losses for preceding taxation years from Schedule 7-1" and update its PILs proxy amount in rates.

4-Staff-45

Ref: Exhibit 4 / Tab 6 / Schedule 1

Preamble:

Northern Ontario Wires noted that it is including the disposition of a residual balance of (\$2,091) in its LRAMVA claim.

Question(s):

- a) Please provide a better explanation of the residual balance referenced at Exhibit 4 / Tab 6 / Schedule 1 / p. 2.

- b) Please file a copy of the IESO report referenced at Exhibit 4 / Tab 6 / Schedule 1 / p. 3.

Exhibit 5 – Cost of Capital and Capital Structure

5-Staff-46

Ref: Exhibit 5 / Tab 1 / Schedule 1

Preamble:

Northern Ontario Wires noted that its largest loan (\$3,680,980) is scheduled to be renewed on July 31, 2017. For the purposes of the application, Northern Ontario Wires assumed the approved loan interest rate of 3.75% will apply until the end of the term and the loan will then be renewed at an assumed rate of 4.54% reflecting the current OEB deemed long-term debt rate.

Northern Ontario Wires noted that it will also secure additional financing in the amount of \$381,705 at an assumed interest rate of 4.54%.

Question(s):

- a) Please provide rationale supporting the use of a 4.54% debt rate for this loan after July 31, 2017 (Exhibit 5 / Tab 1 / Schedule 1 / p. 2).
- b) Does Northern Ontario Wires have any better information as to what the actual debt rate for this loan will be? If not, please inquire with the lender as to the likely renewal rate (Exhibit 5 / Tab 1 / Schedule 1 / p. 2).
- c) In the absence of specific information from the lender, does Northern Ontario Wires agree that the existing rate of 3.75% is likely a better assumption for the rate that it will receive from its lender (Exhibit 5 / Tab 1 / Schedule 1 / p. 2).
- d) Please explain why Northern Ontario Wires requires additional financing in the amount of \$381,705 (Exhibit 5 / Tab 1 / Schedule 1 / p. 3).

5-Staff-47

**Ref: Exhibit 5 / Tab 1 / Schedule 1 / Attachment 1
Exhibit 5 / Tab 1 / Schedule 1 / Attachment 2**

Questions(s):

- a) Please confirm that there is an error in the total amount set out at the bottom of Exhibit 5 / Tab 1 / Schedule 1 / Attachment 2 / p. 5. Please confirm that the total principle should be \$4,349,122 and the average long-term debt rate should be 4.09%.
- b) Please confirm that Northern Ontario Wires has calculated the two new 2017 loans (principle amounts of \$3,680,980 and \$381,705) based on the OEB's deemed long-term debt rate (Exhibit 5 / Tab 1 / Schedule 1 / Attachment 2 / p. 5).
- c) Please recalculate the interest charges for the two new 2017 loans based on an interest rate of: (i) 3.75%; and (ii) using a debt rate acquired from the lender as OEB staff asked for previously (Exhibit 5 / Tab 1 / Schedule 1 / Attachment 2 / p. 5).
- d) Please recalculate Chapter 2 Appendices / Appendix 2-0A / p. 2 using the average long-term debt rates arising from the calculations requested by OEB staff in the above question (Exhibit 5 / Tab 1 / Schedule 1 / Attachment 1 / p. 2).

Exhibit 6 – Revenue Deficiency or Sufficiency

6-Staff-48

Ref: Exhibit 6 / Tab 1 / Schedule 1 / Attachment 1

Question(s):

- a) If necessary, upon responding to all interrogatories from OEB staff and intervenors, please provide an updated RRWF in working Microsoft Excel format with any corrections or adjustments that the Applicant wishes to make to the amounts in the previous version of the RRWF filed as part of the initial application. Entries for changes and adjustments should be included in the middle column on Sheet 3 - Data Input Sheet. Please include documentation of the corrections and adjustments in the final sheet of the model, such as a reference to an interrogatory response or an explanatory note.

Also upon completing all interrogatories from OEB staff and intervenors, please provide any updates to the following Microsoft Excel documents in working format: PILS, any Appendix 2 changes (e.g. cost allocation, rate design, and bill impacts, and so on as required), EDDVAR spreadsheet, and the updated cost

allocation model reflecting the revised revenue requirement in the updated RRWF.

Exhibit 7 – Cost Allocation

7-Staff-49

Ref: Exhibit 7 / Tab 1 / Schedule 1

Preamble:

Northern Ontario Wires noted that it examined identifiable costs incurred in preparing and issuing bills, recording payment, and collecting in order to arrive at a cost per bill for each rate class. This was used to develop weighting factors for billing and collecting.

Northern Ontario Wires also noted that the services weighting factor was developed using engineering estimates of the average cost to install a service connection to each rate class.

Question(s):

- a) Please file a summary table showing the weighting factors applied to each rate class and provide detailed rationale supporting the weightings.

7-Staff-50

Ref: Exhibit 7 / Tab 1 / Schedule 1 / Attachment 1

Question(s):

- a) Please explain why Northern Ontario Wires was unable to obtain the data necessary for developing updated hourly load profiles in advance of filing its 2017 rates application (Exhibit 7 / Tab 1 / Schedule 1 / Attachment 1 / p. 5).

7-Staff-51

Ref: Exhibit 7 / Tab 1 / Schedule 1 / Attachment 2

Question(s):

- a) Please explain why the revenue deficiency entered at the top of Sheet I6.1 does not match the referenced cell in the RRWF nor does it reflect the amount set out in the written pre-filed evidence. Please update the evidence if necessary.

Exhibit 8 – Rate Design

8-Staff-52

Ref: Exhibit 8 / Tab 1 / Schedule 1

Question(s):

- a) Please explain why the fixed charge for the GS > 50 rate class is significantly higher than the ceiling developed in the cost allocation process (Exhibit 8 / Tab 1 / Schedule / p.2).
- b) Please provide the GS > 50 fixed charge that would be in place if the fixed / variable split was not adjusted to maintain the existing fixed charge (Exhibit 8 / Tab 1 / Schedule / p.2).

8-Staff-53

Ref: Exhibit 8 / Tab 3 / Schedule 3

Question(s):

- a) Please confirm that the rates set out at Exhibit 8 / Tab 3 / Schedule 3 / p. 1 (WMS, OESP, RRRP) will be updated at the draft rate order stage of the proceeding to reflect any OEB approved changes.

8-Staff-54

Ref: Exhibit 8 / Tab 3 / Schedule 5 / Attachment 1

Question(s):

- a) Please advise whether the 2017 low voltage costs are allocated to rate classes on the same basis as transmission connection rate revenues.

8-Staff-55

Ref: Exhibit 8 / Tab 5 / Schedule 1 / Attachment 1

Question(s):

- a) Please advise whether Northern Ontario Wires has any WMP customers.

- b) Please explain why there are two separate rate riders listed in the proposed tariff sheets for the disposition of deferral and variance accounts (“Rate Rider for Disposition of Deferral/ Variance Accounts (2017)” and “Rate Rider for Disposition of Deferral/Variance Accounts – Non_WMP (2017)”. Please advise whether these riders can be combined into a single line for simplicity.

8-Staff-56

Ref: Exhibit 8 / Tab 5 / Schedule 1 / Attachment 2

Question(s):

- a) If necessary, upon responding to all interrogatories from OEB staff and intervenors, please provide updated bill impacts for all classes at the typical consumption / demand levels (e.g. 750 kWh for residential, 2,000 kWh for GS<50, etc.), reflecting any changes made during the interrogatory process. Please also provide updated bill impacts for the 10th consumption percentile residential customers.

Exhibit 9 – Deferral and Variance Accounts

9-Staff-57

Ref: Exhibit 9 / Tab 1 / Schedule 3 / p. 1 / Account 1508: Other Regulatory Assets – Sub-Account – Deferred IFRS Transition Costs

Preamble:

Northern Ontario Wires is requesting to continue to use this account after its disposition in this proceeding.

Question(s):

- a) Given that Northern Ontario Wires adopted IFRS on January 1, 2015, and the work related to IFRS transition should have been substantially completed:
- i. Why does Northern Ontario Wires need to keep this account open?
 - ii. Is Northern Ontario Wires expecting further material costs related to IFRS transition? If so, please provide a description of such expenditures, justification of why costs are recoverable, and the amounts forecast to be spent in the test year and beyond.