

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B;

AND IN THE MATTER OF an Application by Thunder Bay Hydro Electric Distribution Inc. to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of May 1, 2017.

SEC INTERROGATORIES ON THE ADDITIONAL EVIDENCE

2.0-SEC-57

[Tsimberg p. 3] Please determine how the expert quantified “undesired significant increase”, and what the amounts of such an increase would be, for each customer class if there are differences. Please explain whether the expert identified just an increase associated with System Renewal expenditures, just capital expenditures, or all changes in revenue requirement and forecasts that affect rates and customer bills.

2.0-SEC-58

[Tsimberg, p. 4] Please confirm that the expert is being qualified as an expert in OEB regulatory requirements. If confirmed, please provide the basis for that qualification. If not confirmed, please explain the evidentiary effect claimed of the “opinion” with respect to compliance with OED requirements.

2.0-SEC-59

[Tsimberg, p. 5] Please confirm that Kinectrics is an offshoot of Hydro One, and before that Ontario Hydro. Please provide details of the role the expert Mr. Tsimberg played, if any, in the bankruptcy/insolvency of Ontario Hydro due to its overspending on capital.

2.0-SEC-60

[Tsimberg, p. 5] Please provide details of the extent, if any, to which the expert Mr. Tsimberg personally reviewed or assessed the distribution system assets of the Applicant. Please include details of all trips the expert made to Thunder Bay to review the assets, and the time spent in each such trip in that type of review. If the expert did not engage personally in a review of the assets, please provide all reports from other people, whether employees of Kinectrics or otherwise, on which Mr. Tsimberg is relying in giving his opinion.

2.0-SEC-61

[Tsimberg, p. 6] Please provide details of how the HI formulae for the Applicant differs from the HI formulae for other distributors for whom Kinectrics has done the same type of consulting work. For each difference in the formulae, please explain the rationale for the difference, the extent, if any, to which the difference depends on management or engineering judgment by the local LDC personnel, and the impact of the difference on the comparability of results between LDCs.

2.0-SEC-62

[Tsimberg, p. 6] Please provide the full HI calculation for the Applicant's assets, as determined by Kinectrics for the purposes of the ACA. Please provide the result in live Excel format, with all formulae live as in the original calculation. Where the calculations draw on source data, please provide the source data, also in live Excel format. Please ensure that the data provided includes the Data Availability Indicator for each asset or group of assets assessed.

2.0-SEC-63

[Tsimberg, p. 6] Please provide a list of all "data gaps" (as Kinectrics defines that term) identified by the expert in the course of his analysis, and the impact of each on the expert's opinion.

2.0-SEC-64

[Tsimberg, p. 8] Please provide complete lists of

- a) All assets or asset classes that the expert believes the Applicant normally operates on a run to failure basis.
- b) All assets or asset classes that, as the expert understands, are typically replaced before they fail by the Applicant, and in each case the basis for such replacement.

2.0-SEC-65

[Tsimberg, p. 8] Please provide a table showing the FFAP list, and the determinations by the Application "on a case-by-case basis" as to what action the Applicant will take with respect to each item on the FFAP list.

2.0-SEC-66

[Tsimberg, p. 10] Please confirm that generally SAIFI is a reflection of asset condition and environmental impacts, while SAIDI reflects those items, plus a utility's responsiveness to outages.

2.0-SEC-67

[Tsimberg, p. 10] Please explain the selection of the three “peers” used for benchmarking purposes. If this peer group has been mandated by the OEB, please provide a reference to the OEB document that so determines.

2.0-SEC-68

[Tsimberg, p. 10] Please confirm the following:

- a) The Applicant’s 2015 Gross SAIFI was 2.89, compared to the unweighted average for all LDCs of 1.83, and that the Applicant’s Gross SAIFI was better than 12 of the other LDCs out of 59.
- b) The Applicant’s 2015 Gross SAIDI was 2.23, compared to the unweighted average for all LDCs of 3.54, and that the Applicant’s Gross SAIFI was better than 26 other LDCs out of 59.
- c) The Applicant’s 2015 SAIFI (net of loss of supply) was 2.39, compared to the unweighted average for all LDCs of 1.08, and that the Applicant’s Gross SAIFI was better than 3 other LDCs out of 59.
- d) The Applicant’s 2015 SAIDI (net of loss of supply) was 2.02, compared to the unweighted average for all LDCs of 1.60, and that the Applicant’s Gross SAIFI was better than 19 other LDCs out of 59.

Please explain how these all-Ontario comparisons factored into the analysis by the expert.

2.0-SEC-69

[Tsimberg, p. 10] Please confirm that the expert did not benchmark the capital spending plans of the Applicant relative to its Asset Condition Assessment to the capital spending plans of other LDCs who have filed ACAs and capital plans. By way of example, to what extent, if any, did the expert assess the FFAP responses of the Applicant relative to similar responses by other LDCs who have also relied on Kinectrics ACA work.

2.0-SEC-70

[Tsimberg, p. 10] Please explain why the expert did not comment on whether a percentage of depreciation is a helpful benchmark, as requested by counsel in the revised instructions letter.

2.0-SEC-71

[Tsimberg, p. 11] Please confirm that spending per km. of line is primarily a function of customer density, and should be lower when customer density is lower. If this is not the case, please explain why.

2.0-SEC-72

[Tsimberg, p. 12] Please provide details on what data was used by Kinectrics to determine that the Applicant's assets would last longer than the OEB's guideline values.

2.0-SEC-73

[Tsimberg, p. 13] Please provide details, included quantification, on how the improved reliability arising from the wood poles program and the underground cable replacement program have been reflected in the Application for the test year and subsequent years.

2.0-SEC-74

[Tsimberg, p. 13] Please provide details on the extent to which replacement of an asset that has failed will produce less reliability benefit than replacement of an asset proactively because it is expected to fail soon. Please confirm that, on a portfolio basis, the latter is likely to have a similar impact on reliability as the former.

2.0-SEC-75

[Tsimberg, p. 14] Please provide details, including quantification, on how the reduction in corrective O&M has been reflected in the Application for the test year and subsequent years.

2.0-SEC-76

[Tsimberg, p. 18] Please provide the factual basis on which the expert observed the paragraph commencing "In putting together capital plans..."

2.0-SEC-77

[Tsimberg, p. 18] Please provide the factual basis on which the expert observed "Decision making follows the Asset Management Framework".

2.0-SEC-78

[Tsimberg, p. 18] Please provide the factual basis on which the expert observed "Existing capital planning process includes prioritization".

All of which is respectfully submitted this May 30, 2017.