



PUBLIC INTEREST ADVOCACY CENTRE  
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

February 17, 2017

VIA E-MAIL

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge St.  
Toronto, ON  
M4P 1E4

Dear Ms. Walli:

**Re: EB-2015-0100 – Rideau St. Lawrence Inc. (RSL) Rate Application  
Interrogatories of Vulnerable Energy Consumers Coalition (VECC)**

Please find enclosed the interrogatories of VECC in the above-noted proceeding. We have also directed a copy to the Applicant as well as all Intervenors via e-mail.

Yours truly,

Michael Janigan  
Counsel for VECC

Cc: RSL - Peter Soules - [psoules@rslu.ca](mailto:psoules@rslu.ca)  
All Intervenors – via email

**TO:** Rideau St. Lawrence Distribution  
Inc. (RSL or Rideau)  
**DATE:** February 17, 2017  
**CASE NO:** EB-2015-0100  
**APPLICATION NAME** 2016/17 COS Application

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## **1.0 ADMINISTRATION (EXHIBIT 1)**

### 1.0-VECC-1

Reference: E1/T2/S9/Table 1.10 E1/T6/S6

- a) Please update Tables 1.10 and 1.13 (Bill Impacts) for the adjustments for the most recent Board approved cost of capital variables and any other changes made as a result of the interrogatory responses.

### 1.0-VECC-2

Reference: E1/T2/S9/Table 1.15

- a) Please update Table 1.15 (Scorecard) to add the 2016 results.

### 1.0-VECC-3

Reference: E1/Appendix 1.2

- a) Please explain the objective of the ESA Public Awareness Survey.
- b) Is this survey mandated by the ESA?
- c) Does the ESA publish the results of the survey?
- d) Please provide the cost of that survey.

### 1.0-VECC-4

Reference

- a) Please confirm that RSL is seeking to set 2017 rates on the basis of the 2016 historical costs? If this is the case please explain how this complies with the current Board filing guidelines?
- b) If this is not confirmed please explain why the application contains no 2017 proforma evidence?
- c) Has RSL completed its 2017 budgeting exercise?
- d) What is the rate plan (adjustment formula) that RSL is seeking in this application and what is the term (period) which it is seeking.

1.0-VECC-5

Reference: E1/pg.118

- a) RSL states that it is requesting RSL existing rates be declared interim. Has an order been issued by the Board granting this request?
- b) If yes please provide a copy of that order.

**2.0 RATE BASE (EXHIBIT 2)**

2.0 – VECC -6

Reference: E1/T2

- a) 2012 actual average assets in service were 2% (119k) lower than planned. What asset related projects were not undertaken in 2012 as anticipated in the capital plan presented to the Board?

2.0-VECC-7

Reference: Appendix 2-BA

- a) Please provide the 2017 pro forma continuity schedule.

2.0-VECC-8

Reference E2/T2/S1/Table 2.10

- a) Please update Table 2.10 to include 2016 actuals and, if available, the 2017 budget amounts.

2.0-VECC-9

Reference: Table 2.20 (Appendix 2-AA)

- a) Please update this table to show the 2016 actual results.
- b) Please explain the variance as between 2016 actual and forecast results
- c) Please provide the 2017 budget amounts if available.
- d) Please update Table 2.19 to show both 2016 forecast and actuals amounts.

2.0-VECC-10

Reference: E2/T5/S3 & E2/T2/S2 & E4/T4/S3

- a) Are any of the useful lives shown in Table 4.23 outside the Kinectrics Study range? If so please identify these and explain the reason for not being within the suggested life range.

2.0-VECC-11

Reference: E2/Appendix 2.1 DSP

- a) Please provide an update on the two projects in Westport (sewage treatment plant) and Morrisburg (Campbell Road extension) that have been identified in the DSP and Capital Expenditures Plan for 2016. Specifically, have these projects begun and what are the current forecast costs and capital contributions for these projects.
- b) Please provide the capital contributions (separately) expected (or paid) for these two projects.

2.0-VECC-12

Reference: E2/Appendix 2.1 DSP Section 3.2.3

- a) RSL states it has 928 transformers. Table 19 below this statement shows a total of 764 transformers. Please explain the discrepancy
- b) Please provide the health index, similar to Table 18 (Substations) for transformers.

2.0-VECC-13

Reference: E2/Appendix 2.1 DSP Section 3.2.6

- a) Please provide the health index, similar to Table 18 (Substations) for switches.

2-VECC-14

Reference: E2/Appendix 2.1 DSP Section 3.2.3 (pg. 51 of 85)

- a) At the above reference RSL states: “RSL understand that future asset replacements will be based on the tools newly implemented and described above, integrated with financial realities and constraints.”

It is not clear from the noted description what tools are being referred to. Please provide a detail description of the tools (IT infrastructure, databases etc.) that are being developed and when (year) they expected to be used.

- b) Please provide any incremental costs of these new tools over the term of the rate plan.

2.0-VECC-15

Reference: Table 1.5

- a) Please provide a description of the project(s) related to the capital contribution of 162k (see Table 1.5).
- b) Has this contribution been received?

### **3.0 OPERATING REVENUE (EXHIBIT 3)**

3.0 –VECC -16

Reference: Exhibit 3, pages 5 and 15

- a) According to the Application (page 15) monthly data for 2005-2014 was used to estimate the load forecast model. However, it appears (page 5) that actual 2015 data was also available. Please explain why actual 2015 data was not included in the estimation of the load forecast model.

3.0 –VECC -17

Reference: Exhibit 3, page 12 and page 23

- a) Please provide a copy of the IESO/OPA report setting out the Net Energy Savings for 2006-2010 and their persisting effects through to 2016.
- b) It is noted that the Report filed in Appendix 4.1 only sets out the impact of 2011-2014 CDM programs for the 2011-2014 period. Please indicate how Rideau determined the values for the persisting impacts of these programs through to 2016.
- c) VECC notes that other distributors (see EB-2016-0061, VECC IR #31)

have received reports from the IESO/OPA regarding the persisting effects of 2011-2014 CDM programs post-2014. Is a similar report available for Rideau and, if so, please provide.

- d) Please provide a copy of the IESO Report regarding Rideau's verified CDM results for 2015 and compare the values shown with those used in Rideau's load forecast model for the impact of 2015 CDM programs.
- e) Are there reports available from the IESO on the persisting impact of the verified 2015 results in subsequent years? If so, please provide.
- f) Please provide a copy of Rideau's 2015-2020 CDM Plan (as approved by the IESO and referenced on page 23).
- g) It is noted that the values include in the Load Forecast model (CDM Activity Tab) for the impact of 2013 and 2014 CDM programs do not appear to reconcile with those reported in Appendix 4.1.
  - For 2014, the CDM Activity Tab reports 1,211,000 kWh while Appendix 4.1 reports 1,082,236 kWh for the impact of 2014 CDM programs
  - For 2013, the CDM Activity Tab reports 406,000 kWh (280,000+126,000) whereas Appendix 4.1 reports 300,016 kWh (272,751 initially reported plus 27,265 in adjustments) for the impact of 2013 programs.

Please review and reconcile.

### 3.0 –VECC -18

Reference: Exhibit 3, page 13

- a) Please confirm that in using the model to forecast 2016 power purchases the CDM activity variable only included CDM program impacts up to 2014 and that for 2014 only ½ of the annual impact was used.

### 3.0 –VECC -19

Reference: Exhibit 3, page 16

- a) One would intuitively expect the CDM Activity variable to have a coefficient reasonably close to -1.0. Can Rideau explain why the coefficient in its model is materially less than this (i.e., -3.13)?

### 3.0 –VECC -20

Reference: Exhibit 3, page 18

- a) What was the actual customer/connection count for each customer class as of year-end 2016?

### 3.0 –VECC -21

Reference: Exhibit 3, pages 24-26

- a) Given that 2014 is last year of actual data used in the model and the CDM Activity variable value for 2016 included only ½ of the 2014 CDM program impacts, please explain more fully why ½ of the 2014 CDM program impacts were not included in the CDM adjustment.

### 3.0 –VECC -22

Reference: Exhibit 3, page 18

- a) Please update Table 3.37 for actual 2015 and (unaudited) 2016 values.
- b) Does the Interest and Dividend Income shown include interest associated with regulatory accounts?
- c) What accounts for the annual amounts reported for “Loss on Disposition”?
- d) Why are there no “Revenues from Non-Utility Operations” in 2016 similar to previous years?

## **4.0 OPERATING COSTS (EXHIBIT 4)**

### 4.0-VECC-23

Reference: E4/T1/S1/Table 4.2

- a) Please update Table 4.2 to show 2016 actuals.
- b) Please explain any variance as between 2016 actuals and the forecast shown in the evidence.
- c) Please provide the 2017 budget OM&A in the form of Table 4.2

### 4-VECC-24

Reference: E4/T1/S1/pg.6 & E4/T3/S2/pg.16-17

- a) Does RSL currently bill all its customers on a monthly basis? If not please explain the current billing period status for each customer class. Please provide the expected date of monthly billing for each class.

4-VECC-25

Reference: E4/T1/S1/Table 4.4 & E4/T3/S9

- a) Please update Table 4.4 for actual 2016 costs.
- b) Please explain why LEAP costs are projected to be approximately 3x the prior year costs.
- c) Please provide the actual LEAP costs in 2016.

4-VECC-26

Reference: E4/T1/S1/Table 4-6

- a) Please explain the \$80,607 variance in billing and collecting costs as between Board approved and actuals.

4-VECC-27

Reference: E4/T3/S2/pgs. 23

- a) If RSL is a member of the EDA please provide the annual EDA membership and other fees for each of 2012 through 2017.

4-VECC-28

Reference: E4/pg.30

- a) Please explain why no actuarial study was done for post-retirement benefits.
- b) What amounts were charged for these benefits under OM&A in each of the years 2012 through 2017?

4-VECC-29

Reference: E4/T3/S2/Table 4.14

- a) Please modify Table 4.14 to show 2016 actuals and include a new row showing the total compensation capitalized in each year.
- b) Has RSL finalized a 2017 compensation budget? If yes, please provide the 2017 costs using the same categorization as Table 4.14.



4-VECC-30

Reference: E4/T3/S2/pg. 27

- a) RSL states that the cost of a new regulatory analyst was included in the Board approved 2012 cost of service. Please explain why this position was not hired until 2014.
- b) What was the total cost savings of the delayed hiring?
- c) Other than this position, has RSL hired for any incremental full time positions since 2012?

4.0-VECC-31

Reference: E4/T3/S4/Appendix 2-N

- a) Please identify the amount of the billing costs in 2016 that were due to new monthly billing requirements.
- b) Please explain why the 2012 actual costs were significantly above the Board approved costs.
- c) Has RSL ever undertaken a third-party review of its cost sharing agreement with Utilities? If yes please provide this study.
- d) Are the non-affiliate services shown in Table 4.19 subject to the 5% markup fee by the Affiliate?

4.0-VECC-32

Reference: E4/T5/S1 & S2

- a) Please provide the actual PILs paid in 2016.
- b) Please provide the actual property taxes paid in 2016

4.0-VECC-33

Reference: E4/T4/S2/Appendix 2-F

- a) Please update Appendix 2-F for 2016 actuals.

#### 4.0 -VECC -34

Reference: Exhibit 4, Appendix 4.2

- a) The LRAMVA calculations table provided in the Burman Report is not legible. Please provide either a copy of the table in a legible spread sheet or complete and provide a copy of the Board's LRAMVA model.
- b) Please provide copies the references used by Burman to support the values used for the persisting impact of the individual CDM programs after the first year of implementation.

#### 4.0 -VECC -35

Reference: Exhibit 4, page 126

- a) With respect to Table 4-24 is Commercial meant to represent the GS<50 class and Industrial meant to represent the GS>50 class?
- b) If not, please provide a schedule similar to Table 4.24 but broken down by customer class.

### **5.0 COST OF CAPITAL AND RATE OF RETURN (EXHIBIT 5)**

#### 5.0-VECC-36

Reference: E5

- a) Please update Appendix 2-OB to use the Board's current long-term debt rate of 3.72%.
- b) Please update Appendix 2-AO using the adjusted long-term debt cost from the revised Appendix 2-OB above and the current Board approved short-term debt rate of 1.76% and equity return of 8.78%.

### **6.0 CALCULATION OF REVENUE DEFICIENCY/SURPLUS (EXHIBIT 6)**

#### 6.0-VECC-37

Reference: E6

- a) Please revise the RRWF forms to reflect all adjustments made as a result of interrogatory responses.

## **7.0 COST ALLOCATION (EXHIBIT 7)**

7.0 – VECC –38

Reference: Exhibit 7, Cost Allocation Model

- a) Please confirm (per Sheet I6.2) that each Street Lighting device is a separate connection.
- b) Please confirm (per Sheets I7.1 and I7.2) that each GS>50 customer only has one meter.

7.0 – VECC –39

Reference: Exhibit 7, page 9

- a) With respect to Table 7.7, does Utilismart only provide meter reading services and does Rideau itself provide all of the other services/activities listed in the Table?
- b) Why was the meter count for the calculation increased to 5073 (from 5066) when the costs for all of the other services are based on an allocation that used a Residential customer count of 5066?

7.0 – VECC –40

Reference: Exhibit 7, page 14

- a) With respect to Table 7.12, why was the proposed R/C ratio for Sentinel Lighting not increased further (i.e., higher than 80%) before any increase was made to the Residential ratio whose status quo value is 91.81%?
- b) By how much could the Sentinel Lighting ratio be increased while still maintaining a total bill impact of less than 10%?

## **8.0 RATE DESIGN (EXHIBIT 8)**

8.0 –VECC - 41

Reference: Exhibit 8, page 19

- a) What were the actual 2016 billing quantities and charges by Hydro One for LV Service?
- b) It is noted that Rideau proposes to base its RTSRs on the 2017 UTRs (page 10). Why is Rideau not proposing to base the LV Service Rates on Hydro One's 2017 rates once they are known?

## 9.0 DEFERRAL AND VARIANCE ACCOUNTS (EXHIBIT 9)

9.0 –VECC -42

Reference: E9/T1/S2

- a) Please update Table 9.1 to show balances (and interest) as of the end of 2016.
- b) Please provide for each Group 1 and Group 2 account, the interest costs for only 2016.

9.0-VECC-43

Reference: E9/T1/S7/Table 9.5

- a) If RSL transitioned to MIFRS in 2012 why were auditor fees of \$14,500 “due to MIFRS restatement” incurred in 2016?

9.0-VECC-44

Reference: E9/T1/S10

- a) As of December 31 (close) 2016 what is the accumulated depreciation with respect to the \$39,470 in Smart Meter MDM/R costs?

9.0-VECC-45

Reference: E9/T1/S11/ Request for New Variance Accounts

- a) Is RSL seeking to establish an account or accounts to recover the difference between the current rates and the proposed rates for 2016?

End of document