InnPower Corporation
EB-2016-0085
OEB Staff Interrogatories
Specific Service Charges

8-Staff-69

Ref: Exhibit 8, p.11
Ref: 2006 Electricity Distribution Rate Handbook, Schedule 11-2, p. 115

Innpower has requested an increase in its specific service charge of 63% for "Disconnect/Reconnect at meter-during regular hours" from $40 to $65. OEB staff notes that, although the requested charge is the same as the standard charge calculated in the Rate Handbook, the calculations are very different, and include the use of contractor time.

a) Please provide the burden rate applied to each of the Customer Service Representative's time and the manager's time.
b) Please provide the calculation to derive the average contractor costs.

8-Staff-70

Ref: Exhibit 8, p.12-13
Ref: 2006 Electricity Distribution Rate Handbook, Schedule 11-2, p. 120

Innpower has requested an increase in its specific service charge of 56% for its service charge for "temporary service – install and remove – underground – no transformer" and of 26% for the same service for overhead – no transformer.

a) Have burden rates been applied to the hourly rates? If so, please provide the burden rates used in the calculation for each of line staff, engineering tech. and management.
b) OEB staff notes that the standard formula has not applied costs for management for either of these charges. Please explain the role of management in these services, and why it is appropriate to include it in the calculation of the charge.
c) Please explain the need for a bucket truck for service to underground facilities.

8-Staff-71

Ref: Exhibit 8, p.14
Ref: 2006 Electricity Distribution Rate Handbook, Schedule 11-2, p. 122

Innpower has requested an increase in its specific service charge of 152% for "temporary service install & remove – overhead-with transformer" from $1,000 to $2,525. OEB staff notes that the standard formula for this charge assumes 1.5 hours for engineering plus 2 people 7 hours each to install and remove.

a) Please explain the discrepancy in engineering hours assumed in the standard formula (1.5 hours) and in InnPower's calculations (6 hours).
b) Please explain the role of management in this service and why it is appropriate to include 1.5 hours for management time in the calculation of the charge.

8-Staff-72

Ref: Exhibit 8, pgs. 11-15
Ref: Exhibit 3, p. 43, Appendix 2-H
Ref: 2006 Electricity Distribution Rate Handbook, Schedule 11-3, p. 123

InnPower has applied to increase certain of its specific service charges by amounts ranging from 26% to 152%. However, OEB staff notes that InnPower has *decreased* its forecast of revenues from specific service charges from $192,331 to $170,000.

a) Please complete the following table (based on Schedule 11-3 in the Rate Handbook) with detail for each specific charge contained in USoA Account 4375.

Charge Description	Charge Rate	2014 Actual Revenue	2015 Actual Revenue	2016 Actual Revenue	2017 Rate	2017 Volume	2017 Revenue
Total Revenue							

b) Please explain all variances between 2016 actual revenues and 2017 forecast.
c) Please provide any correction to InnPower's forecast of Other Revenues in a revised Revenue Requirement Workform and other schedules as requested in OEB staff IRs 1-Staff-1, 1-Staff-2 and 1-Staff-3.

8-Staff-73

Ref: Exhibit 8, p. 15
Ref: EB-2016-0085 Procedural Order No. 2, May 26, 2016

InnPower proposes to increase its specific charge for access to the power poles by 113% from $22.35 to $47.50. In its May 26, 2017 Procedural Order No. 2, the OEB ordered InnPower to serve the Notice for this proceeding directly on any specifically identifiable customers or customer groups that would be directly impacted by one or more of the proposed changes to specific services charges, including, but not limited to, any entities that currently pay a charge for access to InnPower's power poles.

a) How many customers are directly affected by the change to the access to power poles charge?
b) Please describe any initiatives undertaken by InnPower to inform these customers of its proposed changes to this charge, prior to filing the application.
c) Please describe any feedback received from these customers prior to filing the application.
d) If feedback was received, please describe any changes made by InnPower to its proposals prior to filing the application.
e) Please confirm that InnPower complied with the order in Procedural Order No. 2 and served the affected customers with the Notice directly.
f) In complying with the OEB's order, did InnPower provide any specific information regarding the increase in the service charge?
g) Please provide any feedback received from these customers as a result of being directly served with the Notice.

8-Staff-73

Ref: Exhibit 8, p. 15, Table 8-14
Ref: RP-2003-0249, Decision and Order, March 7, 2005
Ref: EB-2015-0141, HONI Reply Argument,

InnPower has provided its calculation of the specific service charge for access to the power poles in Table 8-14.

a) OEB staff notes that the calculation of the standard rate of $22.35 (RP-2003-0249) assumes 2.5 attachers and results in an allocation factor of 21.9% for indirect costs. Since that time, the OEB has approved rates based on LDCs' actual attachment rates. Please provide the number of attachers and derivation of the 30% allocation factor used by InnPower for indirect costs, using the

methodology provided in the Hydro One reply argument in the EB-2015-0141 Carrier Motion as follows:

	2016 Hydro One Calculation for 1.3 Attachers				
		Pole Length Feet	1.3 Attachers	Length per Attacher (feet)	
a	Power Space	10	1		
b	Communications Space	2	1.3	1.54	2'/1.3
c	Separation Space	3.25	2.3	1.41	3.25'/2.3
d	Total Useable Space	15.25		2.95	=a+b+c
e	Clearance	18.75	2.3	8.15	18.75'/2.3
f	Buried	6	2.3	2.61	6'/2.3
g	Total Common Space	24.75		10.76	=e+f
h	Total Pole Length	40		13.71	=d+g
i	Allocation Rate			0.3428	13.71'/40'(Rounded to 34.3%)
j	Common Costs	$192.58		$66.05	($192.58 x 34.3%)
k	Direct Cost			$3.99	
l	Total Rate			$70.04	=j+k

b) OEB staff notes that the direct costs as calculated by InnPower appear to calculate direct costs per pole. Please explain why InnPower has not divided this cost by the number of attachers to determine the rate.
c) If the assumption in part b) above is incorrect, please explain the significant variance between the $17.10 direct cost calculated by InnPower and the $3.99 shown by Hydro One in the calculation of its rate.
d) Please provide the calculation underlying the net embedded cost per pole of $1,625.
e) Please provide the calculation underlying the maintenance per pole of $11.90.
f) Please explain the use of a capital carrying cost per year of 3%, rather than InnPower's weighted average cost of capital.

8-Staff-73

Ref: Exhibit 8, p. 7
Ref: EB-2016-0085, Cost Allocation Model, May 11, 2017

InnPower proposes to change its microFIT rate class to include Net Metering Accounts and to increase the charge from $5.40 to $10.00 monthly, "consistent with the approved rates for Wasaga Distribution". OEB staff notes that InnPower's cost allocation model calculates a monthly unit cost for microFIT of $4.68. OEB staff notes that InnPower

appears to have simply added Net Metering to the microFIT tariff sheet without making any changes to the class description, which is standard for most distributors.

a) Please describe the conditions that are similar in InnPower's territory to Wasaga's territory that would warrant consideration by the OEB of a similar rate for microFIT service for these two distributors.
b) Please explain why a monthly rate of $10 is appropriate, when InnPower's monthly cost for this service is $4.68.
c) Please explain which rate class was applied to Net Metering customers prior to their proposed inclusion in the microFIT class.
d) Please describe the conditions that would warrant changing the rate class of Net Metering customers at this time.
e) Please provide a breakdown of the monthly unit cost of Net Metering customers, similar to Sheet O3.6 of the cost allocation model for the microFIT rate class.