**Exhibit 2 – Rate Base**

**2-Staff-9**

**Gross Asset Variance Analysis – Computer Software**
**Ref: Table 2.10 Detailed Gross Asset Breakdowns by Major Plant Function**
**Ref: Distribution System Plan Section 3**

Rideau St. Lawrence Distribution provided gross asset variance analysis for account 1611 – Computer Software for a variance of $92,521 in 2014. Rideau St. Lawrence Distribution stated that the variance was due to the discontinuation of software support on their current Customer Information System and the purchase of a GIS Asset Management System. These programs would help provide good service to customers and assist with the Distribution System Plan.

The following question pertains to the Customer Information System upgrade.

a) Was a business case completed for this project to consider other possible vendors, needed functionality, and internal software support? If so, please provide.

Response:

RSL has used the Harris NorthStar CIS software since the company's inception. This software is the most common CIS used by small to medium sized utilities in Ontario. The functionality of this software is appropriate for small to medium sized utilities. RSL believes that it is prudent to keep its software reasonably up to date, whether it be for the CIS, Financials, Payroll, MS Office, or any other critical software.

The cost of upgrading our existing CIS to the newer version is a fraction of what it would cost to implement the software of another vendor. As RSL is familiar with the software, from an internal support perspective, our third-party IT person does not need to learn about the support requirements of a new vendor and new software.

The following questions pertain to the GIS Asset Management System

b) Was a business case completed for this project to consider the cost-to-benefit to customers, functionality for distribution planning, costs to input data, and vendor comparison? If so, please provide.

Response:

A business case was not completed for the GIS Asset Management System. RSL recognized the need for tools that are commonly used in most utilities. All utilities are required to have updated system maps available for the line crew to use. The

GIS system provides RSL with the ability to update operating system maps. The GIS also provides a central depository of details of the components of our distribution system. This data is used for asset management and our Distribution System Plan.

**2-Staff-10**

**GIS System**

The asset management process in the Distribution System Plan describes the GIS as a central database for all asset information, which will allow Rideau St. Lawrence Distribution better data mining and improved decision making. The outcome of the data mining is the asset condition assessments (ACA), which is used to justify each material project. The ACA is based on a weighted quantitative score which is used for prioritization.

a) Could this method of data mining and a weighted composite score not be reproduced in existing programs such as Excel? Please provide any other functionality the GIS system provides.

Response:

Excel is known as a tool that is capable of creating spreadsheets, graphs and pivot tables. Typical recommended uses include tracking budgets, business expenses or performing calculations. Although many have used Excel to store data, it is at best a very poor substitute for a database or a mapping tool. Autodesk AutoCAD Map 3D uses a database, such as Oracle or Microsoft SQL Server and allows a centralized database for all asset details, such as transformer nameplate data. RSL used Excel to store this information in the past. We found a number of challenges with data versioning and updates. The GIS not only serves as our asset database; we are also able to generate operating and distribution maps and use the information for job planning and work order preparation. The operating maps, provided in response to 2-Staff-17b) were prepared using our GIS. Thematic maps, showing assets by class and characteristics, can also be mapped. For example, we can generate a map of poles by ownership or locations of RSL owned transformers with PCBs, etc. By storing this information in the GIS, we can also get a thematic map of each asset Health Index to see if there is any geographic correlation in the Health Index. The GIS system is a key tool with the preparation of our 5-year plan.

Since we have chosen AutoCAD Map 3D, we can also prepare work orders and easily exchange information with consultants and third parties, without the use of additional software. The AutoCAD license subscription provides both our GIS solution and a tool to prepare CAD drawings, such as the station schematics, provided in response to 2-Staff-17b).

b) Does the GIS Asset Management System provide logistics planning for asset replacement? (e.g. replacing an area with high density of old poles, conductors, and transformers)

Response:

Yes. In the preparation of this 5-year plan, RSL staff "overlaid" the various asset classes identified for replacement (small conductor, aging poles, PCB transformers). Where the overlap was significant, an area project was identified, rather than an asset by asset one for one replacement. This creates greater efficiencies and is also in alignment with our corporate values, as reflected by the Project Score.

c) With aging infrastructure and the pressure on rates, does the GIS Asset Management System provide pacing of asset replacement, such that all assets will be replaced before criticality while maintaining rate stability?

Response:

The GIS, with complete and up-to-date information will support the pacing of asset replacement. Other factors affect the pacing, such as the desired level of spending. Projects identified by the Asset Management System are reviewed by staff and management and prioritized.

**2-Staff-11**

**Gross Asset Variance Analysis – Transportation Equipment**

**Ref: Table 2.10 Detailed Gross Asset Breakdowns by Major Plant Function**

Rideau St. Lawrence Distribution has made investments in Account 1930 – Transportation Equipment for replacing a 2004 truck and a 2010 digger truck at end-of-life.

a) The evidence seems to imply that the equipment purchased was a like-for-like replacement. Was a business case completed for each investment to review the continued need for the equipment, renting versus buying, and comparison of new versus used? If so, please provide.

Response:

As a small utility, the assessment of the need for the replacement of a vehicle does not require a formal business plan. In the case of the two vehicles being replaced, they were both old vehicles that are in daily use. RSL requires a fleet with the functionality to perform the work required. The existing fleet structure provides the functionality that RSL needs to maintain.

We have considered the merits of renting versus buying, and have concluded that it is not feasible. For large digger trucks, we have talked with the sales staff of truck providers to see if appropriate used vehicles are available. There were not any used digger trucks available. As an example, our 1999 digger truck was a used vehicle when RSL purchased it.

As for the smaller truck, renting is an expensive option, especially for one that is in daily use. It is our practice to keep our vehicles as long as is reasonably possible, provided that maintenance costs do not become too high.

b) In the last 4 years there have been 3 vehicle replacements but there are no forecasted investments in the following 4 years. Please provide an analysis of the demographics of transportation equipment assets and confirm that there are no unforeseen costs.

Response:

In our Asset Management System, every vehicle in use is identified, and the replacement year is established. Over the past few years, we have replaced some of our smaller vehicles. Our other two large vehicles are not due for replacement within the next 5 years.

| Year | Vehicle | Expected Replacement Year |
|---|---|---|
| 2011 | International Double Bucket | beyond 2020 |
| 2010 | International Single Bucket | beyond 2020 |
| 2014 | Ford 250 | beyond 2020 |
| 2008 | Canyon | 2017 |
| 2015 | GMC Sierra | beyond 2020 |
| 1999 | International Digger | 2016 |
| 2010 | GMC Sierra | beyond 2020 |

**2-Staff-12**

**Gross Asset Variance Analysis – Distribution Station Equipment <50kV**

Rideau St. Lawrence Distribution purchased a spare transformer for Iroquois MS1 due to the possibility of prolonged outages as a result of a single source supply for the region. Rideau St. Lawrence Distribution stated that this does not alter their

current reliability statistics but will protect Rideau St. Lawrence Distribution customers from a potential lengthy outage in the future.

a) Was a business case done for this project considering factors such as historical reliability trends, cost-to-benefit ratio, lead time for reactive replacement and possible alternatives such as rental of mobile unit substations? If so, please provide.

Response:

Please note that all the distribution systems in all RSL areas are substantially radial. As such, when a single asset, such as a station transformer fails, there is very little RSL can do to restore power to its customers. Arrangements for a temporary mobile unit (if available) or repairs are generally lengthy. This is evidenced by the outage statistics, where Hydro One supply was affected, taking out an entire station, which in same cases is an entire community.

The existing unit at Iroquois station was installed in 1953; as such, based on experience and third party assessment, this unit was more likely to fail. At the same time, RSL would like to get as much life from its assets as possible. A second unit, on site, was the most reasonable and cost effective option to mitigate the risk of a long outage to an entire community.

The availability of a replacement unit was discussed with HONI; they indicated that a unit was not available. A rental option was also considered; the rental delivery was not dependable and the specification we require was not available. With two units, we can now provide station maintenance without the loss of power to our customers.

RSL had reviewed the idea of a back-up supply for Iroquois from HONI. An email received November 13, 2013 concludes that RSL could likely duplicate the DS for a lot less than it would cost HONI and RSL to arrange for a back-up supply, due to constraints on the HONI system.

**Email from Hydro One:**

*Good to chat with you this morning. Based on your request we have made the assumption that the Iroquois load only is what you are asking about. We expect it is only about 1-2 MW.*

*Ashley has looked at the system and there is very little spare capacity in that corner of the HONI Distribution system. Both the DS and feeder are quite heavily loaded, some of our conductor is small and there are already voltage regulators on*

*the line. It is likely that if a large load came to us, we'd have to do some significant reinforcements to our system to supply it, and as such the same requirements would be made of Rideau St. Lawrence*

*A ballpark estimate, we could provide 1-1.5 MVA for a few hundred thousand dollars and maybe a perhaps around $1M to back feed the whole thing. It is likely that you could duplicate the DS for less.*

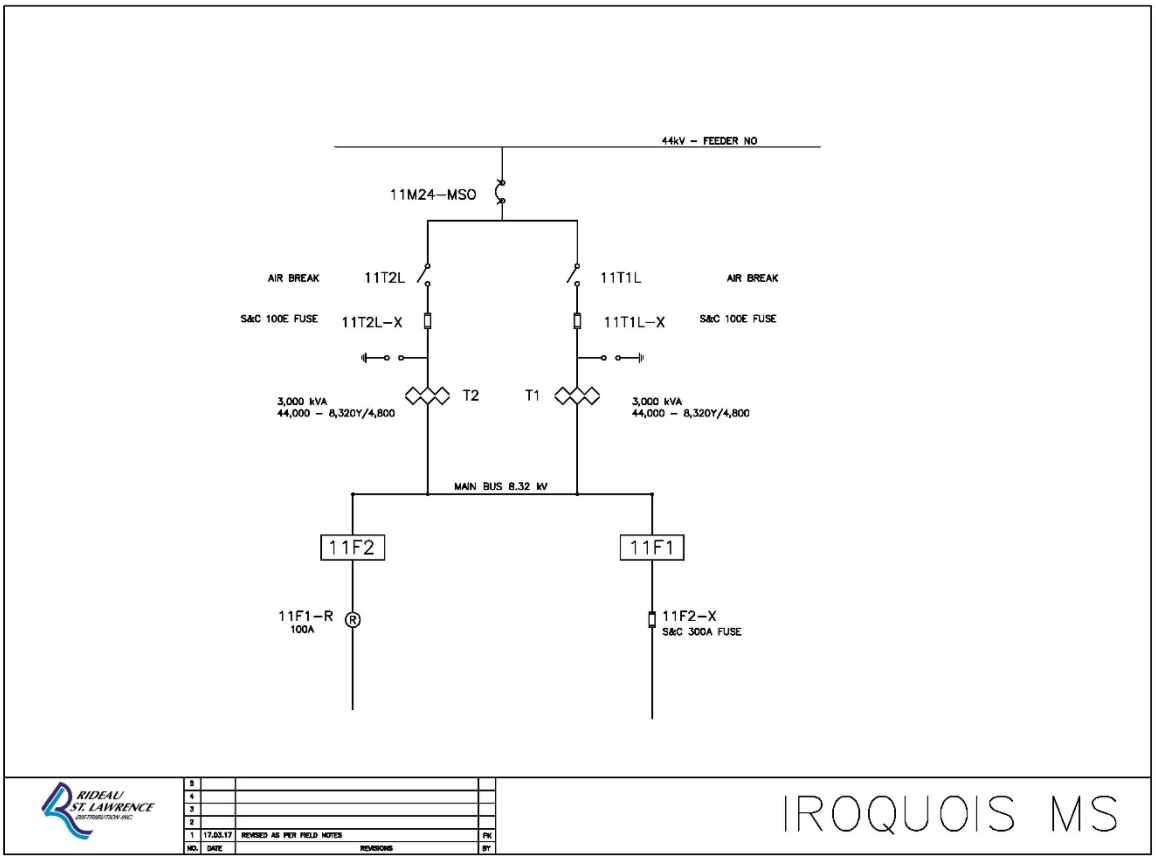
*Should you wish to pursue this further we can do a study in which case we would need the peak for each month of the year so that we can assess it against our spare capacity.*

b) Is the new transformer at Iroquois MS1 on potential and if so what is the electrical configuration of the station? If not, what are the storage and maintenance costs?

Response:

The new unit is now supplying the Town of Iroquois and the old unit is on potential – they are connected in parallel. This has allowed us to also perform some maintenance on the old transformer, without an outage to our customers.

Please refer to the station schematic diagram below.




**2-Staff-13**

**Historical Capital Projects**

**Ref: Table 2.20 Appendix 2-AA Capital Projects Table.**

Rideau St. Lawrence Distribution provided a list of material projects for each historical year for capital expenditures in Appendix 2-AA and in the list there is a miscellaneous line item for each category. It is unclear what type of work is done in these miscellaneous line items.

a) Please explain the general work done in each of the miscellaneous line items and explain if the work can be grouped to provide better clarity on the costs spent in each category.

Response:

When completing Appendix 2-AA, RSL listed the larger individual projects that were completed during the year. RSL's materiality threshold is $50,000, but by using that level, there were no System Access projects to be shown. A materiality level of $40,000 was used, and the chart below provides a list of projects that exceeded that amount.

RSL does not have many major projects. A large amount of our capital work is for very small jobs, such as replacing a single pole, or replacing services. These types of small jobs have been grouped together for the purpose of reporting our overall capital spending in the Appendix.

b) In the System Access category the miscellaneous cost for 2013 and 2014 are significantly higher than other year. Please explain the reasons or projects that have caused the cost increase.

Response:

A number of projects with of cost of less than $40,000 was grouped together in the Miscellaneous line. System Access jobs are customer-driven, and the lead-time for these projects can be short. Due to these factors, System Access projects are not always known in time for the budget creation.

This is a list of the larger items in Miscellaneous:

| Larger System Access Projects Classed as Miscellaneous | |
|---|---|
| | |
| Year: 2013 | Cost |
| | |
| Sewage Plant - Iroquois | $ 33,915 |
| Medical Centre - Westport | 37,269 |
| Ultramar Station - Prescott | 29,357 |
| Medical Centre - Iroquois | 12,609 |
| | |
| | $ 113,150 |
| | |
| | |
| Year: 2014 | Cost |
| | |
| MacEwen Station/McDonald's - Morrisburg | $ 28,314 |
| MacKenzie Road Extension - Prescott | 22,125 |
| Seeley - Edward Street - Prescott | 24,701 |
| | |
| | $ 75,140 |

c) The spending in the System Renewal miscellaneous category and the System Renewal as a total fluctuates a great deal. Has there been a historical pacing plan to better forecast asset replacement?

Response:

RSL historically has set its capital budget to be consistent over the years. The overall dollar value of the capital budget is determined through discussions between management and the RSL Board. Planned purchases for vehicles and other equipment are considered to determine the amount available for renewal projects.

Even with the planning that is done, events occur during the year that can materially alter the capital work completed during the year.

The adoption of the Distribution System Plan in 2016 is providing RSL with a valuable tool for planning current and future expenditures.

**2-Staff-14**

**Capital Expenditures**

**Ref: Distribution System Plan Table 4 – Five Year System Performance Summary**

**Ref: Distribution System Plan Table 5 – Historical Budget and Actual Expenditures**

**Ref: Distribution System Plan Table 18 – Rideau St. Lawrence Distribution Statin Health Index Summary**

**Ref: Distribution System Plan Table 38 – Capital Expenditure Summary 2011-2020**

**Ref: Distribution System Plan 4.5.2 Material Investments**

Rideau St. Lawrence Distribution has provided a summary of historical expenditures and forecasted future expenditures for the next 5 years. Rideau St. Lawrence Distribution justified the forecasted 5 years based on forecasted load and existing asset condition assessments.

a) In table 5 the total historical to actual expenditure has been higher for distribution station equipment, distribution line and feeders, and underground conductors. What has Rideau St. Lawrence Distribution done within its 5 year forecast to mitigate the possibility of underestimating the capital expenditures?

Response:

In historical years, RSL used a simplified approach to capital planning. Major “known” items, such as substation work, were specifically identified. The rest of the capital budget was based on the desired amount of spending, and allocated to categories based on past experience.

Beginning with 2016, RSL has new tools to assist us with capital planning. We have our Distribution System Plan, Asset Management System, and Job Costing

software to provide us with better information about the projects scheduled and comparisons with actual results.

b) The System Access category does not have any investments forecasted in 2017-2020. Although the load forecast shows overall load is declining and only a modest growth in residential customers historically there have always been investments needed to connect new customer developments. Does Rideau St. Lawrence Distribution believe it is prudent to not forecast any spending in System Access and what is the extent of research done for the possible developments in each community?

c)

Response:

RSL believes that, unless a System Access project is identified and is definitely being done, there is little reason to budget in this category.

Three years ago, we budgeted for several System Access projects that were determined to be “high probability”, based on information available concerning land sales, soil tests, and public announcements. None of those projects came to pass. RSL management decided at that time to not budget for System Access projects that unless they were confirmed to be proceeding. It is also recognized that significant System Access projects are offset by matching capital contributions.

d) The System Access category has a project to build a feeder for the Westport Sewage Plant due to relocation and redesign. Please provide a business case for this project showing the existing feeder configuration, the proposed feeder configuration, any considered alternative options, and any additional costs due to the aggressive completion schedule. Please also provide a breakdown of the total project cost and capital contributions from the customer, if any.

Response:

This project was driven entirely by the Town of Westport and their consultants, dealing with mitigating factors of the design of the sewage system. The point closest to the proposed load is a radial system – so there are (were) no options for alternate design. Extensive coordination did occur between all parties involved to provide a cost effective solution, required by the customer on very tight timelines.

Cost (projected): $95,500

Capital Contribution: $95,523

e) In the System Renewal category there is a project to replace Prescott MS#1 breakers. Was a business case done to consider other options such as retiring the station and transferring load to neighbouring stations to reduce both capital and OM&A costs, while fully utilizing spare capacity in other stations? If so, please provide a copy.

Response:

The Town of Prescott is supplied by two HONI Transformer Stations. MS1 is fed from Brockville TS and MS2, 3 & 4 are fed from Morrisburg TS. This is a HONI requirement. Any shifting of load within the Town of Prescott has to be closely coordinated with HONI. The current configuration is based on limitations placed on RSL by HONI. Future regional planning meetings, coordinated by HONI may provide an opportunity to revisit our system configuration.

f) In the System Renewal category there are several projects to replace restricted conductor, PCB transformers, and poles. Does Rideau St. Lawrence Distribution complete an analysis to group the 3 types of replacement work geographically such that the most amount of replacements can be done per project? If so, please identify for the material projects where there is overlap (e.g. how many old poles are replaced during the restricted conductor replacement).

Response:

As noted in response to 2-Staff-10a) and b), RSL uses the GIS to identify areas where the 3 types of work can be grouped. An example of this is job CP1703, shown in Exhibit 2, Distribution System Plan, page 63 of 85. The Project Description identifies replacement of small conductor as the driver for this project. While replacing approximately 650m of primary, 14 poles will be replaced along with 3 transformers, 650m of secondary and 22 services. Please note that this information is available for all applicable projects and is contained in the Project Description of all Project Detail sheets, provided on pages 58 to 77 of our original submission. Please note, that in some cases, we may not replace poles that we do not own.

Also, we have a number of feeder sections, where HONI owns the circuit, typically above the RSL circuit and HONI policy will not allow RSL staff to work on our own feeder without de-energization.

g) The System Renewal category forecasts approximately $100k each year that does not have a specific project listed in section 4.5.2 Material Investments. Please provide an explanation of how the funds will be spent and provide the business planning involved with these expenditures.

Response:

The “Material Project Lists” show the planned projects that exceed RSL’s materiality threshold of $50,000. There are other smaller projects planned each year, such as the replacement of miscellaneous poles, services, and meters. There are also specific smaller projects planned.

The business planning involved is the same as with our larger projects. During the creation of our Distribution System Plan, RSL’s Operations Department provided a list of potential projects to be completed over the next five years. The projects were costed. Management reviewed the projects, and, working with our third-party engineer, assigned priorities. Projects were assigned to years in the plan based on their priority and on the total budget available.

To provide an example, the following portion of a table is related to miscellaneous overhead projects in 2017:

| | | |
|---|---|---|
| Orchardway Small Conductor | System Renewal | $ 14,561.21 |
| James St E & Prince St - rebuild | System Renewal | $ 32,115.47 |
| Duke St from Park to Linda Place - rebuild (Small Condu | System Renewal | $ 24,309.32 |
| Miscellaneous Pole Replacements | System Renewal | $ 11,358.00 |
| Services | System Renewal | $ 8,000.00 |

h) The System Service category has no investments from 2016-2019 yet in 2015 the SAIDI score in Table 4 has increased significantly. Does Rideau St. Lawrence Distribution not plan to invest any money to return the reliability to historical levels or is this addressed through other projects?

Response:

In March 2015, a power interruption caused by an equipment failure affected 1,200 customers for 4.5 hours. This single event had a significant impact on this measure. Without this event, RSL’s measure would have been .24, comparable to prior years.

The unplanned outage was caused by a back-to-back failure of two porcelain insulators. In such situations, our normal practice is to take a preventative maintenance approach. Once our investigation determined the cause of the outage, an additional 15 porcelain insulators were replaced, without the need for a further outage. This likely mitigated any further unplanned outage events due to the same cause. As can be noted, in 2016, our SAIDI is below the 2015 level and well below the industry average.

Based on our experience and assessment of available data, we believe our investment in system renewal projects will address system reliability.

i) The System Service category has a project in 2020 to build a new feeder at Morrisburg MS#2 for load transfer capabilities to Morrisburg MS#1 for better reliability. Table 18 show that both Morrisburg MS#1 and MS#2 are fairly new stations and in excellent condition. Please provide a business case,

historical reliability issues, existing electrical configuration of feeders on a map, and the new proposed feeder routing. Rideau St. Lawrence Distribution has also stated that customers are generally satisfied with the current level of reliability and concerned about costs, how does this project fit with the customer engagement results?

Response:

These stations are not new. MS#1 was built in 1953, and MS#2 in 1989.

MS1 has four feeders, MS2 has 2 feeders; therefore, MS2 cannot fully back-up MS1 for station maintenance or other unplanned outage situations that could result in a major outage. The proposed feeder would provide the capacity to achieve this. A feeder map, showing the existing feeder configuration, is in the file named "Morrisburg OM Switches 170313.pdf". The proposed feeder would come from the station to Hwy 2. This feeder is proposed to maintain the current level of reliability to our customers. RSL believes that this investment is consistent with the customer engagement result. Our customers expect a reliable system, and the redundancy provided by the additional feeder will satisfy that requirement.

j) The General Plant category has an approximate total investment of $50k per year. Please provide what type of capital work is expected in this category.

Response:

The following is a list of our expected General Plant investments as submitted in the original DSP:

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| | | | | | |
| Tools | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Computer Workstations | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| GIS Licence | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Tablets-external work | 15,000 | | | | |
| CIS/Financials Server | | | 35,000 | | |
| Terminal Server | | | | 15,000 | |
| AS2 Server | | 10,000 | | | |
| Phone System Server | | | | 5,000 | |
| Financial Software Update | | | | | 50,000 |
| IVR System | | | | | 25,000 |
| | | | | | |
| Total | 40,000 | 35,000 | 60,000 | 45,000 | 100,000 |

**2-Staff-15**

**Service Quality and Reliability**

**Ref: Table 2.23 Service Reliability Indicators**

**Ref: Distribution System Plan – Table 4 Five Year System Performance Summary**

**Ref: Distribution System Plan – Figure 3 Customer Hours of Interruption by Cause**

Rideau St. Lawrence Distribution has provided historical outage information including SAIDI, SAIFI, and CAIDI scores and interruption breakdown by causes. These statistics show that the overall reliability is trending downwards with increased outages duration and frequency.

a) Please update Table 2.23 with the 2015 and 2016 Service Quality Indicators.

Response:

The following is RSL's preliminary SQI's. The final amounts will be submitted during RRR filing in April 2017.

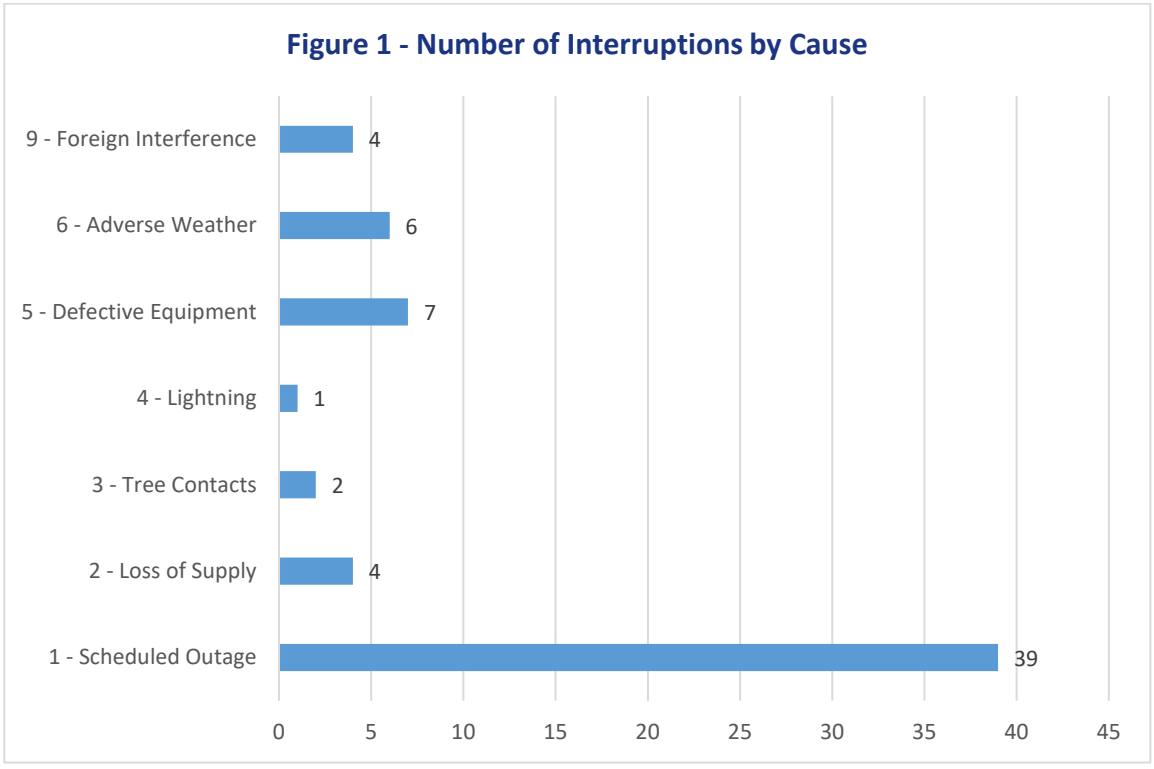
## Appendix 2-G
## Service Reliability Indicators
## 2010 - 2014

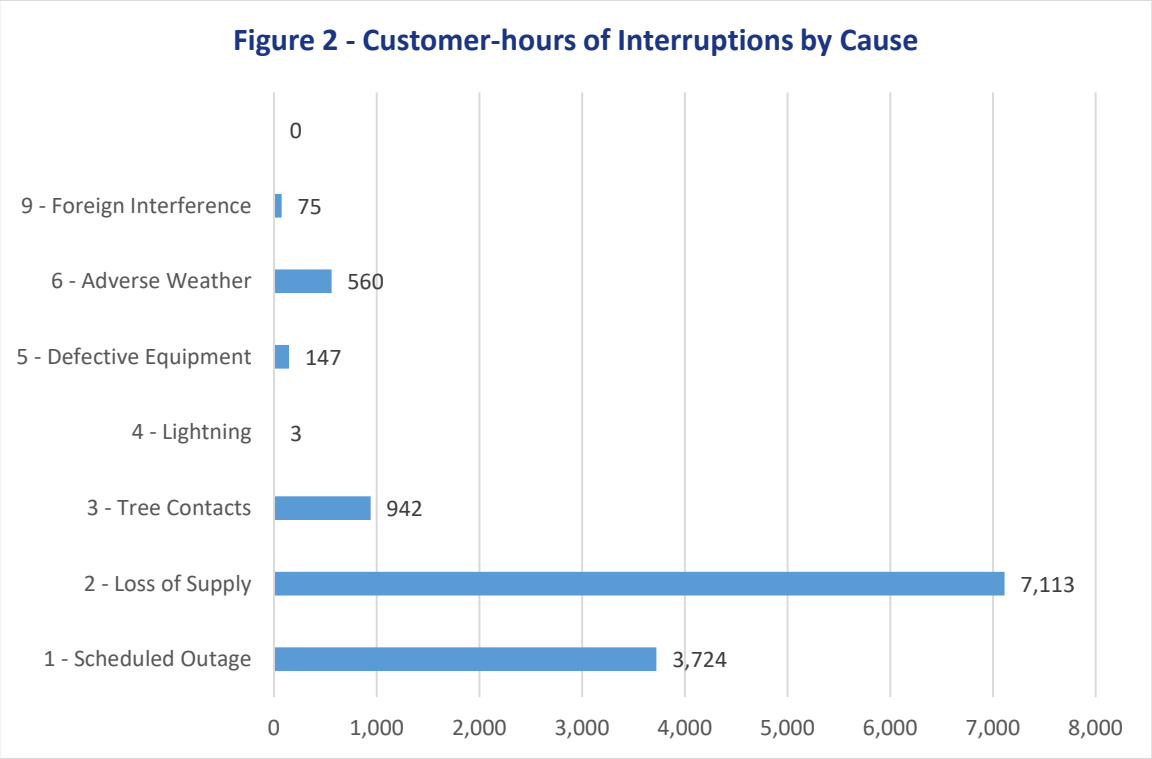
| Index | Including outages caused by loss of supply | | | | | | | Excluding outages caused by loss of supply | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| SAIDI | 0.910 | 2.400 | 3.820 | 4.410 | 0.830 | 4.670 | 2.140 | 0.080 | 0.090 | 0.480 | 0.620 | 0.300 | 1.170 | 0.930 |
| SAIFI | 1.750 | 0.940 | 1.590 | 2.090 | 0.800 | 2.170 | 0.920 | 0.030 | 0.050 | 0.170 | 0.240 | 0.140 | 0.300 | 0.340 |

| | 5 Year Historical Average | |
|---|---|---|
| SAIDI | 2.474 | 0.314 |
| SAIFI | 1.434 | 0.126 |

SAIDI = System Average Interruption Duration Index
SAIFI = System Average Interruption Frequency Index

| Indicator | OEB Minimum Standard | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|
| Low Voltage Connections | 90.0% | 100.0% | 100.0% | 99.2% | 96.8% | 91.4% | 100.0% | 100.0% |
| High Voltage Connections | 90.0% | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Telephone Accessibility | 65.0% | 97.0% | 97.1% | 98.3% | 98.3% | 98.5% | 92.0% | 74.0% |
| Appointments Met | 90.0% | 100.0% | 98.2% | 98.6% | 98.1% | 98.8% | 99.3% | 94.5% |
| Written Response to Enquires | 80.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Emergency Urban Response | 80.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Emergency Rural Response | 80.0% | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Telephone Call Abandon Rate | 10.0% | 0.0% | 0.6% | 1.6% | 1.5% | 1.4% | 2.6% | 2.3% |
| Appointment Scheduling | 90.0% | 100.0% | 98.2% | 97.6% | 94.9% | 94.3% | 100.0% | 100.0% |
| Rescheduling a Missed Appointment | 100.0% | N/A | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Reconnection Performance Standard | 85.0% | N/A | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |






b) Please update Table 4 in the Distribution System Plan with the 2016 reliability metrics and explain the increase in SAIDI for 2015 excluding loss of service from Hydro One.

Response:

The revised table is below. Please see response to 2-Staff-14 g) for an explanation of the increase in SAIDI for 2015.

**Table 1 Five Year System Performance Summary (revised)**

| | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|
| Average Customer Count | | 5,839 | 5,862 | 5,859 | 5,858 | 5,860 | 5,875 |
| Number of Customer Interruptions | | 5,467 | 9,340 | 12,248 | 4,722 | 12,722 | 5,390 |
| Total Customer Hours of Interruptions | | 14,054 | 22,395 | 25,908 | 4,865 | 27,418 | 12,563 |
| SAIDI | | 2.40 | 3.82 | 4.41 | 0.83 | 4.67 | 2.14 |
| SAIFI | | 0.94 | 1.59 | 2.09 | 0.80 | 2.17 | 0.92 |
| CAIDI | | 2.57 | 2.40 | 2.12 | 1.03 | 2.15 | 2.30 |
| Excluding loss of service from Hydro One | SAIDI | 0.09 | 0.48 | 0.62 | 0.30 | 1.17 | 0.93 |
| | SAIFI | 0.05 | 0.17 | 0.24 | 0.14 | 0.30 | 0.34 |
| | CAIDI | 1.98 | 2.81 | 2.55 | 2.17 | 3.90 | 2.71 |

c) Rideau St. Lawrence Distribution stated that a large number of outages are caused by defective equipment due to old direct buried cables. Does Rideau St. Lawrence Distribution do any proactive cable testing or replacement to control unplanned outages? When replacing underground cables, has Rideau St. Lawrence Distribution considered the option of moving to overhead conductors?

Response:

The majority of the Defective Equipment events are due to secondary connection burn-offs. They do not appear to be localized to one area. RSL has not had any outages resulting from primary cable failures. As such, there is no reason or precedent for cable testing. The original report on page 15 also states that these outages are very localized and short in duration. Since secondary service installations are typically at the request / preference and cost of the customer, RSL has not implemented a policy to force a customer service to be overhead.

d) Foreign interference causes the longest duration of outages next to loss of supply. Please provide what type of foreign interference causes these outages and does Rideau St. Lawrence Distribution have any mitigation plan to reduce the number of hours?

Response:

Foreign Interference, by definition, include outages caused by vehicle contact, animal contact, customer dig-ins, and customer/contractor tree removal. The major events for the statistics included in Figure 3 are listed below and account for 95% of the customer hours.

Please also refer to 2-Staff-15 a) for graphs containing 2016 results by cause type.

RSL continues to promote Ontario One Call to their customers to limit customer dig-ins.

Causes of Foreign Interference – Major Events

| Year | Customer Hours | Reason |
|---|---|---|
| March 14, 2011 | 7980 | Pole hit by truck |
| Nov 23, 2011 | 40 | Pole hit by truck |
| June 23, 2012 | 60 | Animal contact - squirrel |
| Sept 21, 2012 | 300 | Animal contact - squirrel |
| Nov 3, 2013 | 120 | Customer contractor tree cutting |

In 2016, the Foreign Interference category accounted for the second lowest number of customer hours.

e) Does the reliability information provided take into account force majeure events? If so, please provide a comparison of reliability with and without force majeure events.

Response:

The reliability indices include all events RSL has experienced – there were no force majeure events.

**2-Staff-16**

**Asset Management Process**

**Ref: Distribution System Plan – Table 6 Factors for Rating Projects**

Rideau St. Lawrence Distribution has provided a composite metric for evaluating individual projects and each substation on the basis of qualitative and quantitative data. The composite is used in support of Rideau St. Lawrence Distribution's asset management process.

a) Please provide the rating system used for safety similar to those presented in Tables 7-11 in the Distribution System Plan.

Response:

The table below provides the rating system used for safety:

| Safety | Rating |
|---|---|
| No safety issue | 1 |
| Potential risk to system/equipment | 2 |
| Potential risk to people | 3 |
| High risk to customers / staff | 4 |

**2-Staff-17**

**Station Summary**

**Ref: Distribution System Plan – 3.2.1.1 Station Summary**

Rideau St. Lawrence Distribution provided a summary of the findings for each station after a recent assessment by a third party.

a) Please provide the assessment report for each station in Rideau St. Lawrence Distribution's service territory.

Response:

The Distribution System Report for each station is below:

TALTREES
POWER SERVICES
A SPARKPOWER COMPANY

November 20, 2015.

# Rideau St Lawrence Utilities
# Distribution Station Report

TalTrees Power Services is a proudly Canadian energy solutions provider. Our customers range from industry partners, general and electrical contractors, renewable energy companies, public institutions private industries and utilities. We have over 25 years of experience providing construction and maintenance services for substations for our customers all across Ontario. Our diverse team of qualified professionals has the knowledge and expertise to understand your energy solution needs.

TalTrees Power Services has partnered with Rideau St Lawrence Utilities since 1994, providing maintenance and construction of their substations. With the knowledge of the maintenance, oil samples and lightly loading of the stations we have made the following recommendations.

**102 Parks Drive, Belleville ON K8N 4Z5**
**OFFICE. 613-968-9648** TALTREES.CA

TALTREES
POWER SERVICES
A SPARKPOWER COMPANY

# Recommendation

## Prescott M.S. #1 QL2

The substation was found in fair condition.
The Oil for this transformer show in good condition
Repairs needed in the next year are as follows:

1) Change 46kV dead ends to polymer type $4,500.00
2) Change barbed wire on top of fence and re-ground $2,000.00

Repairs needed in next five years are as follows:

1) Change six 46kV brown insulators to new grey type $4,500.00
2) Change three main breakers to either reclosers or S&C switch and fuse units. $180,000.00

Repairs needed in next ten years are as follows:

1) Change existing transformer. $200,000.00

## Prescott M.S. #2 QL20

The substation was found in fair condition.

The oil for this transformer shows in good condition.
Repairs needed in the next year are as follows:

1) Re gasket transformer $6,500.00
2) Change barbed wire on top of fence. $3,000.00

Repairs needed in the next five years are as follows:

1) Change secondary structure to S&C switch and fuse unit $190,000.00

Repairs needed in next 10 years are as follows:

1) Change existing transformer $200,000.00

Prescott M.S. #3, QL40

The substation was found in fair condition

The oil for this transformer shows in good condition.

Repairs needed in the next year are as follows:

1) Nothing needed as barbed wire was addressed in M.S. #2

Repairs needed in the next five years are as follows:

1) Change secondary structure to S&C switch and fuse unit $190,000.00
2) Paint transformer $5,000.00

Repairs needed in the next ten years are as follows:

1) Change exiting transformer $200,000.00

Prescott M.S. #4, QL30

The substation was found in fair condition

The oil for this transformer shows in good condition

Repairs needed in the next year are as follows:

1) Remove spare equipment from yard

Repairs needed in the next five years are as follows:

1) Change oil in reclosers $4,500.00

Repairs needed in the next ten years are as follows:

1) Change contacts in reclosers $6,500.00

Cardinal M.S. #1

The substation was found in fair condition.
The oil for this transformer shows in good condition
Repairs needed in the next year are as follows:

1) Nothing needed

Repairs needed in the next five years are as follows:

1) Nothing needed

Repairs needed in the next ten years are as follows:

1) Change existing transformer $200,000.00

Cardinal M.S. #2

Substation was found in fair condition.
The oil for the transformer shows in good condition.
Repairs needed in the next year are as follows:

1) Repair existing fence.

Repairs needed in the next five years are as follows:

1) Nothing needed

Repairs needed in the next ten years are as follows:

1) Nothing needed

Iroquois M.S. #1

Substation was found in fair condition.

The oil for the transformer shows in good condition.
Repairs needed in the next year are as follows:

1) Ground fence and barbed wire $2,500.00
2) Re stone yard $3,000.00
3) Remove material from yard $1,500.00

Repairs needed in next five years are as follows:

1) Replace air break switch with new S&C Load break $35,000.00
2) Replace transformer fuses $30,000.00
3) Paint existing transformer $5,000.00

Repairs needed in next ten years are as follows:

1) Replace existing transformer $200,000.00

Morrisburg M.S. #1

Substation was found in fair condition.
The oil for the transformer shows in good condition.
Repairs needed for the next year are as follows:

1) Remove trees along side and back of fence $2,000.00

Repairs needed in next five years are as follows:

1) Nothing needed

Repairs needed in next ten years are as follows:

1) Replace existing transformer $200,000.00

Morrisburg M.S.#2

Substation was found in fair condition.
The oil for the transformer shows in good condition.
Repairs needed in the next five years are as follows:

1) Remove material from yard $1,500.00

Repairs needed in the next five years are as follows:

1) Nothing needed

Repairs needed in the next ten years are as follows:

1) Nothing needed

Yours sincerely,

**John Portt, CET, PMEA**
Vice President, Operations
*Tel: (613)968-9648 Ext. 6202*
*Cell: (613)968-0548*
jportt@taltrees.ca
www.sparkpower.ca

b) Please provide each station's single line diagram and operating diagrams showing the configuration between neighbouring stations.

Response:

The following system maps are included:

Prescott System Map.pdf

Morrisburg System Map.pdf

Cardinal System Map.pdf

Westport System Map.pdf

Iroquois System Map.pdf

Williamsburg System Map.pdf

**2-Staff-18**

**Tree Trimming**

**Ref: Distribution System Plan – 3.2.5.3 Overhead System**

Rideau St. Lawrence Distribution stated that their system has a relatively heavy mature tree cover where overhead hydro lines are in proximity to trees. Spending in vegetation management has also decreased in historical years.

a) Does Rideau St. Lawrence Distribution have a vegetation management plan to review all feeders? If so, what is the timing for each cycle?

Response:

RSL conducts tree trimming in each of our communities every year. The decision on the specific areas to be trimmed is based on two criteria: field inspections by our line staff; and customer requests.

b) Please provide evidence that proper pacing for vegetation management has been taken into consideration.

Response:

The following pages provide our log of scheduled tree trimming completed each year. The evidence shows consistent tree trimming activity. The list does not include casual “limbing” that is conducted on an as-needed basis. Other major tree-trimming projects are contracted out to a third-party contractor.

Trees Trimmed 2011

| | | |
|---|---|---|
| | | |
| | | |
| 18-Apr | Elizabeth Dr. | Morrisburg |
| 19-Apr | Walker St. | Cardinal |
| 28-Apr | East St. | Cardinal |
| 2-May | 243 Wood St. | Prescott |
| 5-May | Wood St. E | Prescott |
| 9-May | McAuley Rd. , 231 South Sq., East St. | Prescott |
| 9-May | Roberta Cres. | Prescott |
| 1-Jun | Lions Rd., 20 Carraway Cres. | Morrisburg |
| 2-Jun | Caldwell | Iroquois |
| 3-Jun | Boundary | Prescott |
| 18-Jul | Ellis Dr. Trees In Backyards | Iroquois |
| 2-Aug | South Sq. | Prescott |
| 4-Aug | 24 Laurier | Morrisburg |
| 5-Aug | 60B Sir James Morris | Morrisburg |
| 16-Aug | 415 Churchill Rd., 373 Churchill Rd. | Prescott |
| 17-Aug | 240 King St. W | Prescott |
| 24-Aug | Motel - Corner of 31 & #2 Hwy | Morrisburg |
| 1-Sep | Dundas St. | Iroquois |
| 7-Sep | Wood St. E | Prescott |
| 15-Sep | Third St. | Morrisburg |
| 19-Sep | Alexander Cres. | Prescott |
| 29-Sep | Loyalist | Morrisburg |
| 3-Oct | Boundary St. | Morrisburg |
| 4-Oct | Dibble St E - Fort Wellington | Prescott |
| 11-Oct | Behind Carwash - # 2 Hwy | Iroquois |
| 18-Oct | 254 East St. | Prescott |
| 21-Oct | Loyalist St. | Morrisburg |
| 6-Nov | James St E | Prescott |
| | | |
| 5-Oct | Major Tree Trimming in Westport - Cleared 3 Phase | |
| | Line to Sewage Plant - J& A Madden Tree Service | |
| | | |
| Jan 3-6 | Line Clearing in Morrisburg 25 hrs. | |
| | Total Cost $4,237.50 | |
| | Herbison Tree Service - Mallorytown | |
| | | |

# TREE TRIMMING 2012

| DATE | LOCATION | TOWN | |
|---|---|---|---|
| | | | |
| Jan 16 - 17 | McAuley Rd. | Prescott | |
| 19-Jan | Catholic School | Prescott | |
| 23-Jan | Wood & Linda | Prescott | |
| 25-Jan | 363 Sophia | Prescott | |
| 30-Jan | 110 King E , 586 George St | Prescott | |
| 3-Feb | Edward, Linda, Wood St. E | Prescott | |
| 9-Feb | Roberta & Wellington House | Prescott | |
| 13-Feb | 60 Kyle & Orchardway | Morrisburg | |
| Feb 14-15 | Whitney Rd & Ultramar | Morrisburg | |
| 12-Mar | Boundary St | Prescott | |
| 14-Mar | High Rise Apts | Cardinal | |
| 28-Mar | Benson & Dishaw St. | Cardinal | |
| 2-Apr | Dundas St | Iroquois | |
| 5-Apr | 13-A Louden | Morrisburg | |
| 12-Apr | 3022 John St | Cardinal | |
| 18-Apr | Multiple area's | Westport | |
| 9-May | 24 Brouse | Iroquois | |
| 16-May | Benson St | Cardinal | |
| 26-Jun | Westwinds | Morrisburg | |
| 26-Jun | Swimming Pool | Prescott | |
| 29-Jun | Substation - Sophia St. | Prescott | |
| July 11&12 | Westwinds | Morrisburg | |
| 18-Jul | Gas Station | Westport | |
| 19-Jul | 476 Dibble W | Prescott | |
| 27-Jul | McAuley Rd | Prescott | |
| 13-Aug | 3005 Munro | Cardinal | |
| 13-Aug | 10 Merkley | Morrisburg | |
| 20-Aug | 415 Churchill | Prescott | |
| 21-Aug | Church & Bedford | Westport | |
| 6-Sep | 835 Howe Terr | Prescott | |
| 19-Sep | 16 Concession | Westport | |
| 25-Sep | Ottawa St. | Morrisburg | |
| 1-Nov | 34 Farlinger Ave | Morrisburg | |
| 12-Dec | Arena & 34 High | Morrisburg | |
| 13-Dec | 540 Center St | Prescott | |
| | | | |
| | | | |
| | | | |
| | | | |

# TREE TRIMMING 2013

| DATE | LOCATION | TOWN |
|---|---|---|
| | | |
| Feb. 19 | 12345 County Rd 18 | Williamsburg |
| Feb. 21 | Planes Concrete | Prescott |
| Feb. 25 | Dishaw St. | Cardnal |
| Mar. 1 | Ellis Dr. | Iroquois |
| Mar. 4 | Victor Rd. - dead-end | Prescott |
| Mar. 5 | Farlinger | Morrisburg |
| Mar. 6 | Farlinger , James St | Morrisburg & Pres |
| Mar. 7 | Jessup St. | Prescott |
| Mar. 11 | Park St E | Prescott |
| Mar. 14 | James St. W | Prescott |
| Mar. 18 | Helen St. | Cardinal |
| Mar. 21 | Orchardway | Morrisburg |
| Mar. 22 | Hwy # 2 E | Cardinal |
| Mar. 25 | Lakeshore,Farlinger,Kyle | Morrisburg |
| Mar. 26 | Catholic School | Iroquois |
| Mar. 27 | Behind Hotel | Iroquois |
| Apr. 3 | Orchardway,Merkley | Morrisburg |
| Apr. 4 | Victor Rd. & Roberta Cres. | Prescott |
| Apr. 5 | Victor Rd. & Roberta Cres. | Prescott |
| Apr. 10 | Dishaw St. | Cardinal |
| Apr. 19 | Brouse St. | Iroquois |
| May. 23 | 373 Churchill Rd. | Prescott |
| May. 24 | 220 Main St. | Prescott |
| June. 10 | John St. | Cardinal |
| June. 24 | Merkley St. | Morrisburg |
| June. 26 | Ann St. | Prescott |
| June. 28 | Church St. | Iroquois |
| July. 5 | Farlinger & Loyalist | Morrisburg |
| July. 26 | Meadowlands & St. Lawrence | Cardinal |
| Sept. 14 | Bay St. | Iroquois |
| Sept. 17 | Brouse Dr. | Iroquois |
| Sept. 25 | 30 Spring St. & Beside Rink | Westport |
| Nov. 1 | Henry St. W | Prescott |
| Nov. 14 | Laurier Dr. | Morrisburg |
| Nov. 17 | Laurier Dr. | Morrisburg |
| Nov. 19 | Cassellman Rd. | Morrisburg |
| Nov. 27 | Boundary & McAuley | Prescott |

# Tree Trimming 2014

| DATE | | LOCATION | | TOWN |
|---|---|---|---|---|
| | | | | |
| 10-Jan | | 145 Blakes Cre | | Morr |
| 15-Jan | | 21 Caldwell Dr. | | Iroq |
| 16-Jan | | 25 Caldwell Dr. | | Iroq |
| 16-Jan | | Duke St. | | Prescott |
| 17-Jan | | Sintson Gas | | Iroq |
| 3-Mar | | 20 Bay St. | | Iroq |
| 25-Mar | | 70 Lakeshore, Blacks Lumber | | Morr |
| | | Park Ave, Canal St, Lakeshore | | Morr |
| 26-Mar | | Continued on Lakeshore | | Morr |
| 31-Mar | | St. lawrence & Lakeshore | | Morr |
| 6-May | | Victor Rd. | | Prescott |
| 15-May | | Caldwell Dr | | Iroq |
| 20-May | | Merkley St. | | Morr |
| 26-May | | George St. | | Cardinal |
| 27-May | | 51 Ontario St. | | Morr |
| 30-May | | 8 Spring St. | | Westport |
| 3-Jun | | Broder Dr. | | Morr |
| 4-Jun | | Ellis Dr., Brouse | | Iroq |
| 9-Jun | | Elizabeth Dr. | | Iroq |
| 26-Jun | | Lions Rd. | | Morr |
| 4-Jul | | Mill & Centre St. | | Westport |
| 8-Jul | | Water St. - Marina | | Prescott |
| 29-Jul | | 74 & 76 Boathouse Rd. | | Iroq |
| 12-Aug | | 20 Church St. | | Iroq |
| 14-Aug | | 1 Main St. | | Westport |
| 15-Aug | | 313 Perry St. | | Cardinal |
| 18-Aug | | 500 Block James St. W | | Prescott |
| 22-Aug | | 30 Beach St. | | Iroq |
| 2-Sep | | Meikle & First St. | | Morr |
| 26-Sep | | Station Rd. | | Morr |
| 30-Oct | | Benson St. | | Cardinal |
| 11-Nov | | Walker St. | | Cardinal |
| 12-Nov | | Prescott Centre Dr. McDonalds | | Prescott |
| 27-Nov | | 361 Dibble St. W | | Prescott |
| 1-Dec | | VanKoughnet St. King to | | Prescott |
| | | Dibble St. | | |
| | | | | |

2015 TREE TRIMMING

| DATE | LOCATION | TOWN |
|---|---|---|
| | | |
| Feb. 20 | Curling Club Prescott - Henry St. W | Prescott |
| Feb. 25 | Ann St. North | Prescott |
| Feb. 25 | Ann St. North | Prescott |
| Feb. 27 | Park St. E | Prescott |
| Mar. 5 | Park St. W | Prescott |
| Mar. 10 | James St. W | Prescott |
| Mar. 11 | James St. W | Prescott |
| Mar. 12 | King St. E | Prescott |
| Mar. 13 | Vankoughtnet St. | Prescott |
| Mar. 16 | Vankoughtnet St. | Prescott |
| Mar. 17 | James St. E. | Prescott |
| Mar. 18 | James St. E. | Prescott |
| Mar. 19 | Duke St. | Prescott |
| Mar. 20 | Duke St. | Prescott |
| Mar. 23 | Josphine St. | Prescott |
| Mar. 24 | Railway Ave. | Prescott |
| Mar. 25 | Maude St. | Morrisburg |
| Apr. 28 | 48 Fifth St. - Removed Tree | Morrisburg |
| May. 1 | Prince St. | Prescott |
| May. 5 | Church St. | Iroquois |
| May.8 | Ellis Dr. | Iroquois |
| May. 20 | Laurier Dr. - back yard | Morrisburg |
| July. 2 | Henry St. - Legion | Prescott |
| July. 7 | Irvine Dr. - behind Beach Hardware | Prescott |
| July. 7 | 9 Charles St. - back yard | Iroquois |
| July. 15 | Mill St. | Westport |
| Aug. 11 | 402 Hwy # 2 East | Cardinal |
| Aug. 14 | 64 Fifth St. West | Morrisburg |
| Sept. 9 | Sir James Morris | Morrisburg |
| Sept. 11 | Henry St. & James St. | Cardinal |
| Sept. 15 | Spring & Main St. | Westport |
| Sept. 22 | Henry St. South | Cardinal |
| Oct. 15 | Orchardway | Morrisburg |

Jan. 2016, the 12th, 13th, 14th, 15th Samson Tree Service removed trees in back yards at Bay & Broadway, Caldwell Dr.

Cost: $5,400.00

Sept. 7, 2015 D & D Tree Service removed large Maple over wires at 500 block of St. Lawrence St. Prescott

Cost: $3,277.00

Total: $8,677.00

**2-Staff-19**

**Metering**

**Ref: Distribution System Plan – 3.2.7 Metering and Monitoring**

Rideau St. Lawrence Distribution stated it has prepared a budget that included load growth over the next 5 years and also an expected number of failures among smart meters each year.

a) Please explain the rational or historical trend to support the expected number of smart meter failures?

Response:

In the DSP, we plan for the replacement of 45 smart meters per year. We replaced 47 smart meters in 2013, 50 in 2014, 45 in 2015, and 136 in 2016.

b) Are the failures due to faulty equipment? If so, has Rideau St. Lawrence Distribution done a business case to consider other possible vendors?

Response:

Yes, the failures are due to faulty equipment.

Considering the trend described above, we have averaged 70 smart meter replacements over the last 4 years. This means that we replace an average of 1.19% of our meters per year. RSL uses Elster smart meters, and our data collection system is based on the Elster system. It is not possible to mix different suppliers of smart meters, as they have different data protocols and proprietary systems.

Smart meters are one part of an overall meter data collection system. If RSL changed the meter supplier, the entire data collection system would have to be replaced. This would not be a cost-effective solution for our customers.

c) Where are the smart meter costs included in the capital expenditures?

Response:

Smart meter costs are included in System Renewal.

**2-VECC-6**

**Reference: E1/pg. 118**

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?

Response:

We have found an error in Table 2.7. The number for the opening balance of the Net Capital Assets in Service is incorrect. This is the corrected table:

| Particulars | 2012 Board Appd | 2012 | Var $ | Var % |
|---|---|---|---|---|
| Net Capital Assets in Service: | | | | |
| Opening Balance | 5,349,238 | 5,299,934 | - 49,304 | -1% |
| Ending Balance | 5,369,839 | 5,284,542 | - 85,297 | -2% |
| Average Balance | 5,359,539 | 5,292,238 | - 67,301 | -1% |
| Working Capital Allowance | 1,732,905 | 1,716,429 | - 16,476 | -1% |
| Total Rate Base | 7,092,444 | 7,008,667 | - 83,777 | -1% |

The corrected table shows a variance of $67,301 between the Board-approved plan and the actual results. The reason for most of the variance is that a project to install Inventory and Job Costing software came in under budget by $42,000. The project dollar amount was provided by the vendor. A new hire by RSL in 2012 had experience with the implementation of Inventory and Job Costing software. RSL was able to implement the software internally, avoiding significant external costs.

**2-VECC-7**

**Reference: Appendix 2-BA**

a) Please provide the 2017 pro forma continuity schedule.

Response:
The 2017 pro forma continuity schedule is below:

**Appendix 2-BA**
**Fixed Asset Continuity Schedule [1]**

Accounting Standard: MIFRS
Year: 2017 PROFORMA

| | | | Cost | | | | Accumulated Depreciation | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| CCA Class [2] | OEB Account [3] | Description [3] | Opening Balance | Additions [4] | Disposals | Closing Balance | Opening Balance | Additions | Disposals | Closing Balance | Net Book Value |
| 45 | 1611 | Computer Software (Formally known as Account 1925) | $ 463,270 | $ 15,000 | | $ 478,270 | -$ 393,018 | -$ 31,923 | | -$ 424,941 | $ 53,329 |
| CEC | 1612 | Land Rights (Formally known as Account 1906) | $ - | | | $ - | $ - | | | $ - | $ - |
| N/A | 1805 | Land | $ 91,567 | | | $ 91,567 | $ - | | | $ - | $ 91,567 |
| 47 | 1808 | Buildings | $ 103,049 | | | $ 103,049 | -$ 17,467 | -$ 2,051 | | -$ 19,518 | $ 83,531 |
| 13 | 1810 | Leasehold Improvements | $ - | | | $ - | $ - | | | $ - | $ - |
| 47 | 1815 | Transformer Station Equipment >50 kV | $ - | | | $ - | $ - | | | $ - | $ - |
| 47 | 1820 | Distribution Station Equipment <50 kV( Substations) | $ 865,394 | $ 161,500 | | $ 1,026,894 | -$ 189,648 | -$ 19,567 | | -$ 209,215 | $ 817,679 |
| 47 | 1820 | Distribution Station Equipment <50 kV( Wholesale Meters) | $ 364,798 | | | $ 364,798 | -$ 132,073 | -$ 14,298 | | -$ 146,371 | $ 218,427 |
| 47 | 1825 | Storage Battery Equipment | $ - | | | $ - | $ - | | | $ - | $ - |
| 47 | 1830 | Poles, Towers & Fixtures | $ 894,844 | $ 136,800 | | $ 1,031,644 | -$ 163,845 | -$ 22,275 | | -$ 186,120 | $ 845,524 |
| 47 | 1835 | Overhead Conductors & Devices | $ 2,263,006 | $ 68,900 | | $ 2,331,906 | -$ 787,037 | -$ 31,038 | | -$ 818,075 | $ 1,513,830 |
| 47 | 1840 | Underground Conduit | $ 73,925 | $ 1,100 | | $ 75,025 | -$ 15,384 | -$ 1,400 | | -$ 16,784 | $ 58,241 |
| 47 | 1845 | Underground Conductors & Devices | $ 985,223 | | | $ 985,223 | -$ 384,282 | -$ 20,680 | | -$ 404,962 | $ 580,261 |
| 47 | 1850 | Line Transformers | $ 1,352,097 | $ 90,100 | | $ 1,442,197 | -$ 396,011 | -$ 27,498 | | -$ 423,509 | $ 1,018,688 |
| 47 | 1855 | Services (Overhead & Underground) | $ 325,311 | $ 33,400 | | $ 358,711 | -$ 73,188 | -$ 5,595 | | -$ 78,783 | $ 279,928 |
| 47 | 1860 | Meters( Non Smart Meters) | $ 187,370 | | | $ 187,370 | -$ 79,054 | -$ 7,191 | | -$ 86,245 | $ 101,125 |
| 47 | 1860 | Meters(Smart Meters) | $ 1,174,320 | $ 21,000 | | $ 1,195,320 | -$ 538,610 | -$ 79,772 | | -$ 618,382 | $ 576,939 |
| N/A | 1905 | Land | $ - | | | $ - | $ - | | | $ - | $ - |
| 47 | 1908 | Buildings & Fixtures | $ - | | | $ - | $ - | | | $ - | $ - |
| 13 | 1910 | Leasehold Improvements | $ 8,796 | $ 20,000 | | $ 28,796 | -$ 7,477 | -$ 1,880 | | -$ 9,357 | $ 19,439 |
| 8 | 1915 | Office Furniture & Equipment (10 years) | $ - | | | $ - | $ - | | | $ - | $ - |
| 8 | 1915 | Office Furniture & Equipment (5 years) | $ - | | | $ - | $ - | | | $ - | $ - |
| 45 | 1920 | Computer Equipment - Hardware | $ 279,912 | $ 25,000 | | $ 304,912 | -$ 236,590 | -$ 20,448 | | -$ 257,038 | $ 47,874 |
| 45 | 1920 | Computer Equip.-Hardware for Smart Meters | $ 39,470 | | | $ 39,470 | -$ 39,470 | | | -$ 39,470 | -$ 0 |
| 45.1 | 1920 | Computer Equip.-Hardware(Post Mar. 19/07) | $ - | | | $ - | $ - | | | $ - | $ - |
| 10 | 1930 | Transportation Equipment | $ 731,282 | $ 425,000 | | $ 1,156,282 | -$ 558,294 | -$ 101,238 | | -$ 659,532 | $ 496,750 |
| 8 | 1935 | Stores Equipment | $ - | | | $ - | $ - | | | $ - | $ - |
| 8 | 1940 | Tools, Shop & Garage Equipment | $ 176,237 | $ 10,000 | | $ 186,237 | -$ 138,012 | -$ 7,365 | | -$ 145,377 | $ 40,860 |
| 8 | 1945 | Measurement & Testing Equipment | $ - | | | $ - | $ - | | | $ - | $ - |
| 8 | 1950 | Power Operated Equipment | $ - | | | $ - | $ - | | | $ - | $ - |
| 8 | 1955 | Communications Equipment | $ 25,511 | | | $ 25,511 | -$ 7,653 | -$ 5,102 | | -$ 12,755 | $ 12,756 |
| 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] | -$ 768,430 | -$ 95,500 | | -$ 863,930 | $ 149,915 | $ 18,903 | | $ 168,818 | -$ 695,111 |
| | | | | | | $ - | | | | $ - | $ - |
| | | **Sub-Total** | **$ 9,636,952** | **$ 912,300** | $ - | **$ 10,549,252** | **-$ 4,007,198** | **-$ 380,418** | $ - | **-$ 4,387,616** | **$ 6,161,636** |
| | | **Less Socialized Renewable Energy Generation Investments (input as negative)** | | | | $ - | | | | $ - | $ - |
| | | ***Less Other Non Rate-Regulated Utility Assets (input as negative)*** | | | | $ - | | | | $ - | $ - |
| | | **Total PP&E** | **$ 9,636,952** | **$ 912,300** | $ - | **$ 10,549,252** | **-$ 4,007,198** | **-$ 380,418** | $ - | **-$ 4,387,616** | **$ 6,161,636** |

## 2-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.

Response:

The updated table follows below:

| | Description | 2012 Board Approved | 2012 Actual | Variance from 2012 Board Approved | 2013 Actual | Variance from 2012 Actual | 2014 Actual | Variance from 2013 Actual | 2015 Actual | Variance from 2014 Actual | 2016 Test Year | Variance from 2015 Actual | 2016 Actual | Variance from 2015 Actual | 2017 Budget | Variance from 2016 Actual |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Reporting Basis** | | **CGAAP** | **CGAAP** | | **CGAAP** | | **MIFRS** | | **MIFRS** | | **MIFRS** | | **MIFRS** | | **MIFRS** | |
| **Land and Building** | | | | | | | | | | | | | | | | |
| 1805 | Land | 84,205 | 84,205 | - | 84,205 | - | 84,205 | - | 91,567 | 7,362 | 91,567 | - | 91,567 | (0) | 91,567 | - |
| 1808 | Buildings | 89,977 | 82,287 | (7,690) | 82,287 | - | 100,899 | 18,611 | 103,049 | 2,150 | 103,049 | - | 103,049 | 0 | 103,049 | - |
| 1810 | Leasehold Improvements | 8,796 | 8,796 | - | 8,796 | - | 8,796 | - | 8,796 | - | 8,796 | - | 8,796 | (0) | 28,796 | 20,000 |
| **Distribution Stations** | | | | | | | | | | | | | | | | |
| 1820 | Distribution Station Equipment <50 kV | 759,884 | 724,126 | (35,758) | 806,924 | 82,798 | 826,918 | 19,994 | 1,106,157 | 279,239 | 1,184,157 | 78,000 | 1,230,192 | 124,035 | 1,391,692 | 161,500 |
| **Poles and Wires** | | | | | | | | | | | | | | | | |
| 1830 | Poles, Towers & Fixtures | 574,402 | 584,809 | 10,207 | 662,255 | 77,446 | 728,906 | 66,651 | 792,874 | 63,968 | 889,411 | 96,537 | 894,844 | 101,970 | 1,031,644 | 136,800 |
| 1835 | Overhead Conductors & Devices | 1,809,430 | 1,970,578 | 89,148 | 2,076,738 | 90,159 | 2,134,558 | 57,820 | 2,175,975 | 41,417 | 2,273,235 | 97,261 | 2,263,006 | 87,031 | 2,331,906 | 68,900 |
| 1840 | Underground Conduit | 36,862 | 41,243 | 4,381 | 44,467 | 3,223 | 68,747 | 24,280 | 69,978 | 1,231 | 69,978 | - | 73,925 | 3,947 | 75,025 | 1,100 |
| 1845 | Underground Conductors & Devices | 817,248 | 837,596 | 20,348 | 896,152 | 58,556 | 959,020 | 62,867 | 970,578 | 11,558 | 970,578 | - | 985,223 | 14,645 | 985,223 | - |
| **Transformers** | | | | | | | | | | | | | | | | |
| 1850 | Line Transformers | 1,091,223 | 1,099,855 | 8,632 | 1,191,499 | 91,644 | 1,213,790 | 22,291 | 1,269,114 | 55,324 | 1,336,786 | 67,672 | 1,352,097 | 82,983 | 1,442,197 | 90,100 |
| **Services & Meters** | | | | | | | | | | | | | | | | |
| 1855 | Services (Overhead & Underground) | 301,637 | 285,522 | (16,115) | 292,215 | 6,693 | 296,775 | 4,560 | 314,687 | 17,911 | 336,887 | 22,200 | 325,311 | 10,624 | 359,711 | 33,400 |
| 1860 | Meters (Non Smart Meters) | 216,155 | 187,370 | (28,785) | 187,370 | - | 187,370 | - | 187,370 | - | 187,370 | - | 187,370 | (0) | 187,370 | - |
| 1860 | Meters (Smart Meters) | 1,115,224 | 1,136,053 | 20,829 | 1,146,751 | 10,697 | 1,165,105 | 18,355 | 1,175,001 | 9,896 | 1,179,465 | 4,464 | 1,174,320 | (681) | 1,195,320 | 21,000 |
| **IT Assets and Equipment** | | | | | | | | | | | | | | | | |
| 1611 | Computer Software (Formally known as Account 1925) | 372,624 | 322,896 | (49,728) | 356,356 | 33,460 | 448,877 | 92,521 | 456,620 | 8,743 | 470,620 | 15,000 | 463,270 | 7,650 | 478,270 | 15,000 |
| 1920 | Computer Equipment - Hardware | 204,866 | 196,133 | (8,733) | 238,003 | 42,870 | 251,246 | 13,244 | 306,477 | 54,231 | 321,477 | 15,000 | 319,382 | 13,905 | 344,382 | 25,000 |
| 1930 | Transportation Equipment | 627,095 | 631,311 | 4,215 | 633,404 | 2,094 | 679,898 | 46,494 | 728,149 | 48,250 | 1,118,149 | 390,000 | 731,282 | 3,133 | 1,156,282 | 425,000 |
| 1940 | Tools, Shop & Garage Equipment | 147,984 | 137,867 | (10,117) | 151,347 | 13,480 | 157,773 | 6,426 | 161,392 | 3,619 | 171,392 | 10,000 | 176,237 | 14,845 | 186,237 | 10,000 |
| 1955 | Communications Equipment | - | - | - | - | - | - | - | 25,511 | 25,511 | 25,511 | - | 25,511 | (0) | 25,511 | - |
| 1960 | System Supervisor Equipment | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Other Distribution Assets** | | | | | | | | | | | | | | | | |
| 1995 | Contributions & Grants | (360,988) | (498,613) | (107,625) | (633,916) | (165,304) | (684,640) | (30,723) | (689,840) | (5,200) | (831,366) | (161,526) | (768,430) | (88,590) | (863,930) | (95,500) |
| **Gross Assets for Rate Base** | | **7,976,516** | **7,868,837** | **(107,679)** | **8,224,854** | **356,018** | **8,648,244** | **423,390** | **9,271,455** | **623,211** | **9,906,063** | **634,608** | **9,636,952** | **365,498** | **10,549,252** | **912,300** |
| 2055 | Construction Work in Progress-Electric | - | 18,535 | 18,535 | 16,270 | (2,265) | 15,775 | (495) | 15,775 | - | 15,775 | - | 99,782 | 84,007 | 15,775 | (84,007) |
| **Total Assets Including WIP** | | **7,976,516** | **7,887,372** | **(89,144)** | **8,241,124** | **353,753** | **8,664,019** | **422,895** | **9,287,230** | **623,211** | **9,921,838** | **634,608** | **9,736,734** | **449,505** | **10,565,027** | **828,293** |

## 2-VECC-9

## Reference: Table 2.20 (Appendix 2-AA)

a) Please update this table to show the 2016 actual results.

Response:

The updated table follows below:

## Appendix 2-AA
## Capital Projects Table

| Projects | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 Budget |
|---|---|---|---|---|---|---|---|
| **Reporting Basis** | **CGAAP** | **CGAAP** | **CGAAP** | **CGAAP** | **MIFRS** | **MIFRS** | **MIFRS** |
| **System Access** | | | | | | | |
| Sewage Plant Westport | | | | | | | 95,500 |
| Municipal Building Morrisburg | | | 51,280 | | | | |
| Arena Cardinal | | | 51,443 | 2,100 | | | |
| Campbell Rd Morrisburg | | | | | | 91,709 | |
| Miscellaneous | 67,115 | 33,538 | 169,245 | 105,587 | 12,003 | 13,270 | |
| | | | | | | | |
| **Sub-Total** | 67,115 | 33,538 | 271,968 | 107,687 | 12,003 | 104,979 | 95,500 |
| | | | | | | | |
| **System Renewal** | | | | | | | |
| Iroquois Backup Transformer | | | | | 194,618 | 90,753 | |
| Transformer Replacements | 5,843 | 24,098 | 19,857 | 2,010 | 33,488 | 73,334 | 52,400 |
| Miscellaneous | 150,731 | 219,387 | 54,072 | 154,697 | 173,334 | 81,349 | 30,900 |
| Meter Replacements | 32,026 | 33,136 | 10,698 | 17,402 | 14,327 | -681 | 20,900 |
| Wholesale Meters | 7,834 | 15,787 | 1,800 | 9,452 | 17,934 | | |
| Prescott MS1 and MS2 | | | | | 44,354 | 16,042 | |
| Regasket MS1 | | | | | | 11,348 | |
| Egress Poles | | | | | | 20,709 | |
| Morrisburg Rear Lot Replacements | | | | | | 26,722 | |
| Orchardway Small Conductor | | | | | | | 14,600 |
| Church St N | | | | | | | 70,700 |
| James St E | | | | | | | 32,100 |
| Duke St | | | | | | | 24,300 |
| William Place | | | | | | | 21,400 |
| Prescott MS1 | | | | | | | 150,000 |
| | | | | | | | |
| **Sub-Total** | 196,434 | 292,408 | 86,427 | 183,561 | 478,054 | 319,576 | 417,300 |
| | | | | | | | |
| **System Services** | | | | | | | |
| Substations | | | 71,023 | | | | |
| Miscellaneous | 13,822 | | | 4,180 | | | |
| | | | | | | | |
| **Sub-Total** | 13,822 | 0 | 71,023 | 4,180 | 0 | 0 | 0 |
| | | | | | | | |
| **General Plant** | | | | | | | |
| Computer Hardware | 8,061 | 9,126 | 42,870 | 13,244 | 54,231 | 13,905 | 25,000 |
| Computer Software | | 23,483 | 33,460 | 92,521 | 6,743 | 7,650 | 15,000 |
| Communication Equipment | | | | | 25,511 | | |
| Vehicles | 297,851 | 6,364 | 2,094 | 46,494 | 48,250 | 3,133 | 425,000 |
| Miscellaneous | 2,487 | 2,411 | 13,480 | 6,426 | 3,619 | 14,845 | 30,000 |
| System Supervisory Equipment | | | | | | | |
| | | | | | | | |
| **Sub-Total** | 308,399 | 41,384 | 91,904 | 158,685 | 138,354 | 39,533 | 495,000 |
| | | | | | | | |
| **Total** | **585,770** | **367,330** | **521,322** | **454,113** | **628,411** | **464,088** | **1,007,800** |
| **Less Renewable Generation Facility Assets and Other Non-Rate-Regulated Utility Assets *(input as negative)*** | | | | | | | |
| **Total** | **585,770** | **367,330** | **521,322** | **454,113** | **628,411** | **464,088** | **1,007,800** |

b) Please explain the variance as between 2016 actual and forecast results

Response:

The biggest variance is in vehicles. RSL ordered the new Digger Truck early in 2016, and was promised delivery in September or October. An initial payment was made in

March 2016 for the chassis of the truck. The delivery of the truck is now tentatively scheduled for Spring of 2017.

System access costs are lower, as the Westport Sewage Plant project was not in service in 2016. Approximately 2/3 of the costs were incurred in 2016, and are in Work In Progress, along with the capital contribution received.

System renewal costs are higher than planned, due to additional costs incurred for the installation of the backup transformer in Iroquois.

c) Please provide the 2017 budget amounts if available.

Response:

Provided above in the updated tables.

d) Please update Table 2.19 to show both 2016 forecast and actuals amounts.

Response:

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

**First year of Forecast Period:** *2016*

| CATEGORY | Historical Period (previous plan[1] & actual) | | | | | | | | | | | | | | | 2016 | | | Forecast Period (planned) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2011 | | | 2012 | | | 2013 | | | 2014 | | | 2015 | | | 2016 | | | 2016 | 2017 | 2018 | 2019 | 2020 |
| | Plan | Actual | Var | Plan | Actual | Var | Plan | Actual | Var | Plan | Actual | Var | Plan | Actual[2] | Var | Plan | Actual[2] | Var | | | | | |
| | | | % | | | % | | | % | | | % | | | % | | | % | | | | | | |
| System Access | - | 67,115 | -- | - | 33,538 | -- | | 271,968 | -- | - | 107,697 | -- | - | 12,003 | -- | 161,526 | 104,979 | -35.0% | | 95,500 | - | | - |
| System Renewal | 240,000 | 196,434 | -18.2% | 305,000 | 292,408 | -4.1% | 192,000 | 86,427 | -55.0% | 353,000 | 183,561 | -48.0% | 340,000 | 478,054 | 40.6% | 204,608 | 319,576 | 56.2% | | 417,300 | 389,632 | 411,987 | 246,730 |
| System Service | - | 13,822 | -- | - | - | -- | 100,000 | 71,023 | -29.0% | NA | 4,180 | -- | - | - | -- | | - | -- | | - | - | | 76,731 |
| General Plant | 328,000 | 308,399 | -6.0% | 80,000 | 41,384 | -48.3% | 97,000 | 91,904 | -5.3% | 65,000 | 158,695 | 144.1% | 75,000 | 138,354 | 84.5% | 430,000 | 39,533 | -90.8% | | 495,000 | 60,000 | 45,000 | 130,000 |
| TOTAL EXPENDITURE | 568,000 | 585,770 | 3.1% | 385,000 | 367,330 | -4.6% | 389,000 | 521,322 | 34.0% | 418,000 | 454,113 | 8.6% | 415,000 | 628,411 | 51.4% | 796,134 | 464,088 | -41.7% | - | 1,007,800 | 449,632 | 456,987 | 453,461 |
| System O&M | | | -- | | | -- | | | -- | | | -- | | | -- | | | -- | | | | | |

**2-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.

Response:

All of the useful lives are within the Kinectrics range, and are consistent with the numbers used in our 2012 Cost of Service application.

**2-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.

Response:

The Westport Sewage Plant project was started in 2016, and most of the work has been completed. RSL is waiting for the Village of Westport to complete some work at their end before energizing the project. The forecast cost for this project is $95,500. The Village of Westport has been billed for $95,522.84 of contributed capital.

The Morrisburg Campbell Road extension was completed in 2016. The cost of the project was $91,709.15. Contributed capital was $93,397.94.

b) Please provide the capital contributions (separately) expected (or paid) for these two projects.

Response:

The contributed capital amounts have been provided in part a).

**2-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

Response:

There is no discrepancy. The report states 928 transformer units. These are *units* in service, in single phase or three phase installations. The 764 *locations* refers to geographic points in the distribution system (locations), where transformers are installed in either single phase or three phase configurations. As such, the number of locations will always be smaller.

b) Please provide the health index, similar to Table 18 (Substations) for transformers.

Response:

We have transformer loading information for only some of the locations (approximately 30%) at this time. We also do not have nameplate data (mainly the age) for all transformer units. Therefore, we are not able to calculate a reasonable (reliable, realistic) health index for this asset class. The information required to calculate the asset class health index will be collected going forward as transformers are replaced or otherwise accessed.

**2-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.

Response:

RSL does not have a Health Index for switches. As indicated, RSL has a total of 16 gang-operated switches which are maintained on an annual basis. Since they are on the 44kV system, which is basically a radial system supplying the stations and major customers, these switches would primarily be operated for isolation and maintenance issues. They are not operated for re-routing of power, as may be more customary in an urban distribution system for a major city.

A class of 16 units is generally considered to be insufficient statistically to generate a reliable or meaningful Health Index.

The 4kV and 8kV switches are also primarily used for isolation – most are solid blade switches and are therefore not suitable for load-make or load-break operation. They have a typical useful life of 60 years and are typically considered a disposable (replaceable) item.

**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.

Response:

The tools referred to include:

- Harris - Cayenta job costing system
- AutoCAD Map 3D GIS / asset management system
- Asset assessment process
- Use of smart meter data to determine transformer loading
- Project prioritization process based rankings

AutoCAD Map 3D provides both a mapping function and a database function, integrated into one product (as most GIS solutions do). The GIS is currently hosted to reduce IT infrastructure and software investment requirements and costs. Since smart meter installations were mandated and already collect a vast amount of power consumption data, RSL believes it is prudent to leverage this data for planning and operations functions.

As for the project prioritization process, our proposed plan targets primarily safety and regulatory issues – replacement of PCB transformers, replacement of small conductors and poles in bad condition. As such, regardless of a prioritization process, most projects will score consistently, since they address similar issues. We expect to "fine-tune" and evolve this process over the current plan period. For additional information, please refer to response 2-Staff-10.

Financial realities and constraints refers to the fact that RSL staff have taken a critical and measured approach to collect the necessary data to prepare regulatory reports, given the size of our utility, to minimize any incremental costs to our operations and customers.

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

Response:

AutoCAD Map 3D is a cost-effective GIS solution. Our incremental annual cost for the above tool is $5,000.

**2-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).

Response:

The contributed capital planned is for the Westport Sewage Plant ($119,570.42) and the Morrisburg Campbell Road extension ($41,955.24).

b) Has this contribution been received?

Response:

Yes, the contributions have been received, in the amounts indicated in 2-VECC-11.

**2-SEC-8**

Please provide a version of Appendix 2-AB with the Applicant's internal budgeted numbers under the plan columns.

Response:

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

First year of Forecast Period: 2016

| CATEGORY | Historical Period (previous plan[1] & actual) | | | | | | | | | | | | | | | | | Forecast Period (planned) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2011 | | | 2012 | | | 2013 | | | 2014 | | | 2015 | | | 2016 | | | 2016 | 2017 | 2018 | 2019 | 2020 |
| | Plan | Actual | Var | Plan | Actual | Var | Plan | Actual | Var | Plan | Actual | Var | Plan | Actual[2] | Var | Plan | Actual[2] | Var | | | | | |
| | | | % | | | % | | | % | | | % | | | % | | | % | | | | | |
| System Access | - | 67,115 | -- | - | 33,538 | -- | | 271,968 | -- | - | 107,687 | -- | - | 12,003 | -- | 161,526 | 104,979 | -35.0% | | 95,500 | - | - | - |
| System Renewal | 240,000 | 196,434 | -18.2% | 305,000 | 292,408 | -4.1% | 192,000 | 86,427 | -55.0% | 353,000 | 183,561 | -48.0% | 340,000 | 478,054 | 40.6% | 204,608 | 319,576 | 56.2% | | 417,300 | 389,632 | 411,987 | 246,730 |
| System Service | - | 13,822 | -- | - | - | -- | 100,000 | 71,023 | -29.0% | NA | 4,160 | -- | - | - | -- | | - | -- | | - | - | - | 76,731 |
| General Plant | 328,000 | 308,399 | -6.0% | 80,000 | 41,384 | -48.3% | 97,000 | 91,904 | -5.3% | 65,000 | 158,685 | 144.1% | 75,000 | 138,354 | 84.5% | 430,000 | 39,533 | -90.8% | | 495,000 | 60,000 | 45,000 | 130,000 |
| TOTAL EXPENDITURE | 568,000 | 585,770 | 3.1% | 385,000 | 367,330 | -4.6% | 389,000 | 521,322 | 34.0% | 418,000 | 454,113 | 8.6% | 415,000 | 628,411 | 51.4% | 796,134 | 464,088 | -41.7% | - | 1,007,800 | 449,632 | 456,987 | 453,461 |
| System O&M | | | -- | | | -- | | | -- | | | -- | | | -- | | | -- | | | | | |

**2-SEC-9**

Please provide revised versions of the following appendices with 2016 year-end actuals. Please explain all material variances between 2016 forecast and actuals.

a. 2-AA
b. 2-AB
c. 2-BA

Response:

Please see the responses to 2-VECC-7, 2-SEC-8, and 2-VECC-9.

**2-SEC-10**

Ex. 2, Appendix 2.1, p.37] The Applicant states that it does not have sufficient data to calculate the Health Index for the transformer asset class. Please explain how the Applicant plans to obtain necessary data to reliability calculate its transformer asset class.

Response:

Please see the response to 2-VEC-12.

**2-SEC-11**

[Ex. 2, Appendix 2.1, p.40] For each year between 2012 and 2016, please provide how many poles the Applicant has replaced. How many does the Applicant plan to replace each year between 2017 and 2020.

The following list provides the quantity of poles replaced between 2012 and 2016. The numbers for 2017 to 2020 are from the Distribution System Plan.

| Pole Replacements | |
|---|---|
| | |
| Year | Quantity |
| 2012 | 38 |
| 2013 | 23 |
| 2014 | 23 |
| 2015 | 25 |
| 2016 | 13 |
| 2017 | 29 |
| 2018 | 46 |
| 2019 | 59 |
| 2020 | 12 |

**2-SEC-12**

[Ex. 2, Appendix 2.1, p.52] Please explain why the Applicant is not better pacing its capital expenditures over the Distribution Plan term (2016-2019).

Response:

We believe that RSL has paced its capital expenditures appropriately over the course of the Distribution System Plan. The only “unusual” year is 2016, because of the planned purchase of a digger truck. All of the other years have similar amounts of capital spending.

**Table 2 Capital Expenditures for the Forecast Period**

| Investment Category | 2016 | 2017 | 2018 | 2019 | 2020 | 5yr Total |
|---|---|---|---|---|---|---|
| System Access | $ 161,526 | $ - | $ - | $ - | $ - | **$ 161,526** |
| System Renewal | $ 216,930 | $ 388,832 | $ 389,632 | $ 411,987 | $ 246,730 | **$ 1,856,736** |
| System Service | $ - | $ - | $ - | $ - | $ 76,731 | **$ 76,731** |
| General Plant | $ 430,000 | $ 70,000 | $ 60,000 | $ 45,000 | $ 130,000 | **$ 785,000** |
| **Total Capital Spending** | **$ 808,456** | **$ 458,832** | **$ 449,632** | **$ 456,987** | **$ 453,461** | **$ 2,627,368** |

## 2-SEC-13

[Ex. 2, Appendix 2.1, p.58] For each 2016 material capital project listed, please provide the actual amounts spent in 2016. Please also confirm that the projects went into-service/completed in 2016.

Response:

The following chart shows the amount spent on each of the projects identified as major projects in the DSP:

| | | 2016 | |
|---|---|---|---|
| Project | DSP | Actual | Status |
| | | | |
| PCB Transformer Replacements | 52,374 | 13,966 | Partially completed |
| | | | |
| Westport Sewage Plant | 119,540 | 63,462 | Work in progress |
| | | | |
| MS - Second Transformer | 50,000 | 90,203 | Complete |
| | | | |
| Digger Truck | 390,000 | 116,068 | Work in progress |

## 2-SEC-14

[Ex. 2, Appendix 2.1, p.58] Please provide the business case for the purchase of the new Digger Truck.

Response:

Please refer to 2-Staff-11.