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February 21, 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
Pre-Settlement Questions**

Dear Ms. Walli:

In response to the Pre-Settlement questions received from VECC on February 17, 2017, Northern Ontario Wires Inc. provides responses in Attachment 1.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Geoff 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

ATTACHMENT 1

Exhibit 3 – Operating Revenue

3-VECC 49

Reference: Staff 29 c)

- a) Please confirm that the period referenced is December 2015-November 2016 (and not November 2015).
- b) Are the customer counts noted as of November 2016? If not, at what point in time are they based?

Response:

- a) Confirmed
- b) The connection count reflects an average based on the actual number of customers at the end of each quarter for 2016.

3-VECC 50

Reference: VECC 41

- a) It is noted that the EB-2012-0153 Settlement Agreement (pages 21-22) included LRAMVA threshold values for Street Lights and USL. Why were these classes and values not incorporated into the LRAM calculations for the 2013 and 2014 calendar years?

Response:

- a) There were no CDM initiatives for Street Lights and USL customers in 2013 and 2014, resulting in not weighting of the LRAM calculation for those years.

While Burman associates did not calculate any LRAMVA variances for Street Lights and USL, these classes were factored into the DVA model included as part of the initial application, as well as the revised model filed February 17th. Rate riders are provided for Street Lights and USL to reflect a refund given that a LRAMVA threshold was set, yet no CDM was delivered for these classes.

Exhibit 7 – Cost Allocation

7-VECC 51

Reference: Staff 49 a)

- a) It is noted that in the analysis supporting the weighting factors the relative cost weights used for each activity are either 1 or 0 per customer. Please explain why this is the case – particularly for each of the following activities:
- Sensus
 - Collections Department
 - Billing Department
 - Utilismart

Response:

- a) Northern Ontario Wires does not have detailed information on the amount of effort required in each of these activities. Where an activity is required for a rate class, it has been assigned a weight of 1, and where it is not, it has been assigned a weight of 0.

Exhibit 8 – Rate Design

8-VECC 52

Reference: Staff 54

- a) Please provide a schedule indicating what the 2017 LV charges for each class would be if the forecast cost (\$195,000) was allocated to rate classes on the same basis as 2017 transmission connection revenue.

Response:

- a) Please see the table below:

Customer Class Name	Proposed Allocation		Transmission Connection Basis		
	% Allocation	Charges	Tx Connection Charges	% Allocation	Charges
Residential	33.88%	66,069	121,886	32.98%	64,308
General Service < 50 kW	15.17%	29,577	57,001	15.42%	30,074
General Service > 50 to 4999 kW	50.49%	98,447	188,965	51.13%	99,698
Unmetered Scattered Load	0.13%	248	477	0.13%	252
Street Lighting	0.34%	659	1,267	0.34%	669
Total	100.00%	195,000	369,596	100.00%	195,000