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P.O. Box 640 – C.P. 640
Cochrane, Ontario P0L 1C0

February 17, 2017

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

**Re: 2017 Cost of Service Application EB-2016-0096
Supplemental IRs**

Dear Ms. Walli:

Pursuant to Procedural Order No. 1 in this proceeding Northern Ontario Wires Inc. submitted interrogatory responses on January 31, 2017. At the time of that submission, Northern Ontario Wires Inc. had not yet finalized year-end 2016 financial results and indicated that for interrogatories where 2016 actual results were requested, such information (unaudited), the associated rate impacts and updated models would be provided in a supplemental filing on February 17, 2017. Northern Ontario Wires Inc. is pleased to hereby submit the supplemental interrogatory responses. An electronic copy has been submitted to the Board through the RESS system and two hard copies will be delivered to the OEB office.

Yours truly,

A handwritten signature in blue ink, appearing to read "Geoffrey Sutton", is written over a light blue horizontal line.

Geoffrey Sutton, CPA, CA
Chief Financial Officer
Tel: (705) 272-6669
Email: geoffs@nowinc.ca

Cc: Mark Rubenstein, SEC
Michael Janigan, VECC
Shelly Grice, AMPCO
Michael Buonaguro, Counsel



Northern Ontario Wires Inc. Supplemental Interrogatory Responses

EB-2016-0096

Rates Effective: May 1, 2017

Date Filed: February 17, 2017

Northern Ontario Wires Inc.

153 Sixth Avenue

P.O. Box 640

Cochrane, ON P0L 1C0

Supplemental Interrogatory Responses



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Exhibit 2 – Rate Base

2-Staff-11

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

Question(s):

- 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.

Response:

- b) Please see 2-SEC-13 for the 2016 unaudited actual results. There are no material difference between budget and unaudited actual results for 2016. Accordingly, there will not be a material impact on capital spending during the test year and forecast period due to 2016 actual results. The plans for the test year and forecast period are distinct from the 2016 year end as far as planning and scope.

The following table shows the project variances:

Projects	2016 Bridge Year
	UNAUDITED
Reporting Basis	MIFRS
System Access	
Metering	1,325
Sub-Total	1,325
System Renewal	
Pole Changes- Cochrane	27,165
Pole Changes- Kapuskasing	-7,364
Pole Changes-Iroquois Falls	-1,963
Cochrane Lakefront Rebuild	-40,128
Cochrane 5 - kV Upgrade	0
Cochrane Substation Feeder	-25,000
Sub-Total	-47,290
System Service	
Kapuskasing 5kV to 25kV Conversion	-20,554
Iroquois Falls 2.4 to 12kV Upgrade	34,135
Sub-Total	13,580
General Plant	
Transportation Equipment	2,180
Computer Hardware	-14,265
Computer Software	6,287
Buildings	0
Sub-Total	-5,797
Miscellaneous	4,664
Total	-33,517
Less Renewable Generation Facility Assets and Other Non-Rate-Regulated Utility Assets (input as negative)	
Total	-33,517

Although they are not material the variance explanations are as follows:

Cochrane

- More pole changes as a result of the postponement of the Cochrane Lakefront rebuild due to construction in the area by the Town. Additionally, NOW was not able to work on the Feeder as a result of not being able to obtain isolation from Hydro One.

Iroquois Falls

- Feeder was extended with more pole and transformer changes on the ongoing 2.4 to 12Kv Upgrade project.

Kapuskasing

- Project and poles are slightly under budget as a result of the amount of conversion completed in the year.

General Plant

- Computer hardware is below budget as a result of the lower than originally anticipated price of the required servers.

2-SEC-13

[Ex.2] Please update the following tables to provide 2016 year-end actuals and explain all material differences from the forecasted amounts:

- a) Appendix 2-AA
- b) Appendix 2-AB
- c) Appendix 2-BA (2016 and 2017)

Responses:

- a) The following table contains the update for the unaudited 2016 year-end information. There are no material differences between the forecasted amounts and the 2016 unaudited figures. There has been some shifting of project priorities that are below materiality.

Projects	2012	2013	2014	2015	2016 Bridge Year	2017 Test Year
					UNAUDITED	
Reporting Basis	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS
System Access						
Metering		40,344	8,210	5,089	16,325	15,000
Sub-Total	0	40,344	8,210	5,089	16,325	15,000
System Renewal						
Pole Changes- Cochrane	80,318	105,504	49,270	58,096	82,165	105,000
Pole Changes- Kapuskasing	67,997	2,013	14,050	8,103	47,636	55,000
Pole Changes-Iroquois Falls	16,557	8,323	3,229	419	25,537	55,000
Cochrane - 5 kV Upgrade - Lane	13,839	129,232				
Cochrane - 11th Ave Relocate Up	87,623					
Cochrane - Primary 11th and Maple			38,660	7,334		
Cochrane Lakefront Rebuild					9,872	
Cochrane 5 - kV Upgrade						90,000
Cochrane Substation Feeder	11,206		686		0	50,000
IF - Pole Changes				52,253		
Cochrane Pole Changes				29,665		
Kapuskasing Pole Changes				9,232		
Sub-Total	277,540	245,072	105,895	165,102	165,210	355,000
System Service						
Kapuskasing 5kV to 25kV Convers	103,372	205,501	203,393	94,251	119,446	175,000
Iroquois Falls 2.4 to 12kV Upgrade	81,730	63,936	31,322	83,829	121,135	140,000
Sub-Total	185,102	269,437	234,715	178,080	240,580	315,000
General Plant						
Transportation Equipment	218,112	224,313	261,375		87,180	
Computer Hardware	3,982		1,800	6,000	15,735	10,000
Computer Software			87,493	160,557	127,201	115,000
Buildings	116,245	17,535	10,228	1,165		
Sub-Total	338,339	241,848	360,896	167,722	230,117	125,000
Miscellaneous	29,314	12,485	11,550	69,777	17,164	17,500
Total	830,295	809,186	721,266	585,770	669,397	827,500
Less Renewable Generation Facility Assets and Other Non- Rate-Regulated Utility Assets (input as negative)						
Total	830,295	809,186	721,266	585,770	669,397	827,500

- b) The following table contains the update for the unaudited 2016 year-end information.

Appendix 2-AB
Table 2 - Capital Expenditure Summary from Chapter 5 Consolidated
Distribution System Plan Filing Requirements

First year of Forecast Period: 2017

CATEGORY	Historical Period (previous plan ¹ & actual)															Forecast Period (planned)						
	2012			2013			2014			2015			2016			2017	2018	2019	2020	2021		
	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual ²	Var							
														UNAUDITED								
	\$ '000		%	\$ '000		%	\$ '000		%	\$ '000		%	\$ '000		%	\$ '000						
System Access			-	--	-	40	--		8	--		58	--	15	16	6.7%	15	15	20	20	20	
System Renewal			283	--	333	245	-26.4%		112	--		179	--	213	165	-22.5%	355	395	370	350	380	
System Service			185	--	179	269	50.3%		235	--		178	--	227	241	6.2%	315	355	370	385	400	
General Plant			363	--	213	254	19.2%		366	--		171	--	248	247	-0.4%	143	33	33	33	33	
TOTAL EXPENDITURE			-	831	--	725	808	11.4%	864	721	-16.6%	536	586	9.3%	703	669	-4.8%	828	798	793	788	833
System O&M			\$1,102	--		\$1,232	--		\$1,237	--		\$1,128	--	\$1,209	\$ 1,168	-3.4%	\$1,513	\$1,586	\$1,626	\$1,668	\$ 1,711	

- c) The following table contains the update for the unaudited 2016 year-end information. There is no material difference in the total values for 2016 or 2017 as a result of the 2016 unaudited information. There is some reallocation within USoA accounts, and this results in a change in depreciation expense of \$327 in 2016, and \$288 in 2017.

Appendix 2-BA
Fixed Asset Continuity Schedule ¹

Accounting Standard MFRS
Year 2016

CCA Class ²	OEB Account ³	Description ³	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions ⁴	Disposals ⁵	Closing Balance	Opening Balance	Additions	Disposals ⁶	Closing Balance	
12	1611	Computer Software (Formally known as Account 1925)	\$ 52,657	\$ 375,251		\$ 427,908	\$ 42,433	\$ 47,749		\$ 90,182	\$ 337,725
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -	\$ -			\$ -	\$ -
N/A	1805	Land	\$ 87,700			\$ 87,700	\$ -			\$ -	\$ 87,700
47	1808	Buildings	\$ 462,384			\$ 462,384	\$ 40,127	\$ 19,373		\$ 59,500	\$ 402,884
13	1810	Leasehold Improvements	\$ -			\$ -	\$ -			\$ -	\$ -
47	1815	Transformer Station Equipment >50 kV	\$ -			\$ -	\$ -			\$ -	\$ -
47	1820	Distribution Station Equipment <50 kV	\$ 221,248	\$ 53,197		\$ 274,445	\$ 39,467	\$ 20,834		\$ 60,301	\$ 214,144
47	1825	Storage Battery Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1830	Poles, Towers & Fixtures	\$ 2,033,839	\$ 184,042		\$ 2,217,881	\$ 249,892	\$ 133,238		\$ 383,130	\$ 1,834,751
47	1835	Overhead Conductors & Devices	\$ 1,136,526	\$ 159,723		\$ 1,296,249	\$ 68,286	\$ 38,324		\$ 106,610	\$ 1,189,639
47	1840	Underground Conduit	\$ 9,548			\$ 9,548	\$ 2,728	\$ 1,364		\$ 4,092	\$ 5,456
47	1845	Underground Conductors & Devices	\$ 2,111			\$ 2,111	\$ 603	\$ 301		\$ 904	\$ 1,207
47	1850	Line Transformers	\$ 562,955	\$ 65,576		\$ 628,531	\$ 37,175	\$ 22,774		\$ 59,949	\$ 568,582
47	1855	Services (Overhead & Underground)	\$ 237,442	\$ 882		\$ 238,324	\$ 20,748	\$ 12,634		\$ 33,382	\$ 204,942
47	1860	Meters	\$ 20,905	\$ 678		\$ 21,583	\$ 4,379	\$ 2,304		\$ 6,683	\$ 14,900
47	1860	Meters (Smart Meters)	\$ 667,552	\$ 7,687		\$ 675,239	\$ 124,558	\$ 60,224		\$ 184,782	\$ 490,457
N/A	1905	Land	\$ -			\$ -	\$ -			\$ -	\$ -
47	1908	Buildings & Fixtures	\$ -			\$ -	\$ -			\$ -	\$ -
13	1910	Leasehold Improvements	\$ 470			\$ 470	\$ 470			\$ 470	\$ -
8	1915	Office Furniture & Equipment (10 years)	\$ 682	\$ 1,807		\$ 2,489	\$ 383	\$ 189		\$ 572	\$ 1,917
8	1915	Office Furniture & Equipment (5 years)	\$ -			\$ -	\$ -			\$ -	\$ -
10	1920	Computer Equipment - Hardware	\$ 10,025	\$ 15,735		\$ 25,760	\$ 4,125	\$ 4,174		\$ 8,299	\$ 17,462
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -			\$ -	\$ -			\$ -	\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ 348,363			\$ 348,363	\$ 68,230	\$ 33,500		\$ 101,730	\$ 246,633
10	1930	Transportation Equipment	\$ 1,275,651	\$ 87,180		\$ 1,362,831	\$ 458,613	\$ 201,980		\$ 660,593	\$ 702,238
8	1935	Stores Equipment	\$ 877			\$ 877	\$ 564	\$ 175		\$ 739	\$ 138
8	1940	Tools, Shop & Garage Equipment	\$ 78,376	\$ 10,485		\$ 88,861	\$ 49,556	\$ 15,061		\$ 64,617	\$ 24,244
8	1945	Measurement & Testing Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1950	Power Operated Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1955	Communications Equipment	\$ 1,186			\$ 1,186	\$ 1,186			\$ 1,186	\$ -
8	1955	Communication Equipment (Smart Meters)	\$ -			\$ -	\$ -			\$ -	\$ -
8	1960	Miscellaneous Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1970	Load Management Controls Customer Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1975	Load Management Controls Utility Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1980	System Supervisor Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1985	Miscellaneous Fixed Assets	\$ -			\$ -	\$ -			\$ -	\$ -
47	1990	Other Tangible Property	\$ -			\$ -	\$ -			\$ -	\$ -
47	1995	Contributions & Grants	\$ -			\$ -	\$ -			\$ -	\$ -
47	2440	Deferred Revenue ⁵	\$ 123,412			\$ 123,412	\$ 1,409	\$ 2,850		\$ 4,259	\$ 119,153
		Sub-Total	\$ 7,087,085	\$ 962,243	\$ -	\$ 8,049,328	\$ 1,212,114	\$ 611,349	\$ -	\$ 1,823,463	\$ 6,225,865
		Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -
		Less Other Non Rate-Regulated Utility Assets (input as negative)				\$ -				\$ -	\$ -
		Total PP&E	\$ 7,087,085	\$ 962,243	\$ -	\$ 8,049,328	\$ 1,212,114	\$ 611,349	\$ -	\$ 1,823,463	\$ 6,225,865
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable ⁶									
		Total					\$ -	\$ 611,349			

10	Transportation
8	Stores Equipment

Less: Fully Allocated Depreciation
Transportation \$ 201,980
Stores Equipment \$ 19,373
Net Depreciation \$ 389,996

Appendix 2-BA
Fixed Asset Continuity Schedule ¹

Accounting Standard MFRS
Year 2017

CCA Class ²	OEB Account ³	Description ³	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions ⁴	Disposals ⁵	Closing Balance	Opening Balance	Additions	Disposals ⁶	Closing Balance	
12	1611	Computer Software (Formally known as Account 1925)	\$ 427,908	\$ 115,000		\$ 542,908	-\$ 90,182	-\$ 86,550		-\$ 176,733	\$ 366,175
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -	\$ -			\$ -	\$ -
N/A	1805	Land	\$ 87,700			\$ 87,700	\$ -			\$ -	\$ 87,700
47	1808	Buildings	\$ 462,384			\$ 462,384	-\$ 59,500	-\$ 19,373		-\$ 78,873	\$ 383,511
13	1810	Leasehold Improvements	\$ -			\$ -	\$ -			\$ -	\$ -
47	1815	Transformer Station Equipment >50 kV	\$ -			\$ -	\$ -			\$ -	\$ -
47	1820	Distribution Station Equipment <50 kV	\$ 274,445	\$ 50,000		\$ 324,445	-\$ 60,301	-\$ 20,970		-\$ 81,272	\$ 243,173
47	1825	Storage Battery Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1830	Poles, Towers & Fixtures	\$ 2,217,881	\$ 417,500		\$ 2,635,381	-\$ 383,130	-\$ 139,969		-\$ 523,099	\$ 2,112,282
47	1835	Overhead Conductors & Devices	\$ 1,296,249	\$ 101,250		\$ 1,397,499	-\$ 106,610	-\$ 41,264		-\$ 147,874	\$ 1,249,624
47	1840	Underground Conduit	\$ 9,548			\$ 9,548	-\$ 4,092	-\$ 1,364		-\$ 5,456	\$ 4,092
47	1845	Underground Conductors & Devices	\$ 2,111			\$ 2,111	-\$ 904	-\$ 301		-\$ 1,205	\$ 906
47	1850	Line Transformers	\$ 628,531	\$ 101,250		\$ 729,781	-\$ 59,949	-\$ 24,612		-\$ 84,561	\$ 645,220
47	1855	Services (Overhead & Underground)	\$ 238,324			\$ 238,324	-\$ 33,382	-\$ 12,643		-\$ 46,025	\$ 192,299
47	1860	Meters	\$ 21,583			\$ 21,583	-\$ 6,683	-\$ 1,964		-\$ 8,647	\$ 12,936
47	1860	Meters (Smart Meters)	\$ 675,239	\$ 15,000		\$ 690,239	-\$ 184,782	-\$ 60,980		-\$ 245,761	\$ 444,477
N/A	1905	Land	\$ -			\$ -	\$ -			\$ -	\$ -
47	1908	Buildings & Fixtures	\$ -			\$ -	\$ -			\$ -	\$ -
13	1910	Leasehold Improvements	\$ 470			\$ 470	-\$ 470			\$ 470	\$ -
8	1915	Office Furniture & Equipment (10 years)	\$ 2,489			\$ 2,489	-\$ 572	-\$ 318		-\$ 890	\$ 1,599
8	1915	Office Furniture & Equipment (5 years)	\$ -			\$ -	\$ -			\$ -	\$ -
10	1920	Computer Equipment - Hardware	\$ 25,760	\$ 10,000		\$ 35,760	-\$ 8,299	-\$ 6,447		-\$ 14,746	\$ 21,015
45	1920	Computer Equip. -Hardware(Post Mar. 22/04)	\$ -			\$ -	\$ -			\$ -	\$ -
45.1	1920	Computer Equip. -Hardware(Post Mar. 19/07)	\$ 348,363			\$ 348,363	-\$ 101,730	-\$ 32,885		-\$ 134,615	\$ 213,748
10	1930	Transportation Equipment	\$ 1,362,831			\$ 1,362,831	-\$ 660,593	-\$ 190,149		-\$ 850,742	\$ 512,089
8	1935	Stores Equipment	\$ 877			\$ 877	-\$ 739	-\$ 68		-\$ 807	\$ 70
8	1940	Tools, Shop & Garage Equipment	\$ 88,861	\$ 17,500		\$ 106,361	-\$ 64,617	-\$ 11,948		-\$ 76,565	\$ 29,796
8	1945	Measurement & Testing Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1950	Power Operated Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1955	Communications Equipment	\$ 1,186			\$ 1,186	-\$ 1,186			-\$ 1,186	\$ -
8	1955	Communication Equipment (Smart Meters)	\$ -			\$ -	\$ -			\$ -	\$ -
8	1960	Miscellaneous Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1970	Load Management Controls Customer Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1975	Load Management Controls Utility Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1980	System Supervisor Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1985	Miscellaneous Fixed Assets	\$ -			\$ -	\$ -			\$ -	\$ -
47	1990	Other Tangible Property	\$ -			\$ -	\$ -			\$ -	\$ -
47	1995	Contributions & Grants	\$ -			\$ -	\$ -			\$ -	\$ -
47	2440	Deferred Revenue ⁵	\$ 123,412			\$ 123,412	\$ 4,259	\$ 2,850		\$ 7,109	\$ 116,303
			\$ -			\$ -	\$ -			\$ -	\$ -
		Sub-Total	\$ 8,049,328	\$ 827,500	\$ -	\$ 8,876,828	-\$ 1,823,463	-\$ 648,955	\$ -	-\$ 2,472,418	\$ 6,404,410
		Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -
		Less Other Non Rate-Regulated Utility Assets (input as negative)				\$ -				\$ -	\$ -
		Total PP&E	\$ 8,049,328	\$ 827,500	\$ -	\$ 8,876,828	-\$ 1,823,463	-\$ 648,955	\$ -	-\$ 2,472,418	\$ 6,404,410
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable⁸									
		Total					-\$ 648,955				

10	Transportation
8	Stores Equipment

Less: Fully Allocated Depreciation
Transportation -\$ 190,149
Stores Equipment -\$ 19,373
Net Depreciation **-\$ 439,433**

2-SEC-19

[Ex.4] Please update the following tables to provide 2016 year-end actuals and explain all material differences from the forecasted amounts:

- a) Appendix 2-JA
- b) Appendix 2-JB
- c) Appendix 2-JC

Responses:

- a) The attached table is updated to include 2016 unaudited figures.

Appendix 2-JA
Summary of Recoverable OM&A Expenses

	Last Rebasings Year (2013 Board- Approved)	Last Rebasings Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
Reporting Basis	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS
Operations	\$ 500,179	\$ 600,841	\$ 749,465	\$ 618,070	\$ 594,985	\$ 815,665
Maintenance	\$ 602,566	\$ 631,448	\$ 487,822	\$ 509,810	\$ 573,450	\$ 697,590
SubTotal	\$ 1,102,745	\$ 1,232,289	\$ 1,237,287	\$ 1,127,880	\$ 1,168,435	\$ 1,513,255
%Change (year over year)			0.4%	-8.8%	3.6%	29.5%
%Change (Test Year vs Last Rebasings Year - Actual)						22.8%
Billing and Collecting	\$ 756,864	\$ 1,072,708	\$ 584,730	\$ 752,020	\$ 698,187	\$ 746,564
Community Relations						
Administrative and General	\$ 580,871	\$ 1,252,523	\$ 646,500	\$ 515,318	\$ 697,319	\$ 648,087
SubTotal	\$ 1,337,735	\$ 2,325,231	\$ 1,231,230	\$ 1,267,338	\$ 1,395,506	\$ 1,394,651
%Change (year over year)			-47.0%	2.9%	10.1%	-0.1%
%Change (Test Year vs Last Rebasings Year - Actual)						-40.0%
Total	\$ 2,440,480	\$ 3,557,520	\$ 2,468,517	\$ 2,395,218	\$ 2,563,941	\$ 2,907,906
%Change (year over year)			-30.6%	-3.0%	7.0%	13.4%

	Last Rebasings Year (2013 Board- Approved)	Last Rebasings Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
Operations	\$ 500,179	\$ 600,841	\$ 749,465	\$ 618,070	\$ 594,985	\$ 815,665
Maintenance	\$ 602,566	\$ 631,448	\$ 487,822	\$ 509,810	\$ 573,450	\$ 697,590
Billing and Collecting	\$ 756,864	\$ 1,072,708	\$ 584,730	\$ 752,020	\$ 698,187	\$ 746,564
Community Relations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative and General	\$ 580,871	\$ 1,252,523	\$ 646,500	\$ 515,318	\$ 697,319	\$ 648,087
Total	\$ 2,440,480	\$ 3,557,520	\$ 2,468,517	\$ 2,395,218	\$ 2,563,941	\$ 2,907,906
%Change (year over year)			-30.6%	-3.0%	7.0%	13.4%

	Last Rebasings Year (2013 Board- Approved)	Last Rebasings Year (2013 Actuals)	Variance 2013 BA - 2013 Actuals	2014 Actuals	Variance 2014 Actuals vs. 2013 Actuals	2015 Actuals	Variance 2015 Actuals vs. 2014 Actuals	2016 Bridge Year	Variance 2016 Bridge vs. 2015 Actuals	2017 Test Year	Variance 2017 Test vs. 2016 Bridge
Operations	\$ 500,179	\$ 600,841	\$ 100,662	\$ 749,465	\$ 148,624	\$ 618,070	\$ 131,395	\$ 594,985	\$ 23,085	\$ 815,665	\$ 220,680
Maintenance	\$ 602,566	\$ 631,448	\$ 28,882	\$ 487,822	\$ 143,626	\$ 509,810	\$ 21,988	\$ 573,450	\$ 63,640	\$ 697,590	\$ 124,140
Billing and Collecting	\$ 756,864	\$ 1,072,708	\$ 315,844	\$ 584,730	\$ 487,978	\$ 752,020	\$ 167,290	\$ 698,187	\$ 53,833	\$ 746,564	\$ 48,377
Community Relations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative and General	\$ 580,871	\$ 1,252,523	\$ 671,652	\$ 646,500	\$ 606,023	\$ 515,318	\$ 131,182	\$ 697,319	\$ 182,001	\$ 648,087	\$ 49,232
Total OM&A Expenses	\$ 2,440,480	\$ 3,557,520	\$ 1,117,040	\$ 2,468,517	\$ 1,089,003	\$ 2,395,218	\$ 73,299	\$ 2,563,941	\$ 168,723	\$ 2,907,906	\$ 343,965
Adjustments for Total non-recoverable items (from Appendices 2-JA and 2-JB)											
Total Recoverable OM&A Expenses	\$ 2,440,480	\$ 3,557,520	\$ 1,117,040	\$ 2,468,517	\$ 1,089,003	\$ 2,395,218	\$ 73,299	\$ 2,563,941	\$ 168,723	\$ 2,907,906	\$ 343,965
Variance from previous year				\$ 1,089,003		\$ 73,299		\$ 168,723		\$ 343,965	
Percent change (year over year)				-31%		-3%		7%		13%	
Percent Change:											
Test year vs. Most Current Actual						21.40%					
Simple average of % variance for all years						-18.26%					-3%
Compound Annual Growth Rate for all years											-4.0%
Compound Growth Rate (2015 Actuals vs. 2013 Actuals)						-12.35%					

b) The attached table is updated to include 2016 unaudited figures.

**Appendix 2-JB
Recoverable OM&A Cost Driver Table**

OM&A	Last Rebasing Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
Reporting Basis	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS
Opening Balance	\$ 2,440,480	\$ 3,557,520	\$ 2,468,516	\$ 2,395,215	\$ 2,563,941
Labour Escalation and Allocation		\$ 21,858	\$ 43,829	\$ 42,586	\$ 55,388
Staffing changes	\$ 34,336	-\$ 54,145	-\$ 216,625		\$ 94,772
Smart Meter Disposition	\$ 492,497	-\$ 492,497			
Vehicle /Fuel Repairs		\$ 7,587	-\$ 44,048	-\$ 4,536	\$ 16,010
Bad Debt	\$ 376,557	-\$ 384,931	\$ 138,836	-\$ 81,025	\$ 4,511
Meter Reading	\$ 6,058	-\$ 30,562	\$ 10,378	\$ 7,303	\$ 6,426
Regulatory Costs	\$ 92,291	-\$ 88,692	\$ 965	\$ 165,973	-\$ 86,696
Work Program Changes	\$ 115,301	-\$ 67,621	-\$ 6,636	\$ 38,426	\$ 253,554
Closing Balance	\$ 3,557,520	\$ 2,468,516	\$ 2,395,215	\$ 2,563,941	\$ 2,907,906

c) The attached table is updated to include 2016 unaudited figures.

**Appendix 2-JC
OM&A Programs Table**

Programs	Last Rebasing Year (2013 Board- Approved)	Last Rebasing Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year	Variance (Test Year vs. 2015 Actuals)	Variance (Test Year vs. Last Rebasing Year (2013 Board-Approved))
Reporting Basis	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	
Operations								
Transformer/Substation	31,052	43,998	54,010	33,422	30,549	36,327	2,905	5,275
Customer Premises	157,980	231,360	297,935	190,479	213,610	262,861	72,382	104,881
Load Dispatching	189,909	193,028	267,817	245,549	205,483	284,124	38,575	94,215
Eng & Ops Admin	103,960	123,276	110,971	132,045	131,977	205,321	73,276	101,361
Meter Expenses	17,278	9,179	18,733	16,574	13,366	27,032	10,458	9,754
Sub-Total	500,179	600,841	749,466	618,069	594,985	815,665	197,596	315,486
Maintenance								
Maintenance of O/H Lines	279,357	342,134	264,778	346,016	400,011	490,902	144,886	211,545
Maintenance of Line Transformers	34,967	48,374	16,487	16,422	20,923	29,041	12,619	-5,926
Maintenance of U/G Conductors	131,085	117,747	126,132	58,615	48,180	56,989	-1,626	-74,096
Tree Trimming and Vegetation Control	157,157	123,193	80,426	88,758	104,336	120,658	31,900	-36,499
Sub-Total	602,566	631,448	487,823	509,811	573,450	697,590	187,779	95,024
Customer Service								
Billing and Collecting	539,292	472,521	400,036	418,112	436,001	473,441	55,329	-65,851
Meter Reading	196,520	202,578	172,016	182,394	191,697	198,123	15,729	1,603
Bad Debt	21,052	397,609	12,678	151,514	70,489	75,000	-76,514	53,948
Sub-Total	756,864	1,072,708	584,730	752,020	698,187	746,564	-5,456	-10,300
Administration								
Administration	457,672	1,030,493	517,395	399,379	418,454	447,537	48,158	-10,135
Regulatory	23,464	115,755	27,063	28,028	194,001	107,305	79,277	83,841
Outside Services	63,687	66,876	65,432	51,545	45,244	53,133	1,588	-10,554
Property	36,048	39,399	36,610	36,366	39,620	40,112	3,746	4,064
Sub-Total	580,871	1,252,523	646,500	515,318	697,319	648,087	132,769	67,216
Miscellaneous								
Total	2,440,480	3,557,520	2,468,519	2,395,218	2,563,941	2,907,906	512,688	467,426

2.0-VECC-7

Reference: E2/T1/S1/Appendix 2-BA

- a) Please update the 2016 Fixed Asset Continuity Schedule to reflect year-end actuals.
- b) Please update the 2017 Fixed Asset Continuity Schedules if necessary due to changes in 2016.

Responses:

- a) Please refer to 2-SEC-13 c.
- b) Please refer to 2-SEC-13 c.

2.0-VECC-10

Reference: E2/T2/S1/pgs. 10-14

- a) Please update pages 10 through 14 (2016 Capital Projects) and indicate which projects/amounts are in-service as of December 31, 2016, the amounts carried forward to 2017 and any cancelled projects (i.e. post 2017).

Responses:

- a) The financial information below for pages 10 through 14 provides the updated numbers that represent the 2016 unaudited expenditures. Program descriptions are the same as in the initial evidence.

Description by Project

2016 CAPITAL PROJECTS

System Renewal	\$ 165,210
General Plant	\$ 247,282
System Access	\$ 16,325
System Service	\$ 240,580
2016 Actual Capital Projects	<u>\$ 669,397</u>

System Renewal:

Project 2016: Cochrane Pole Changes – Total Cost \$ 82,165 – IN-SERVICE

- There is no carry forward. This is an ongoing project and 2017 expenditures are forecast to be as per the DSP.

Project 2016: Kapuskasing Pole Changes – Total Cost \$ 47,636 – IN-SERVICE

- There is no carry forward. This is an ongoing project and 2017 expenditures are forecast to be as per the DSP.

Project 2016: Iroquois Falls Pole Changes – Total Cost \$ 25,537– IN-SERVICE.

- There is no carry forward. This is an ongoing project and 2017 costs are forecast to be as per the DSP.

Project 2016: Cochrane Lakefront Rebuild – Total Cost \$ 9,872– IN-SERVICE.

- The remaining spend on the Lakefront Rebuild project (\$40k) will take place in 2017. In order to accommodate this expenditure a portion of the work and spending on the Cochrane 5Kv Upgrade project will be deferred to 2018. The total overall capital spending for 2017 of \$827,500 will remain unchanged.

Project 2016: Cochrane Substation Feeder – Total Cost \$0. Start of project delayed until 2017

- Planned expenditure for 2017 remains at \$50,000. Completion anticipated in 2018.

General Plant:

2016 Transportation Equipment – Total Cost \$87,180– IN-SERVICE

- There is no carry forward.

2016 Tools and Equipment – Total Cost \$ 17,164– IN-SERVICE

- There is no carry forward. 2017 expenditures are forecast to be as per the DSP.

2016 Computer Hardware – Total Cost \$ 15,735– IN-SERVICE

- There is no carry forward. 2017 expenditures are forecast to be as per the DSP.

2016 Computer Software – Total Cost \$ 127,201– IN-SERVICE

- There is no carry forward. 2017 expenditures are forecast to be as per the DSP.

System Access:

2016 Metering – Total Cost \$ 16,325– IN-SERVICE

- There is no carry forward. 2017 expenditures are forecast to be as per the DSP.

System Service:

Project 2016: Kapuskasing 5kV to 25kV Conversion Upgrade – Total Cost \$ 119,446– IN-SERVICE

- This is an ongoing project. The planned 2017 expenditures will remain at \$175,000 as per the DSP.

Project 2016: Iroquois Falls 2.4 to 12 kV Upgrade – Total Cost \$ 121,135 – IN-SERVICE

- This is an ongoing project. The planned 2017 expenditures will remain at \$140,000 as per the DSP.

2.0-VECC-15

Reference: E2/T2/S1/Attachment 1 DSP/pg. 22 & T2/S7/pg.2

- a) Please provide the customer outages SAIFI and SAIDI for 2012 through 2016 by cause code.

Responses:

- a) 2016 results are provided in the following table:

	2011	2012	2013	2014	2015	2016
Tree Contacts	5	0	2	1	2	5
Lightning	1	4	1	0	0	0
Adverse Weather	3	2	0	1	10	6
Defective Equipment	18	12	7	8	12	7
Scheduled	3	4	5	7	0	4
Loss of Supply	2	4	6	1	3	2
Foreign Interference	9	11	6	7	21	17
Human Element	2	0	0	0	0	0
Unknown	1	4	2	1	0	0
Total	44	41	29	26	48	41

2-AMPCO-8

Ref 1: Ex 2 T2 S2 Attachment #1, Page 20

- a) Please provide the total number of customer interruptions for the years 2011 to 2016.
- b) Please provide the total number of customer interruption hours for the years 2011 to 2016.

Responses:

- a) 2016 results have been included in the following table:

	2011	2012	2013	2014	2015	2016
Tree Contacts	5	0	2	1	2	5
Lightning	1	4	1	0	0	0
Adverse Weather	3	2	0	1	10	6
Defective Equipment	18	12	7	8	12	7
Scheduled	3	4	5	7	0	4
Loss of Supply	2	4	6	1	3	2
Foreign Interference	9	11	6	7	21	17
Human Element	2	0	0	0	0	0
Unknown	1	4	2	1	0	0
Total	44	41	29	26	48	41

- b) 2016 results have been included in the following table:

Including Loss of Supply	2011	2012	2013	2014	2015	2016
Customer Interruption Hours	43,888.50	63,989.75	77,158.75	13,324.00	25,264.50	27,202.25

2-AMPCO-9

Ref 1: Ex 2 T2 S2 Attachment #1, Page 22

- a) Please provide the percentage and number of customer outages due to defective equipment and tree contact for each of the years 2012 to 2016.
- b) Please provide a further breakdown of defective equipment by providing the number of customer outages by types of equipment under defective equipment for the years 2012 to 2016.

Responses:

- a) 2016 results are included in the following table:

	2011	%	2012	%	2013	%	2014	%	2015	%	2016	%
Tree Contacts	5	11%	2	5%	2	7%	1	4%	2	4%	5	12%
Lightning	1	2%	4	10%	1	3%	0	0%	0	0%	0	0%
Adverse Weather	3	7%	2	5%	0	0%	1	4%	10	21%	6	15%
Defective Equipment	18	41%	12	29%	7	24%	8	31%	12	25%	7	17%
Scheduled	3	7%	4	10%	5	17%	7	27%	0	0%	4	10%
Loss of Supply	2	5%	3	7%	6	21%	1	4%	3	6%	2	5%
Foreign Interference	9	20%	10	24%	6	21%	7	27%	21	44%	17	41%
Human Element	2	5%	1	2%	0	0%	0	0%	0	0%	0	0%
Unknown	1	2%	3	7%	2	7%	1	4%	0	0%	0	0%
Total	44	100%	41	100%	29	100%	26	100%	48	100%	41	100%

- b) 2016 results are included in the following table:

Defective Equipment	2011	2012	2013	2014	2015	2016	Total
Fuse	4	5	4	5	4	3	33
Conductor	1						2
Insulator		1	1	1	2	2	8
Cut-out, switch, circuit interruptor	5	3	2	2	6		29
Stirrup/ clamp	1						2
Transformer	2	1				2	5
Wire	1	1					4
Pole							1
Other	4	1					10
Total	18	12	7	8	12	7	94

2-AMPCO-11

Ref 1: Ex 2 T2 S1 Attachment #1, Page 27

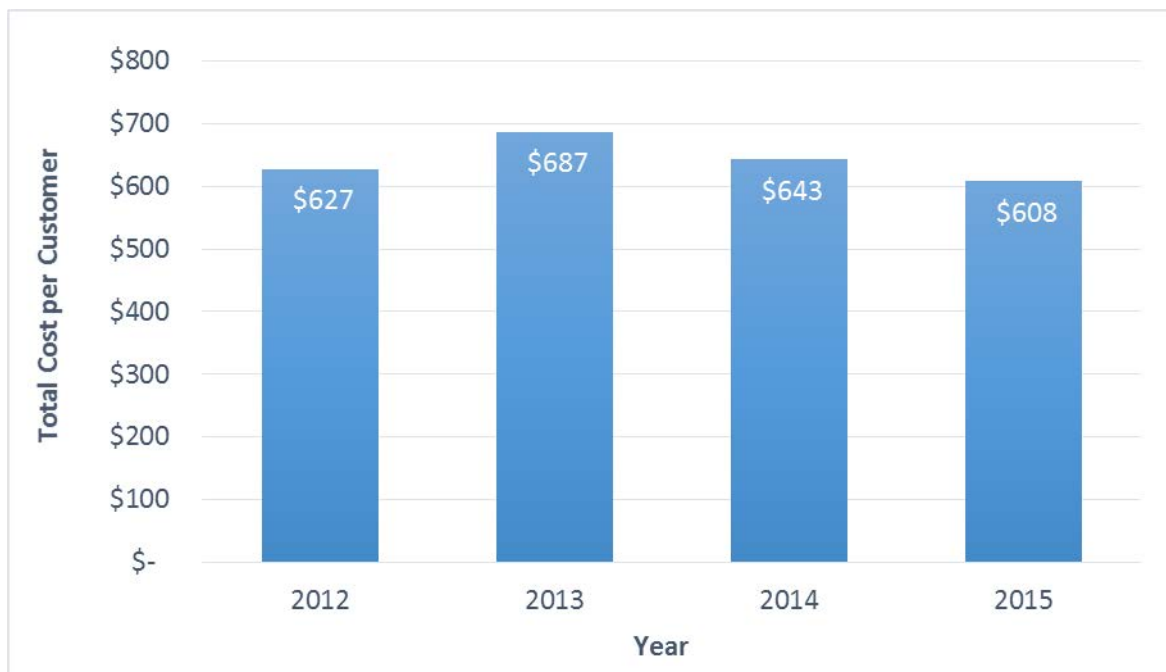
a) Figure 2-6: Please add data for 2015 and 2016.

b) Figure 2-7: Please add data for 2015 and 2016.

Responses:

a) Please see actual 2015 data in the following graph. The unaudited 2016 cost per customer is \$648.

Total Cost per Customer



- b) Please see actual 2015 data in the following graph. The 2016 unaudited cost per km of line is \$10,645.

Total Cost per km of Line



2-AMPCO-23

Ref: Ex 2 T2 S7 Attachment #1, Page 1

- a) Please provide SAIDI and SAIFI for the years 2011 to 2016 excluding the following: loss of supply, Major Event Days and Scheduled Outages.

Responses:

- a) 2016 results are included in the following table:

	All Causes of Interruption			All Interruptions Except Loss of Supply (Cause Code 2)		
YEAR	SAIDI	SAIFI	CAIDI	SAIDI	SAIFI	CAIDI
2011	7.23	1.89	3.82	3.42	1.23	2.77
2012	10.49	3.27	3.32	4.63	2.19	2.23
2013	7.43	3.10	4.10	3.89	1.62	5.76
2014	5.44	1.77	1.66	2.19	1.41	1.64
2015	4.16	1.66	2.51	1.10	0.61	1.82
2016	4.50	2.65	1.69	3.46	1.90	1.82

Exhibit 3 – Operating Revenue

3-Staff-34

Ref: Exhibit 3 / Tab 3 / Schedule 1

Question(s):

- b) If available, please provide the actual 2016 specific service charge revenue.
- d) If available, please provide the actual 2016 late payment revenue.
- f) If available, please provide the actual 2016 other operating revenue.
- h) If available, please provide the actual 2016 other income and deductions.

Responses:

- b) The following table provides the 2016 unaudited specific service charge revenues.

Specific Service Charges	2016
	Unaudited
Returned Cheques	\$ 1,812
Account Setup-change of occupancy	\$ 27,600
Meter Dispute	\$ 120
Disconnect/Reconnect	\$ 8,000
	\$ 37,532

- d) The following table provides the 2016 unaudited late payment revenues.

Late Payment Revenues	2016
	Unaudited
Collection Charges	\$ 71,505
Late Payment Charges	\$ 25,013
	\$ 96,518

f) The following table provides the 2016 unaudited other operating revenues.

Other Operating Revenue	2016
	Unaudited
Rent from Electric Property	\$ 92,826
Standard Supply Service	\$ 17,250
Retail Service Revenues	\$ 6,494
Other Utility Operating Income	\$ 1,627
STR	\$ 96
	\$ 118,293

h) The following table provides the 2016 unaudited other income and deductions revenues.

Other Income and Deductions	2016
	Unaudited
Revenue from Merchandising	\$ 10,717
Non-Utility Operating Revenue	\$ 842
Interest and Dividend Income	\$ 1,838
	\$ 13,397

Exhibit 4 – Operating Costs

4-Staff-36

Ref: Exhibit 4 / Tab 3 / Schedule 1
Chapter 2 Appendices / 2-JA

Question(s):

- 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.

Responses:

- d) The table below provides the 2016 unaudited OM&A expenses by sub-category of spending.

2016 OM&A Unaudited

	Unaudited
	2016
TRANSFORMER/SUBSTATION	30,549
CUSTOMER PREMISES	213,610
LOAD DISPATCHING	205,483
ENGINEERING & OPERATIONS	131,977
METERS	13,366
Total OPERATIONS EXPENSES	594,985
MAINTENANCE O/H LINES	400,011
MAINTENANCE OF LINE TRANSFORMERS	20,923
MAINTENANCE U/G CONDUCTORS	48,180
TREE TRIMMING AND VEGETATION CONTROL	104,336
Total MAINTENACE EXPENSES	573,450
BILLING AND COLLECTING	436,001
METER READING	191,697
BAD DEBT	70,489
Total CUSTOMER SERVICE EXPENSES	698,187
ADMINISTRATION	418,454
REGULATORY EXPENSES	194,001
OUTSIDE SERVICES	45,244
PROPERTY EXPENSE	39,620
Total ADMINISTRATION EXPENSES	697,319
	2,563,941

4.0 -VECC -30

Reference: E4/T1/S1

b) Please provide the actual bad debt for 2016.

Response:

b) NOW Inc. confirms that the \$70,000 forecast is the current actual year end bad debt expense (subject to confirmation and any adjustment pending closure of 2016 year-end and audit). In light of 2016 results and recent events, NOW Inc. is concerned that the 2017 forecast amount of \$75,000 may not be sufficient as a result of current collections experience and the Ministers letter dated February 16, 2017 in regards to Bill 27 and the elimination of winter disconnections.

4.0 -VECC -31

Reference: E4/T3/S1

a) Please update Table 5 to show the actual 2016 customer premise costs.

Responses:

a) The table below shows the updated Table 5 with 2016 unaudited customer premise costs.

<i>Table 5: Customer Premises Expenditures</i>						
		Historical			Bridge Year	Test Year
					Unaudited	
	2013 APPROVED	2013	2014	2015	2016	2017
CUSTOMER PREMISES	157,980	231,360	297,935	190,479	213,610	262,861

4.0 -VECC -33

Reference: E4/T3/S1/ Table 14

b) Please provide the actual 2016 tree trimming OM&A.

Response:

b) The following table provides the 2016 unaudited tree trimming OM&A.

		Historical			Bridge Year	Test Year
					Unaudited	
	2013 APPROVED	2013	2014	2015	2016	2017
TREE TRIMMING AND VEGETATION CONTROL	157,157	123,193	80,426	88,758	104,336	120,658

4-AMPCO-32

Ref: Ex 4, T3, S1, Page 14

- a) Please provide a breakdown of the budgeted and actual costs for the work activities under Tree Trimming and Vegetation Control for the years 2013 to 2016 and forecast for 2017.

Response:

- a) NOW Inc. did not historically prepare its operating budget on the work program basis. As such, direct payroll burden e.g. vacation, benefits, and other costs were not specifically allocated to the work program budget, while actual costs were restated for the purpose of this application and include all direct costs associated with the work program.

	Budget	Actual	Budget	Actual	Budget	Actual	Forecast	Actual	Forecast
								Unaudited	
	2013		2014		2015		2016		2017
Tree Trimming and Vegetation Control	\$ 75,887	\$ 114,042	\$ 48,581	\$ 74,385	\$ 38,200	\$ 81,752	\$ 103,971	\$ 104,336	\$ 120,658

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.

Response:

- a) Live versions of the following models reflecting 2016 actual unaudited results, current OEB cost of capital parameters and other changes arising from IR responses are filed with this submission.
- RRWF
 - PILS
 - Load Forecast
 - Cost Allocation
 - DVA Continuity
 - Bill Impacts
 - Chapter 2 Appendix
 - PEG Benchmarking

Exhibit 8 – Rate Design

8.0 – VECC – 47

- a) Please explain why it is appropriate to use anticipated savings from commodity changes to justify not providing rate mitigation when changes in commodity charges for other customer classes are not included/considered in the rate/bill impact calculations.

Response:

- a) The updates to the models as part of this supplementary submission has the bill impact for Street Lighting customers calculated to be 10.08%, which is slightly (\$0.01) above the threshold of 10.0%. This is consistent with NOW Inc.'s expectation as filed in the interrogatory submission of January 31, 2017 to this question which resulted in a decrease from 10.16%.