Shepherd Rubenstein

BY EMAIL and RESS

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January 23, 2018
Our File: EB20170049

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2017-0049 – Hydro One Distribution 2018-22 – SEC Interrogatories

We are counsel to the School Energy Coalition ("SEC"). Pursuant to Procedural Order No. 2, please find SEC's interrogatories.

Yours very truly,
Shepherd Rubenstein P.C.

Original signed by

Mark Rubenstein

cc: Wayne McNally, SEC (by email)
Applicant and interested parties (by email)

EB-2017-0049

ONTARIO ENERGY BOARD

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 Hydro One Networks Inc. for an order approving just and reasonable rates and other charges for electricity distribution to be effective January 1, 2018 to December 31, 2022.

INTERROGATORIES

ON BEHALF OF THE

SCHOOL ENERGY COALITION

[Note: All interrogatories have been assigned to issues. However, please provide answers that respond to each question in full, without being restricted by the issue or category. Many interrogatories have application to multiple issues, but all have been asked only once to avoid duplication.]

A. General

3-SEC-1
Please provide a copy of all budget guidance documents that were issued regarding the 2018- 2022 budgets that underlie the application.

3-SEC-2
Please provide a copy of Hydro One's 2015-2017 corporate scorecards.

3-SEC-3
Please provide a copy of all benchmarking analysis, reports, opinions and/or assessments, undertaken by Hydro One or for Hydro One since 2014, regarding any aspect that directly or indirectly relates to its distribution business that is not already included in this application.

3-SEC-4
Please provide all materials provided to the Board of Directors for the approval of this application and the associated 2018-2022 budgets.

3-SEC-5
Please provide a full Hydro One Networks Inc. organizational chart.

3-SEC-6
Please provide summaries of all internal audit reports conducted since 2014, related to any aspect that directly or indirectly relates to Hydro One's distribution business, their findings, recommendations, and the status of any actions that are to be taken.

3-SEC-7
[A-3-1, Attachment 3, Attachment A-B] With respect to Hydro One's Internal Audit Report, *Auditor General Report 2016 Follow-up*:

a. The report states that management commits to Task 49 (p.9) which is an independent third-party review of its DSP (p.12). Is the AESI review located at Exhibit B1-2-1, the third-party review referenced in Task 49? If not, please provide a copy of the independent third-party review of Hydro One's DSP.
b. Please provide a similar table to Appendix B showing all tasks that had been completed before September 30, 2016 (i.e. all Tasks that came out of the response to the Auditor General's Report and are not listed in Appendix B).
c. Please provide an updated status on all outstanding Tasks required to be completed listed in Appendix B, and the date they were completed.
d. If Tasks 46 and 48 are now complete, please provide results of the reviews/analysis.
e. [A-3-1, Attachment 4, p. 10] Hydro One says "Internal Audit validated 39 activities as completed in Sept 2016. As a follow-up, at the end of March 2017, a request was made to Internal Audit to validate evidence on the remaining items completed over the timeframe of Oct 2016 to March 2017. This will take place before the end of 2017." If Hydro One's Internal Audit has completed this work to date, please provide a copy. If not, please undertake to provide a copy when the information becomes available.

3-SEC-8
[Auditor General of Ontario 2017 Annual Report, Vol 2, Chapter 1, Section 1.06, http://www.auditor.on.ca/en/content/annualreports/arreports/en17/v2_106en17.pdf] With respect to the Auditor General of Ontario's Follow-Up Report to its 2015 Annual Report on Hydro One:

a. Please provide copies of all correspondence and information exchanged between the Auditor General and Hydro One regarding the 2015 Annual Report follow up.
b. The Auditor General of Ontario notes with respect to Recommendations 11, 12, 13, 14, 15, 16, 17 and 18, Hydro One did not provide requested information, details, and/or supporting documents. For each recommendation, please provide the information, details and/or supporting documents requested by the Auditor General of Ontario.

3-SEC-9
[Report of the Standing Committee on Public Accounts – Hydro One Management of Electricity Transmission and Distribution Assets, http://www.ontla.on.ca/committee-proceedings/committee-reports/files_pdf/41_2_PAC_Hydro%20One%20Management_08122016_EN.pdf] For each recommendation that in whole or in part relates to Hydro One's distribution business, please provide the information requested by the committee.

B. Custom Application

10-SEC-10
[A-3-2, Attach 1] With respect to the retainer of Power System Engineering to carry out the TFP study:

a. Please provide the agreement between the Hydro One and the consultant, including all amendments.
b. Please provide the scope of work or other documents describing the initial instructions to the consultant, if they are not included in (a).
c. Please provide all written instructions to the consultant by the Hydro One or by counsel or others on other behalf, including but not limited to suggestions for edits to early drafts.

10-SEC-11
[A-3-2, Attach 1, p.5] Please describe the extent, if any, that the willingness of the regulator to allow larger regulated rate increases has an impact on spending and therefore TFP.

10-SEC-12
[A-3-2, Attach 1, p.9] Please comment on whether, given the positive 0.5% TFP of the Hydro One over the last few years, it would be possible or appropriate for the Board to use a 0.5% productivity factor to signal to the Hydro One its need to bring its benchmarking results in line with the expected costs over time.

10-SEC-13
[A-3-2, Attach 1, p.9, p.13] Please provide any data in the possession of the consultant showing the impact on TFP of "the aging of capital infrastructure".

10-SEC-14
[A-3-2, Attach 1, p.9, p.22] Please confirm that the primary reason for the Hydro One's positive TFP from 2010-2015 is its control of OM&A costs relative to inflation. Please quantify if possible the impact of this factor on the TFP trajectory for this period

10-SEC-15
[A-3-2, Attach 1 p.24] Please provide an estimate of the quantitative difference between using Handy-Whitman and using EUCPI for this TFP study.

10-SEC-16
[A-3-2, Attach 1, p.26] Please confirm that the figure of 1.8% increase in the capital quantity index is incremental to the figure of 2.6% increase in the capital price.

10-SEC-17
[A-3-2, Attach 1, p.27,41] Please compare the TFP results for Hydro One on p. 27 to the results for the industry on p. 41, and describe the primary reasons why the results are different.

10-SEC-18
[A-3-2, Attach 1, p.34] Please confirm that Table 15 means that 38.5% of the inputs of the adjusted TFP model are assumed to be used to deliver reliability outputs. If this is not correct, please describe more fully the quantitative impact of the reliability weights on the resulting TFP.

10-SEC-19
[A-3-2, Attach 1, p.42] Please confirm that it is correct to read this table as demonstrating that Ontario industry TFP (excluding Toronto Hydro and Hydro One) has declined by 11.3% from 2010 to 2014. Please provide the 2015 and 2016 figures for this Figure 7.

10-SEC-20
[A-3-2, Attach 2] With respect to the retainer of Power System Engineering to carry out the benchmarking study:

a. Please provide the agreement between the Hydro One and the consultant, including all amendments.
b. Please provide the scope of work or other documents describing the initial instructions to the consultant, if they are not included in (a).

c. Please provide all written instructions to the consultant by the Hydro One or by counsel or others on other behalf, including but not limited to suggestions for edits to early drafts.

10-SEC-21
[A-3-2, Attach 2, p.2] Please explain why the benchmarking comparison is to an average performer, rather than to a superior performer or even a frontier performer. Please discuss from the expert's point of view the pros and cons of different benchmarking levels.

10-SEC-22
[A-3-2, Attach 2, p.5] Please quantify (or estimate) the impact on the study of:

a. Excluding contributions in aid of construction;
b. Adding high voltage costs;
c. Adding bad debt expenses;
d. Adding embedded distribution demand to maximum peak demand.

10-SEC-23
[A-3-2, Attach 2, p.6] Please explain how the model deals with the interchangeability of labour and non-labour (outsourcing) costs and makes the comparison reasonable.

10-SEC-24
[A-3-2, Attach 2, p.13] Please quantify the figure of 0.811% as a dollar figure per new customer, and quantify the figure of 0.097% as a dollar figure per MW of increased peak demand.

10-SEC-25
[B1-1-1, DSP Section 1.6, Attachment 1] With respect to the Navigant Distribution Unit Cost Benchmarking Study (General Questions):

a. [p.5] Please explain why Navigant did not reach out to additional Ontario LDCs, to take part in the study after it only obtained cooperation from three of its original list of utilities to target for participation.
b. [p.7] Please provide a copy of the questionnaire provided to all participating LDCs.
c. Please provide a copy, in excel format, of all data received from participating LDCs. (With the exception of data from Hydro One, SEC does not object to the information being anonymized).
d. [p.27] For Hydro One: Please provide Hydro One's response to the recommendations.

10-SEC-26
[B1-1-1, DSP Section 1.6, Attachment 1] With respect to the Navigant Distribution Unit Cost Benchmarking Study (Pole Replacement Benchmarking):

a. [p.8, 15] Please provide individual figures similar to Figure 8 (Pole Program Costs Ranked by Annual Spend) and Figure 18 (Pole Replacement Cost Ranked by Annual Spend) for each of 2012, 2013 and 2014.
b. Please provide the information requested in part (a), in a table format.
c. [p.15] On the same basis as the information Hydro One provided to Navigant for 2012-2014 (for example, as shown in Figure 18), please provide its actual Costs Per Pole Replaced for 2015 and 2016, and its forecast for each year between 2017 and 2022.

d. [p.13] Is the information provided by Hydro One and participating LDCs of pole replacement data, only for dedicated pole replacement programs, or does it also include poles replaced in the context of other distribution capital programs?

10-SEC-27
[B1-1-1, DSP Section 1.6, Attachment 1] With respect to the Navigant Distribution Unit Cost Benchmarking Study (Substation Refurbishment Benchmarking):

a. [p.17] Please define what Navigant considers i) full station rebuild projects, ii) substation-centric projects, and iii) component-based projects.
b. [p.17-26] How many utilities provided data for this part of the benchmarking study?
c. [p.17] Please explain why comparing costs on a per-MVA and transformer bank basis is appropriate.
d. [p.18-20] Please provide Figures 20-23 in a table format. Please also provide, for each type of transformer bank, how many are included in the benchmarking analysis.
e. Please provide the information requested in part (c) not normalized for MVA and number of transformer banks.

10-SEC-28
[B1-1-1, DSP Section 1.6, Attachment 2] With respect to the CN Utility Consulting Hydro One Vegetation Management Study 2016:

a. [p.11] Please provide a copy of the 2009 study.
b. The individual peer group company codes each begin with either a letter Y, W, V, X or Z. Do these individual letters represent some classification? If so, please provide details.
c. [p.18-19] For each of Figure 2, 4, and 6, please include the median and average for a Canadian-only peer group.
d. [p.18] Please provide a similar Figure showing annual cost of UVM per kilometres of overhead Line cleared or brush controlled (Similar to the information Hydro One provided in its previous proceeding (see EB-2013-0416, PD1_Executive Panel Presentation, May 12 2014, p.9).
e. [p.55] On the same basis as provided in Table 5, please provide Hydro One's annual cost and annual kilometers completed forecast for each year between 2017 and 2022.
f. [EB-2013-0416, Undertaking 3.10, Attachment 1] In EB-2013-0416, *Hydro One provided a copy of the Utility Benchmark Survey Analysis Preliminary Report: 2011-2012 Distribution CN Utility Benchmark Survey Analysis Preliminary Report*. Has Hydro One participated in a more recent version of the study? If so, please provide the most recent version and identify the company code for Hydro One.

C. Outcomes, Scorecard, and Incentives

18-SEC-29
[B1-1-1, DSP Section 1.4] p.29-43] The performance measures contained in Table 16 include a number of measures not included on the proposed OEB Scorecard (p.3). Please provide a single table that shows all performance measures with actual performance from 2011-2016, and targets for 2017-2022.

18-SEC-30
[B1-1-1, DSP Section 1.4, p.3] With respect to the OEB Scorecard, please revise the scorecard to include:

a. 'Targets' for 2019 through to 2022.
b. 2011-2016 actual data for Vegetation management – Gross Cyclical Cost per km.

18-SEC-31
[B1-1-1, DSP Section 1.4, p.13] For each of the outcome measures provided in Table 9, please provide the targets for 2014-2016 that Hydro One provided in EB-2013-0416. For any target not achieved, please provide an explanation.

21-SEC-32
[http://www.marketwired.com/press-release/hydro-one-acquire-avista-create-growing-north-american-utility-leader-with-c312-billion-tsx-h-2226861.htm] The press release announcing Hydro One Inc.'s acquisition of Avista states that one of the highlights of the transaction will be, "[e]fficiencies through enhanced scale, innovation, shared IT systems and increased purchasing power provides cost savings for customers and better customer service, complementing both organizations' commitment to excellence." Please detail and quantify the efficiency savings that Hydro One will realize between 2018 and 2022 because of the transaction. Please provide copies of any internal memorandum, studies or analysis undertaken, outlining these savings.

21-SEC-33
[EB-2013-0416, Exhibit I, Tab 2.03, Schedule 6 VECC 42, p.2] With respect to the productivity forecasts in EB-2013-0416:

a. Please complete the shaded areas on the attached table to show for each productivity initiative the actual annual savings achieved in each year between 2014 and 2016, and any revised forecast savings for each year between 2017 and 2019.
b. Please explain any material variances from between actuals and EB-2013-0416 forecasts, and any revised forecasts and EB-2013-0416 forecasts

23-SEC-34
[B1-1-1, DSP Section 1.3] Does Hydro One still have a Customer Advisory Board? If so, please provide notes of all meetings from the past two years and what information from those meetings did Hydro One use in developing this application?

23-SEC-35
[B1-1-1, DSP Section 1.3, Attach 1] With respect to the Ipsos Distribution Customer Engagement Report:

a. Please provide a copy of the retainer and/or contract between Hydro One and Ipsos.
b. Please provide a copy of the terms of reference and work plan.

D. Distribution System Plan

24-SEC-36
[EB-2016-0160, J8.1, Attachment 1-2] Please provide a detailed chronology of material events in Hydro One's distribution planning process for the capital plan included in this application similar as to provide in Undertaking J8.1 in EB-2016-0160.

24-SEC-37
[B1-1-1, DSP Section 1.4, Table 8-15] Please provide revised versions of Tables 8 through 15 that include 2017 actual reliability information.

24-SEC-38
[B1-1-1, DSP Section 3.2, Tables 54-55] Please provide revised versions of Tables 54 and 55 by adding a column under the 2017 heading showing 2017 actuals.

24-SEC-39
[B1-1-1, DSP] Please provide a list of <u>measurable</u> outcomes that Hydro One forecasts its customers will receive as a result of the incremental investments it has proposed.

24-SEC-40
[B1-1-1, Section 1.1, p.20] Please provide copies of materials provided to participants for each of the three investment planning training segments.

24-SEC-41
[B1-1-1, DSP Section 2.1, p.27] With respect to Hydro One's candidate capital investment prioritization criteria weighting score, please explain the relevance of including archiving and maintaining employee engagement. Please use examples to illustrate Hydro One's answer.

24-SEC-42
[B1] Please complete the shaded cells in the attached excel spreadsheet.

24-SEC-43
[B1-1-1, DSP Section 2.3] For each major asset and asset type, please provide how many there are, and a breakdown of their condition. For example, please provide the number of oil reclosers in Hydro One's distribution system, and how many are in excellent, very good, good, poor, and very poor condition.

24-SEC-44
[B1-1-1, DSP Section 2.3] For each asset type, please provide a table showing the number of assets in each condition risk/assessment category.

24-SEC-45
[B1-1-1, DSP Section 2.3, p.1] Has Hydro One's asset strategy changed since its EB-2013-0416 application? If so, please explain the changes and their rationale.

24-SEC-46
[B1-1-2, p.3] With respect to the AESI, 'Hydro One Network Inc. Distribution System Plan Review':

a. Did Hydro One undertake a RFP process to select AESI to undertake this review? If so, please provide a copy of the RFP. If not, please explain how AESI was selected.
b. Please provide the terms of reference for the review.
c. Please provide a copy of all information AESI reviewed that is not already contained in the pre-filed evidence.
d. [p.4] Please explain what AESI means by "positioning".
e. [p.4] The review states: "AESI provided Hydro One with numerous other points of clarification and suggestions. Hydro One stated that it appreciated AESI's points and suggestions. Hydro One provided AESI with comments on all these points. In some cases Hydro One did not heed to the comments but explained their rationale and appreciated that

they would be of assistance in more thoroughly preparing for interrogatories during the process". Please provide a copy of all the referenced AESI comments and suggestions, as well as Hydro One's responses.

24-SEC-47
[B1-2-1, p.12] For each year between 2014 and 2022, please provide the percentage of capital spending that is undertaken by third-parties. Please also breakdown which activities they undertaken and which category of spending they fall under.

25-SEC-48
[B1-1-1, DSP Section 1.4, Attach 1] With Respect to the Productivity Reporting Governance Document:

a. The document is dated February 17th 2017. What is the status of the implementation of the deliverables (p.4) and the Productivity strategy each line of business is required to develop (p.3)?
b. For the purposes of this document, what is meant by "Lines of Business"?
c. Are the Productivity strategies that each line of business (p.3) is required to develop part of the 2018-2022 budgets that underlies this application?
d. For each material line of business, please provide a copy of their Productivity strategy (p.3).

25-SEC-49
[B1-1-1, DSP Section 1.5, p.2] For each initiative set out in Table 17, please provide a detailed explanation of the derivation of the productivity savings forecast.

26-SEC-50
[B1-1-1, DSP Section 2.1, p.12] Please explain how Hydro One takes into consideration the trade-off between replacing or refurnishing an asset, and undertaking maintenance activities for the asset.

28-SEC-51
[B1-1-1, Section 1.2, p.7] With respect to the Regional Planning process:

a. Please provide a list of all Hydro One capital projects that are either driven by or an output of the regional planning process. For each, please provide a description, the regional plan it relates to, the total capital cost, and its in-service-date.
b. For any projects listed in part (a) that require a capital contribution from another local distribution company ("LDC"), please identify the projects, the amount of the capital contribution(s) Hydro One expects to receive and from whom, and the basis for the allocation of costs between Hydro One and the LDCs making the contribution.
c. Please provide a list of all capital contributions that Hydro One is making to Hydro One transmission, another transmitter, or an LDC.
d. For each project provided in response to part (c), please identify i) the project, ii) the regional plan it relates to, iii) the total capital cost, iv) the amount of the capital contribution, v) the projects' in-service date, vi) the date for rate purposes that Hydro One is seeking to add the capital contribution to rate base, and vii) the basis for the allocation of costs between Hydro One and any other entity.
e. Please discuss how the response to part (b) and (c) would differ if the Board approved as proposed amendments to the Transmission System Code and Distribution System Code as set out in the Notice of Proposal to Amend A Code, dated September 21 2017 (EB-2016-0003).

29-SEC-52
[B1] Please complete the shaded cells in the attached excel spreadsheet, providing the number of assets/ projects completed between 2015 and 2017, and forecasts to be completed between 2018-2022, on the same basis as provided in EB-2013-0416. Please explain all material variances from what was provided in the EB-2013-0416 evidence.

29-SEC-53
[B1-1-1, DSP Section 3.8] SEC is seeking to understand the full business cases that underlies the capital projects discussed the various Investment Summary Documents. SEC has randomly selected a set of capital projects instead of asking for every business case For each of the following capital projects, please the full internal business case:

	ISD	Program	Project
1	S-01	Transformer Replacements	Blind River DS - T1
2	S-01	Transformer Replacements	Young Jet RS - R1
3	S-03	Spill Containment	Little Britain DS
4	S-03	Spill Containment	Reach Road RS
5	S-05	Recloser Upgrades	Exeter Rosemount DS - F3
6	S-05	Recloser Upgrades	Brighton Pinnacle DS - F2
7	S-07	Station Refurbishments	Black Corners DS
8	S-07	Station Refurbishments	Madoc Madawaska DS
9	S-07	Station Refurbishments	Punkidoodles Corners DS
10	S-12	Lines Sustainment Initiatives	Havelock TS 57M2 Relocation Phase 1 of 2
11	S-12	Lines Sustainment Initiatives	Flynn's Corners DS F3 Phase 1 of 2
12	D-02	System Upgrades Driven by Load Growth	Arnprior Elgin DS Upgrades
13	D-02	System Upgrades Driven by Load Growth	Goodfish DS Voltage Conversion
14	D-05	Asset Life Cycle Optimization and Operational Efficiency	Grand Bend Municipal DS F3 Voltage Conversion
15	D-05	Asset Life Cycle Optimization and Operational Efficiency	Eugenia RS Relocation
16	D-06	Reliability Improvements	Orangeville TS Tie Line
17	D-06	Reliability Improvements	Armitage TS M34 Line Extension
18	C-05	Security Infrastructure	Seagrave DS
19	C-05	Security Infrastructure	Glenarm DS

29-SEC-54
[B1-1-1, DSP Section 1.4, p.6] Please explain why Hydro One's target Pole Replacement – Cost Per Pole metric is increasing in 2017 and 2018.

29-SEC-55
[B1-1-1, DSP Section 2.1] Please update Table 31 with the most recent HIS Global Insight forecast data.

29-SEC-56
[EB-2013-0416, D2-2-2] Please provide a similar schedule to show actuals for 2015 and 2016 capital spending and 2017 forecast capital spending, for each capital expenditure program/project.

29-SEC-57
[B1-1-1, DSP Section 3.8, SS-01] The Investment Summary Document for the Remote Disconnection/Reconnection Program states that one of the benefits will be achieving operational efficiencies. Please provide a copy of the business case for this program and the calculation of the approximately $4.5M in annual cost savings identified.

29-SEC-58
[B1-1-1, DSP Section 3.8, GP-01, p.3] For each of the various fleet requirement types included on Table 1, please provide the total number of units Hydro One currently has.

29-SEC-59
[B1-1-1, DSP Section 3.8, GP-02, p.5-6] Please explain how Hydro One derived the forecast cost for the Real Estate Field Facilities Capital.

29-SEC-60
[B1-1-1, DSP Section 3.8, GP-16, p.5] Please explain how Hydro One derived the forecast cost for the Customer Self-Service Technology program.

29-SEC-61
[B1-1-1, DSP 3.8, GP-18] With respect to the Integrated System Operations Centre:

a. [EB-2013-0416, Ex. D2-2-3-O-04] In EB-2013-0416, Hydro One sought approval for expenditures related for a Back-Up Control Centre at a cost of $18.8M. The current Integrated System Operations Centre appears to be a project of similar scope and is forecast to cost $56.4M. Please explain the evolution of the project and the significant increase in cost.
b. Please provide a copy of the full business case for the project.
c. Please provide a copy of the 'extensive Market Assessment" that selected the Orillia site.
d. Please confirm that this facility is the 'advanced technology hub' that has been referenced in local Orillia media (for example: http://www.orilliapacket.com/2016/08/15/orillia-sells-opdc-to-hydro-one-for-2635m].

29-SEC-62
[B1-1, DSP 3.8, GP-29] With respect to the Customer Service Billing Investments:

a. Please provide a cost breakdown of the proposed $15M investment.
b. [p.1] The evidence states "[a]s a result, Hydro One is introducing a redesigned bill in 2017. Additional capital funding will be required in 2022 to introduce further enhancements to ensure customers remain satisfied and understand their bill". Please explain what additional enhancements Hydro One plans to make to its bill in 2022 and why they were not made in 2017.
c. Please provide any research summaries or reports Hydro One undertook for its 2017 bill redesign.

29-SEC-63
[B1-1-1, Appendix A] Please expand Tables 8-10 to include planned spending in the 2021 and 2022 test year in each of the Acquired Utilities' (Haldimand County Hydro, Norfolk Power Distribution, and Woodstock Hydro Services) service territories.

29-SEC-64
[B1-1-1, Appendix A] For each of the Acquired Utilities (Haldimand County Hydro, Norfolk Power Distribution, and Woodstock Hydro Services), please expand Tables 8-10, to show planned spending in each historic year (as set out in previous filed DSPs) and actuals. Please explain any variance +/- 5%.

29-SEC-65
[B1] Please provide a chart that shows for each material capital project undertaken between 2015 and

2017, its original forecasted cost to be incurred in 2015-2017 and its actual cost. Please provide an explanation for all variances +/- 5%

33-SEC-66
[D1-1-2, p.1] Please explain how Hydro One forecasts its in-service additions.

33-SEC-67
[D1] Please provide an update to the following tables and appendices to reflect 2017 actuals:

a. [D1-1-1] Tables 1-4
b. Appendix 2-BA

E. Rate Base & Cost of Capital

34-SEC-68
[D1-1-3] Please provide all impacts on the working capital requirements of Hydro One as a result of the implementation of the Fair Hydro Plan

F. Operations, Maintenance & Administration Costs

38-SEC-69
[C-1] For each of the following tables, please add a column, showing 2017 actuals to the end of Q3.

a. C1-1-1, p.2, Table 1
b. C1-1-2, p.29, Table 5

38-SEC-70
[C1] Please provide revised versions of the following tables by adding a column under the 2017 heading showing 2017 actuals:

a. [C1-1-1] Tables 1
b. [C1-1-2] Tables 1-5
c. [C1-1-3] Table 1
d. [C1-1-4] Table 1
e. [C1-1-5] Table 1
f. [C1-1-5] Table 2
g. [C1-1-6] Tables 1-4
h. [C1-1-7] Tables 1-2

38-SEC-71
[C1-1-2, p.27-30] With respect to vegetation management sustaining OM&A:

a. [C1-1-2, p.29] Please explain the variance between approved and actual/forecast vegetation management sustaining OM&A in each year between 2015 and 2017.
b. [p.29] Based on the new ‘Cycle Clearing’ And ‘Tactical Maintenance”, please recast the 2014 to 2016 actual and approved amounts into those two new categories.
c. [p.29] For each year between 2014 and 2018, please provide the number of kilometers of vegetation completed. Please break the amount done by former categories of line clearing and brush control, as well as the new categories of cycle clearing and tactical maintenance.

d. Please provide details regarding the length of Hydro One's vegetation management cycle. Please explain how that has changed over the last 10 years, and please explain how it may or may not change during the proposed 2018-2022 term.
e. Please complete the attached excel spreadsheet, and return in the same format.

38-SEC-72
[C1-1-3, p.2] Please explain the variance between approved and actual/forecast Research Development and Demonstration development OM&A in each year between 2015 and 2017.

38-SEC-73
[C1-1-5, p.8] Please provide a revised forecast of Hydro One's 2018 bad debt costs as a result of the implementation of the Fair Hydro Plan. Please explain any changes made.

38-SEC-74
[Presentation Day Transcript, p.40] During the Executive Presentation, Hydro One stated that it offers a service guarantee and if it is not met, it credits the customer $75.

a. Please provide full details of this program.
b. Please confirm if it is seeking to recover the amount from ratepayers. If confirmed, please explain why this is appropriate.
c. Please provide the amount built into the proposed test period budget.
d. Please comment on the legality of such a credit absent an order pursuant to section 78 and inclusion on Hydro One's tariff sheet.

40-SEC-75
[C1-2-1, p.2] Please provide a copy of any formal Hydro One document describing the 'People Strategy".

40-SEC-76
[C1-2-1, p.6] With respect to retirement eligibility and retirements, please:

a. Provide Figure 1 information in a table format.
b. Explain the significant difference between the number of employees eligible to retire in each year between 2014 and 2016, and the forecast number of employees eligible to retire in EB-2013-0416 for the same 2014-2016 period (EB-2013-0416, C1-3-1, p.2, Table 2).
c. Provide a similar table as requested in part (a), forecasting retirement eligibility and retirements for 2017 to 2022.

40-SEC-77
[C1-2-1, p.9] Please expand Table 1 to include FTE information from 2014 to 2016.

40-SEC-78
[C1-2, p.19] With respect to the Long Term Incentive Program ("LTIP"), please:

a. Provide a copy of the details of the LTIP that are provided to participants.
b. Provide details regarding the individual metrics and/or targets that are used and the basis for using them.
c. Explain how the LTIP aligns with the interest of Hydro One's ratepayers.
d. Explain how the LTIP aligns with the objectives under the Renewed Regulatory Framework for Electricity.

40-SEC-79
[C1-02-0, Attachment 8, p.3] With respect to Hydro One's employee vacancy rate:

a. Please provide Hydro One's actual vacancy rate for each year between 2014 and 2017.
b. Please provide the forecast vacancy rate for 2018, and the basis for the forecast.
c. Please confirm that Hydro One has built into its budget for 2018 its forecast vacancy rate for 2018.
d. If (c) is confirmed, please explain how Hydro One has translated the forecast vacancy rate into a budgeted number.
e. If (c) is not, please explain why not.

40-SEC-80
[C1-2-1, p.29] Hydro One's current collective agreements with the PWU, the Society, and the CUSW, expire before the end of the test period.

a. Please provide the dates that each of the current collective agreements expire.
b. Please provide the assumptions Hydro One is making for the purposes of the proposed test period budget, regarding the outcome of any further collective agreements for the period after their respective expiry dates and the end of the test period (December 31st 2022).

40-SEC-81
[C1-2-1] Please provide the number of employees in each of 2015, 2016 and 2017 that would have appeared on the Ontario Government's Public Sector Salary Disclosure list (i.e. Sunshine List) if it had still applied to Hydro One. Please also provide the number of employees in 2015, 2016 and 2017 that would have had salaries at or over $200,000.

40-SEC-82
[Hydro One Management Information Circular, p.53] Hydro One states: "In 2016, management of Hydro One engaged Willis Towers Watson to perform a variety of advisory services including conducting a risk assessment of its executive compensation program in the context of the Canadian Securities Administrators' (CSA) disclosure rules and reviewing the peer groups that were used for benchmarking compensation in 2015." Please provide a copy of the Willis Towers Watson review of peer groups that Hydro One used for benchmarking.

40-SEC-83
[C1-2-1, Attachment 5] With respect to the Mercer Compensation Cost Benchmarking Study:

a. Please provide an estimate of the dollar difference between the weighted average total compensation for Hydro One's employees allocated to its distribution business and the P50 median used in the study. Please provide the amount in 2016 (the year the study was completed) and for the 2018 test year. Please provide a step-by-step explanation of how the estimate was reached.
b. Please provide a list of all types of compensation (i.e. salary, overtime, share grant, LTIP, etc.) that were paid in 2016 that: i) were included in the study, and ii) were not included in the study.
c. Are there any additional types of compensation that will be paid in 2018 that were not in 2016?
d. Did Hydro One undertake a RFP process to select Mercer to undertake Compensation Cost Benchmarking Study? If so, please provide a copy of the RFP. If not, please explain how Mercer was selected.

40-SEC-84
[EB-2016-0160, Decision and Order] If the Board applied the same methodology as it applied to Hydro One's Transmission compensation cost reduction, what would be the annual reduction to distribution compensation costs? Please provide a step-by-step breakdown of the calculation.

40-SEC-85
[C1-02-01, Attachment 8, p.2-3] Please provide a revised version of the Tables on p.2-3 to show 2017 actuals. Please also provide those tables in excel format.

43-SEC-86
[C1] For each year between 2014 and 2022, please provide the percentage of OM&A that is undertaken by third-parties. Please also breakdown which activities they undertaken and which category of spending they fall under.

G. Revenue Requirement

45-SEC-87
[H1-2-3, p.102] With respect to the Pole Attachment Charge:

a. Please confirm that Hydro One enters into a standard 'Agreement for Licensed Occupancy of Power Utility Distribution Poles' with third-party telecommunication attachers. If confirmed, please provide a copy of the agreement.
b. Please confirm that the Agreement states that "line clearing" costs have been included into the Pole Attachment Charge.
c. Please confirm that Hydro One's currently approved and proposed Pole Attachment Charge does not include any line clearing or other vegetation management costs.

I. Cost Allocation and Rate Design

52-SEC-88
[H1-1-1, p.2, Table 1] Hydro One has updated the requested revenue requirement in its Exhibit Q1 update filed in December 2017. Please provide a revised table showing the requested rates it is seeking approval for each year.

52-SEC-89
If the Board approves the application as filed, and renders a decision that allows for implementation of rates by October 1, 2018, but effective January 1, 2018, please provide Hydro One's proposal for how it will implement a foregone revenue rate rider. Please forecast that the specific rider amounts for each rate class and their durations.

56-SEC-90
[A-7-1, p.2] Attached as Schedule **1** to these interrogatories is a table from page 4 of the Final Argument of the Hydro One in EB-2016-0276 dated May 5, 2017. This table sets out the Hydro One's claimed savings at that time for the Woodstock, Norfolk and Haldimand service territories as a result of consolidation. With respect to these figures:

a. Please confirm that this table represents the Hydro One's current forecasts of OM&A and capital costs and savings for the three acquired service territories.
b. Please confirm that the OM&A cost to serve the Woodstock customers in 2021 is forecast to be $2.2 million, and the OM&A cost to serve the Norfolk and Haldimand customers in 2021 is forecast to be $8.5 million.

c. Please confirm that from 2015 to 2020 inclusive, the Hydro One expects to have saved $2.2 million in capital additions in the Woodstock service territory relative to status quo. Please estimate the rate base impact of those savings as of January 1, 2021. Please confirm that those savings have been reflected in the rate base transferred into the Hydro One rate base on January 1, 2021.
d. Please confirm that from 2015 to 2020 inclusive, the Hydro One expects to have saved $23.5 million in capital additions in the Norfolk and Haldimand service territories relative to status quo. Please estimate the rate base impact of those savings as of January 1, 2021. Please confirm that those savings have been reflected in the rate base transferred into the Hydro One rate base on January 1, 2021.
e. Please confirm that, in the 2021 cost allocation model filed with the current Application, the Hydro One allocated $18.1 million of OM&A to the Acquired rate classes, and an additional amount to the four existing Hydro One rate classes into which customers of the Acquired territories are proposed to be added (Street Lights, Sentinel Lights, USL, and Subtransmission – collectively referred to as the "Combined Classes"). Please estimate the amount of OM&A allocated in the original 2021 cost allocation model to the Combined Classes attributable to the customers of the Acquired utilities. Please reconcile the estimate of $10.7 million of OM&A in 2021 with the allocated total of $18.1 plus this additional estimate.
f. Please confirm that, in the 2021 cost allocation model filed with the current Application, the Hydro One allocated $366.3 million in rate base to the Acquired rate classes, and an additional amount to the Combined Classes for the customers of the Acquired utilities. Please estimate the amount of rate base allocated in the original 2021 cost allocation model to the Combined Classes attributable to the customers of the Acquired utilities.

56-SEC-91
[A-7-1,p.4] Please provide a list of all acquisition costs associate with the three Acquired utilities, with a detailed breakdown by category.

56-SEC-92
[A-7-1,p.11] Please provide a breakdown of each of the $151.1 million of fixed assets referred to and the $14.9 million of working capital referred to, disaggregated between Woodstock, Norfolk and Haldimand. Please advise any updates to these amounts resulting from the evidence update in December.

56-SEC-93
[G1-1-1,p.2] Please confirm that none of the Acquired utilities had customers in the Large User class when they were acquired. Please confirm that the customers being transferred to the ST class were formerly in the GS>50 kW classes of the three acquired utilities. Please provide the aggregate billing determinants expected in 2021 for the customers in each of those classes.

56-SEC-94
[G1-1-1,p.2; G1-2-1,p.8] Please provide a breakdown (consistent with the 2021 cost allocation model) of the costs and rate base allocated to the Combined Classes as a result of the addition to those classes of the 476 customers from the Acquired utilities.

56-SEC-95
[G1-2-1,p.3; H1-1-1,p.2] With respect to future changes to the six new Acquired rate classes:

a. Please provide all memos, presentations, emails, reports, and other documentation that refers to any plans or proposals or options (whether or not proposed in this Application) to reduce the number of rate classes from the current proposed 20 classes to some lesser number.

b. Please explain the rationale for maintaining over the longer term the substantial differences between (and include in (a) above any documentation related to that rationale):
    i. the bills for customers in the UR class and the bills for customers in the AUR class;
    ii. the bills for customers in the R1 class and the bills for customers in the AR class;
    iii. the bills for customers in the UGe class and the bills for customers in the AUGe class;
    iv. the bills for customers in the GSe class and the bills for customers in the AGSe class;
    v. the bills for customers in the UGd class and the bills for customers in the AUGd class;
    vi. the bills for customers in the GSd class and the bills for customers in the AGSd class;

56-SEC-96
[G1-3-1] Attached to these interrogatories as Schedule 2 is a breakdown of the costs and rate base allocated to the six new Acquired classes in the cost allocation model filed in December (the "December CAM"), plus additional comparisons as set forth below. With respect to the allocations to the customers of the Acquired Utilities:

a. Please confirm that the figures in lines 1-4, 9-11, 13, and 16-19 accurately reflect the amounts in the December CAM allocated to these rate classes.
b. Please confirm that the figures in line 23 are a reasonable estimate of the costs allocated to the Combined Classes for 2021, or alternatively replace those estimates with the Hydro One's estimates.
c. With respect to the OM&A allocations:
    i. Please explain why the estimated OM&A costs to serve the Woodstock customers in 2021 are $2.2 million, but the allocated costs are $3.9 million.
    ii. Please explain why the estimated OM&A costs to serve the Norfolk and Haldimand customers in 2021 are $8.5 million, but the allocated costs are $11.9 million.
    iii. Please confirm that the 2021 OM&A savings of $9.0 million claimed in EB-2016-0276 were in fact not correct, and that the correct figure should be $3.9 million less the OM&A amounts allocated to the Combined Classes. Please estimate that figure.
d. With respect to the rate base allocations:
    i. Please advise the correct allocation in line 12 of the $166.0 million in transferred ate base from A/7/1, p. 11 as between the Woodstock classes and the Norfolk/Haldimand classes. Please advise the amount of that $166.0 of rate base that is reasonably allocable to the Combined Classes.
    ii. Please advise the amount of depreciation in 2021 reasonably attributable to the $151.1 million of net fixed assets transferred on January 1, 2021, and provide a breakdown by rate class. Please compare these amounts to the amounts allocated, and provide an explanation of the higher allocation.
    iii. Please advise the amount of interest in 2021 reasonably attributable to the $166.0 million of rate base transferred on January 1, 2021, and provide a breakdown by rate class. Please compare these amounts to the amounts allocated, and provide an explanation of the higher allocation.
    iv. Please advise the amount of ROE/net income in 2021 reasonably attributable to the $166.0 million of rate base transferred on January 1, 2021, and provide a breakdown by rate class. Please compare these amounts to the amounts allocated, and provide an explanation of the higher allocation.
    v. Please advise the amount of PILs in 2021 reasonably attributable to the $166.0 million of rate base transferred on January 1, 2021, and provide a breakdown by rate class. Please compare these amounts to the amounts allocated, and provide an explanation of the higher allocation.

e. With respect to the cost savings claimed:
    i. Please confirm that the actual revenues of the three Acquired Utilities in 2014, prior to the transfer to the Hydro One, totalled $33.7 million.
    ii. Please confirm that, to get to the total cost to serve these customers in 2021, $41.9 million, the Acquired revenue requirement would have had to increase by 24.6%, a compound annual growth rate of 3.2% per year. Please confirm that, had those utilities kept their increases to an amount equal to or less than that, no cost savings would have occurred.

56-SEC-97

[Q-1-1, p.15-25] SEC seeks to understand how the changes to cost allocation from the March filing to the December filing affect the customers of the Acquired Utilities. Attached to these interrogatories as Schedule 3 is a table showing a comparison of the allocation of costs and rate base to the six new Acquired rate classes. With respect to this comparison:

a. With respect to the AUR and AR classes, please identify and quantify the causes of the changes in allocated costs for OM&A, depreciation and PILs. In the case of PILs, please explain why the ROE goes down while the PILs goes up.
b. With respect to the AUGe and AGe classes, please identify and quantify the causes of the changes in allocated costs for OM&A, depreciation and PILs. In the case of depreciation and cost of capital, please explain why the depreciation and cost of capital allocations change much more than the allocated rate base. Please explain why the overall reductions in allocation for AUGe are so much more than the overall reductions in allocation for AGe.
c. With respect to the AUGd and AGd classes, please identify and quantify the causes of the changes in allocated costs for OM&A, depreciation and PILs. In the case of depreciation and cost of capital, please explain why the depreciation and cost of capital allocations change much more than the allocated rate base. Please explain why the overall reductions in allocation for AUGd are so much more than the overall reductions in allocation for AGd.
d. Please provide all memos, presentations, emails, reports, and other documentation between March and December that refer to any plans or proposals or options (whether or not proposed in this Application) for changes in the allocations to the six new classes created for the customers of the Acquired Utilities.
e. Please provide all memos, presentations, emails, reports, and other documentation between March and December that refer to any relationship or potential relationship between changes to cost allocation for the Acquired customers and the EB-2016-0276 case.

56-SEC-98

[H1-5-1] SEC seeks to understand how changes to loss factors will affect the customers of the Acquired Utilities.

a. With respect to the Woodstock customers:
    i. Please confirm that the 2014 loss factor for Woodstock was 1.0286, and the loss factor proposed for 2021 is 1.0431.
    ii. Please provide the detailed calculation of the 1.0431 loss factor.
    iii. Please provide a detailed calculation by rate class of the increase in the bills of the Woodstock customers as a result of the proposed increase in the loss factors.
b. With respect to the Norfolk customers:
    i. Please confirm that the 2014 loss factor for Norfolk was 1.0592, and the loss factor proposed for 2021 is 1.0564.
    ii. Please provide the detailed calculation of the 1.0564 loss factor.

iii. Please provide a detailed calculation by rate class of the decrease in the bills of the Norfolk customers as a result of the proposed increase in the loss factors.

c. With respect to the Haldimand customers:
    i. Please confirm that the 2014 loss factor for Haldimand was 1.0569, and the loss factor proposed for 2021 is 1.0655.
    ii. Please provide the detailed calculation of the 1.0655 loss factor.
    iii. Please provide a detailed calculation by rate class of the increase in the bills of the Haldimand customers as a result of the proposed increase in the loss factors
d. With respect to the customers of the Acquired Utilities in the Combined Classes, please provide a calculation showing the impact on their bills, by rate class, arising out of the use of the Hydro One's existing loss factors for those customers.
e. Please provide all memos, presentations, emails, reports, and other documentation that refers to any plans or proposals or options (whether or not proposed in this Application) to apply the existing loss factors of the Hydro One at any time in the future to the six new classes created for the customers of the Acquired Utilities.

56-SEC-99

[Q-1-1, p.20-25] With respect to the proposed rate increases for the Acquired customers:

a. Please provide the full calculations behind Table 12 on page 22 and Table 13 on page 24, in live Excel format.
b. Please provide all supporting information related to any assumptions made.
c. To the extent that any of the assumptions are different from the assumptions contained in the Affidavit of Joanne Richardson dated November 1, 2017, filed by the Hydro One in EB-2017-0320, please provide details of and rationale for those changes in assumptions.
d. Please confirm that, based on Table 12, the Hydro One is proposing the following 2021 rate increases for the customers in the six new rate classes for the Acquired customers:

Woodstock	***2014***	***2021***	***Increase***	***Percent***
Residential	$29.97	$30.78	$0.81	2.70%
GS<50	$57.43	$61.22	$3.79	6.60%
GS>50	$461.41	$795.26	$333.85	72.35%

Norfolk	***2014***	***2021***	***Increase***	***Percent***
Residential	$38.78	$37.70	-$1.08	-2.78%
GS<50	$86.73	$74.05	-$12.68	-14.62%
GS>50	$780.99	$980.44	$199.45	25.54%

Haldimand	***2014***	***2021***	***Increase***	***Percent***
Residential	$35.46	$37.70	$2.24	6.32%
GS<50	$63.94	$74.05	$10.11	15.81%
GS>50	$741.13	$893.84	$152.71	20.61%

e. Please restate the above table using the average billing determinants for each class as of the most recent information available to the Hydro One.
f. In addition, please restate the above table to compare the forecast distribution bills in 2020 with the proposed distribution bills for 2021, and calculate the one year increases and percentages.

56-SEC-100
[Q-1-1,p.22] SEC would like to better understand the appropriate assumptions for escalation of the rates of the Acquired Utilities in comparison with the Hydro One's proposed 2021 rates. Attached to these interrogatories as Schedule 4 is a list of all cost of service applications from 2014 to 2017 on which the Board has made a determination, in each case calculating the weighted average rate adjustment allowed by the Board. With respect to the Board's rate adjustments over that period:

a. Please confirm the Hydro One's agreement that the methodology used appropriately shows the weighted average rate increases allowed, and that the table is complete and accurate to the best of the Hydro One's knowledge. If not confirmed, please explain how the Hydro One thinks this table should be changed to be more appropriate.
b. Please confirm that it is more appropriate to use the weighted average rate increase for the utilities other than the large utilities in estimating the escalation of rate of the former Acquired Utilities. If not confirmed, please explain why.
c. Please compare the COS rate increases shown in this table to the COS rate increases used in the Hydro One's assumptions in Table 12, and explain and quantify the differences.

56-SEC-101
[H1-1-1,p.30] With respect to the allocation of IESO transmission charges by rate class:

a. Please confirm that Table 14 remains current after the December update. If there are any changes based on newer information, please provide an updated table.
b. Please confirm that the Hydro One is allocating $10,483.986 of the forecast 2021 IESO charges to the six Acquired rate classes.
c. Please advise the actual IESO transmission charges by rate class for each of Woodstock, Norfolk and Haldimand in 2014.

Respectfully submitted on behalf of the School Energy Coalition this January 23rd, 2018.

Original signed by

Mark Rubenstein
Counsel for the School Energy Coalition

Schedule 1

Table 1 - Total Savings From Consolidation ($M)

NPDI

		2015	2016	2017	2018	2019	2020	2021	2022
OMA	Status Quo	5.8	5.9	6.0	6.1	6.2	6.2	6.2	6.2
	Actual + Forecast	5.9	2.8	3.1	3.1	3.1	3.2	3.2	3.3
	$ Savings	(0.1)	3.1	2.9	3.0	3.1	3.0	3.0	2.9
Capital	Status Quo	4.7	4.6	4.4	4.5	4.6	4.6	4.6	4.6
	Actual + Forecast	2.1	2.4	2.6	2.1	2.1	2.1	2.1	2.1
	$ Savings	2.6	2.2	1.8	2.4	2.5	2.5	2.5	2.5

HCHI

		2015	2016	2017	2018	2019	2020	2021	2022
OMA	Status Quo	8.2	8.3	8.5	8.6	8.8	8.9	9.1	9.3
	Actual + Forecast	7.7	6.0	5.0	5.1	5.2	5.2	5.3	5.4
	$ Savings	0.5	2.3	3.5	3.5	3.6	3.7	3.8	3.9
Capital	Status Quo	6.4	6.1	5.4	5.6	5.3	5.4	5.5	5.5
	Actual + Forecast	6.9	3.1	3.4	3.4	3.9	4.0	4.0	4.0
	$ Savings	(0.5)	3.0	2.0	2.2	1.4	1.4	1.5	1.5

WHSI

		2015	2016	2017	2018	2019	2020	2021	2022
OMA	Status Quo	3.9	4.6	4.0	4.1	4.2	4.3	4.4	4.8
	Actual + Forecast	4.2	3.8	2.1	2.1	2.1	2.2	2.2	2.2
	$ Savings	(0.3)	0.8	1.9	2.0	2.1	2.1	2.2	2.6
Capital	Status Quo	2.4	2.5	2.5	2.6	2.6	2.7	2.8	2.8
	Actual + Forecast	2.2	2.5	2.2	2.3	1.8	2.1	2.1	2.1
	$ Savings	0.2	0.0	0.3	0.3	0.8	0.6	0.7	0.7

TOTAL of HCHI + WHSI + NPDI

TOTAL		2015	2016	2017	2018	2019	2020	2021	2022
OMA	Status Quo	17.9	18.8	18.5	18.8	19.2	19.4	19.7	20.3
	Actual + Forecast	17.8	12.6	10.2	10.3	10.4	10.6	10.7	10.8
	$ Savings	0.1	6.2	8.3	8.5	8.8	8.8	9.0	9.5
Capital	Status Quo	13.5	13.2	12.3	12.7	12.5	12.7	12.9	12.9
	Actual + Forecast	11.2	8.0	8.2	7.8	7.8	8.2	8.2	8.2
	$ Savings	2.3	5.2	4.1	4.9	4.7	4.5	4.7	4.7
Total OMA Savings		**0.1**	**6.2**	**8.3**	**8.5**	**8.8**	**8.8**	**9.0**	**9.5**
Total Capital Savings		**2.3**	**5.2**	**4.1**	**4.9**	**4.7**	**4.5**	**4.7**	**4.7**
Total Capital and OM&A Savings		**2.4**	**11.4**	**12.4**	**13.4**	**13.5**	**13.3**	**13.7**	**14.2**

Source of Table Values for:

OMA — 2015 to 2018 values are sourced from Hydro One Distribution 2018-22 Rate File Application EB-2017-0049, Exhibit A, Tab 7, Schedule 1
The 2019 to 2022 values use the 2018 values as the base and inflate by 1.3% annually

Capital — Hydro One Distribution 2018-22 Rate File Application EB-2017-0049, Exhibit B, Tab 1, Schedule 1, Appendix A

Status Quo - Hydro One MAAD Applications for the Following LDC Acquisitions: sourced from,

Norfolk	EB-EB-2013-0187/0196/0198 -Exhibit I, Tab 02, Schedule 2 - Filed February 10, 2014
Haldimand	EB-2014-0244 - Exhibit A, Tab 2, Schedule 1
Woodstock	EB-2014-0213 - Exhibit A, Tab 2, Schedule 1

Schedule 2

Costs and Rate Base Allocated to Norfolk, Haldimand and Woodstock - 2021

		AUR	AUGe	AUGd	Woodstock	AR	AGe	AGd	Norfolk/ Haldimand	Total Acquired
		a	b	c	d	e	f	g	h	i
	OM&A									
1	Distribution Costs	$1,113,873	$217,669	$231,905	$1,563,446	$3,914,134	$860,710	$760,909	$5,535,752	$7,099,199
2	Customer Related Costs	$990,150	$155,982	$49,672	$1,195,805	$2,529,476	$486,762	$109,147	$3,125,384	$4,321,189
3	General and Administration	$767,634	$139,189	$197,548	$1,104,370	$2,368,250	$500,134	$372,797	$3,241,182	$4,345,552
4	Totals	$2,871,657	$512,840	$479,125	$3,863,622	$8,811,860	$1,847,606	$1,242,852	$11,902,318	$15,765,940
5	Forecast (EB-2016-0276)				$2,200,000				$8,500,000	$10,700,000
6	Excess Allocation				$1,663,622				$3,402,318	$5,065,940
7	Status Quo (EB-2016-0276)				$4,400,000				$15,300,000	$19,700,000
8	Revised Cost Savings				$536,378				$3,397,682	$3,934,060
	Rate Base									
9	Net Plant	$49,835,251	$18,124,521	$37,945,941	$105,905,713	$141,805,500	$34,693,126	$65,024,822	$241,523,448	$347,429,161
10	Working Capital	$1,536,699	$651,895	$2,083,880	$4,272,474	$4,750,287	$1,607,713	$3,446,235	$9,804,236	$14,076,710
11	Total Rate Base	$51,371,950	$18,776,416	$40,029,821	$110,178,187	$146,555,787	$36,300,839	$68,471,057	$251,327,684	$361,505,870
12	A/7/1, p. 11 Rate Base amount				$50,592,758				$115,407,242	$166,000,000
	Depreciation									
13	Cost Alloc. Model	$1,575,648	$491,136	$779,211	$2,845,995	$5,388,124	$1,399,257	$1,822,062	$8,609,443	$11,455,438
14	Equiv. on Lower Rate Base				$1,306,853				$3,953,373	$5,260,226
15	Excess Dep'n Allocation				$1,539,141				$4,656,070	$6,195,211
	Cost of Capital									
16	Interest	$692,133	$184,350	$217,657	$1,094,140	$2,482,724	$627,090	$694,147	$3,803,961	$4,898,101
17	ROE/Net Income	$973,171	$259,205	$306,036	$1,538,412	$3,490,826	$881,718	$976,004	$5,348,548	$6,886,960
18	PILs	$222,906	$59,371	$70,098	$352,375	$799,578	$201,959	$223,555	$1,225,091	$1,577,467
19	Total Cost of Capital	$1,888,210	$502,926	$593,792	$2,984,927	$6,773,127	$1,710,767	$1,893,706	$10,377,600	$13,362,528
20	Equiv. on Lower Rate Base				$1,370,650				$4,765,294	$6,135,944
21	Excess COC Allocation				$1,614,278				$5,612,307	$7,226,584
22	**Subtotal Allocated Costs**	$6,335,515	$1,506,902	$1,852,127	$9,694,544	$20,973,111	$4,957,631	$4,958,620	$30,889,362	$40,583,905
23	**Plus Combined Classes**				$908,217				$450,119	$1,358,337
24	**Total Allocated Costs**				$10,602,761				$31,339,481	$41,942,242
25	**Expected Actual Costs**				$4,877,503				$17,218,667	$22,096,170
26	**Status Quo Actual Costs**				$7,077,503				$24,018,667	$31,096,170
27	**Revenues in 2014**				$8,508,516				$25,143,851	$33,652,367
28	**Escalated to 2021 @ 1.3%**				$9,313,677				$27,523,214	$36,836,890
29	**Excess Costs**				$1,289,084				$3,816,267	$5,105,352

Schedule 3

Costs and Rate Base Allocated to Woodstock - 2021 (Comparison)

		AUR				AUGe				AUGd				Woodstock			
		March	*December*	*Change*	*Percent*	*March*	*December*	*Change*	*Percent*	*March*	*December*	*Change*	*Percent*	*March*	*December*	*Change*	*Percent*
	OM&A																
1	Distribution Costs	$1,289,203	$1,113,873	-$175,331	-13.6%	$325,194	$217,669	-$107,525	-33.1%	$584,761	$231,905	-$352,856	-60.3%	$2,199,159	$1,563,446	-$635,713	-28.9%
2	Customer Related Costs	$999,460	$990,150	-$9,310	-0.9%	$157,535	$155,982	-$1,552	-1.0%	$50,250	$49,672	-$577	-1.1%	$1,207,244	$1,195,805	-$11,439	-0.9%
3	General and Administration	$833,247	$767,634	-$65,613	-7.9%	$179,087	$139,189	-$39,898	-22.3%	$328,276	$197,548	-$130,728	-39.8%	$1,340,610	$1,104,370	-$236,239	-17.6%
4	Total OM&A	$3,121,910	$2,871,657	-$250,253	-8.0%	$661,816	$512,840	-$148,976	-22.5%	$963,287	$479,125	-$484,162	-50.3%	$4,747,013	$3,863,622	-$883,391	-18.6%
	Rate Base																
5	Net Plant	$49,717,089	$49,835,251	$118,162	0.2%	$18,248,037	$18,124,521	-$123,517	-0.7%	$38,586,588	$37,945,941	-$640,647	-1.7%	$106,551,715	$105,905,713	-$646,002	-0.6%
6	Working Capital	$1,554,469	$1,536,699	-$17,770	-1.1%	$662,788	$651,895	-$10,892	-1.6%	$2,119,322	$2,083,880	-$35,441	-1.7%	$4,336,578	$4,272,474	-$64,104	-1.5%
7	Total Rate Base	$51,271,558	$51,371,950	$100,392	0.2%	$18,910,825	$18,776,416	-$134,409	-0.7%	$40,705,910	$40,029,821	-$676,089	-1.7%	$110,888,293	$110,178,187	-$710,106	-0.6%
	Depreciation																
8	Total Allocation	$1,682,865	$1,575,648	-$107,218	-6.4%	$590,782	$491,136	-$99,646	-16.9%	$1,048,079	$779,211	-$268,868	-25.7%	$3,321,726	$2,845,995	-$475,731	-14.3%
	Cost of Capital																
9	Interest	$707,646	$692,133	-$15,514	-2.2%	$220,011	$184,350	-$35,661	-16.2%	$367,894	$217,657	-$150,237	-40.8%	$1,295,552	$1,094,140	-$201,412	-15.5%
10	ROE/Net Income	$998,531	$973,171	-$25,359	-2.5%	$310,449	$259,205	-$51,244	-16.5%	$519,120	$306,036	-$213,083	-41.0%	$1,828,099	$1,538,412	-$289,687	-15.8%
11	PILs	$216,225	$222,906	$6,681	3.1%	$67,226	$59,371	-$7,855	-11.7%	$112,412	$70,098	-$42,314	-37.6%	$395,863	$352,375	-$43,488	-11.0%
12	Total Cost of Capital	$1,922,402	$1,888,210	-$34,192	-1.8%	$597,686	$502,926	-$94,760	-15.9%	$999,426	$593,792	-$405,634	-40.6%	$3,519,514	$2,984,927	-$534,587	-15.2%
13	**Total Allocated Costs**	$6,727,178	$6,335,515	-$391,663	-5.8%	$1,850,284	$1,506,902	-$343,382	-18.6%	$3,010,791	$1,852,127	-$1,158,663	-38.5%	$11,588,252	$9,694,544	-$1,893,709	-16.3%

Costs and Rate Base Allocated to Norfolk and Haldimand - 2021 (Comparison)

		AR				AGe				AGd				Norfolk and Haldimand			
		March	*December*	*Change*	*Percent*	*March*	*December*	*Change*	*Percent*	*March*	*December*	*Change*	*Percent*	*March*	*December*	*Change*	*Percent*
	OM&A																
1	Distribution Costs	$4,389,717	$3,914,134	-$475,584	-10.8%	$984,061	$860,710	-$123,351	-12.5%	$1,205,788	$760,909	-$444,880	-36.9%	$6,579,567	$5,535,752	-$1,043,814	-15.9%
2	Customer Related Costs	$2,553,086	$2,529,476	-$23,611	-0.9%	$491,616	$486,762	-$4,855	-1.0%	$110,215	$109,147	-$1,069	-1.0%	$3,154,918	$3,125,384	-$29,534	-0.9%
3	General and Administration	$2,548,911	$2,368,250	-$180,661	-7.1%	$547,390	$500,134	-$47,256	-8.6%	$537,810	$372,797	-$165,013	-30.7%	$3,634,112	$3,241,182	-$392,930	-10.8%
4	Total OM&A	$9,491,715	$8,811,860	-$679,855	-7.2%	$2,023,068	$1,847,606	-$175,462	-8.7%	$1,853,813	$1,242,852	-$610,961	-33.0%	$13,368,596	$11,902,318	-$1,466,278	-11.0%
	Rate Base																
5	Net Plant	$141,724,760	$141,805,500	$80,740	0.1%	$34,816,912	$34,693,126	-$123,786	-0.4%	$66,005,301	$65,024,822	-$980,480	-1.5%	$242,546,974	$241,523,448	-$1,023,526	-0.4%
6	Working Capital	$4,797,876	$4,750,287	-$47,589	-1.0%	$1,619,540	$1,607,713	-$11,827	-0.7%	$3,489,984	$3,446,235	-$43,748	-1.3%	$9,907,400	$9,804,236	-$103,164	-1.0%
7	Total Rate Base	$146,522,636	$146,555,787	$33,151	0.0%	$36,436,452	$36,300,839	-$135,613	-0.4%	$69,495,285	$68,471,057	-$1,024,228	-1.5%	$252,454,374	$251,327,684	-$1,126,690	-0.4%
	Depreciation																
8	Total Allocation	$5,731,439	$5,388,124	-$343,315	-6.0%	$1,521,280	$1,399,257	-$122,023	-8.0%	$2,151,110	$1,822,062	-$329,048	-15.3%	$9,403,829	$8,609,443	-$794,386	-8.4%
	Cost of Capital																
9	Interest	$2,584,818	$2,482,724	-$102,095	-3.9%	$671,696	$627,090	-$44,606	-6.6%	$880,011	$694,147	-$185,863	-21.1%	$4,136,525	$3,803,961	-$332,564	-8.0%
10	ROE/Net Income	$3,647,330	$3,490,826	-$156,505	-4.3%	$947,802	$881,718	-$66,084	-7.0%	$1,241,747	$976,004	-$265,743	-21.4%	$5,836,879	$5,348,548	-$488,331	-8.4%
11	PILs	$789,806	$799,578	$9,772	1.2%	$205,241	$201,959	-$3,282	-1.6%	$268,892	$223,555	-$45,337	-16.9%	$1,263,939	$1,225,091	-$38,848	-3.1%
12	Total Cost of Capital	$7,021,955	$6,773,127	-$248,828	-3.5%	$1,824,739	$1,710,767	-$113,971	-6.2%	$2,390,650	$1,893,706	-$496,944	-20.8%	$11,237,343	$10,377,600	-$859,743	-7.7%
13	**Total Allocated Costs**	$22,245,109	$20,973,111	-$1,271,998	-5.7%	$5,369,086	$4,957,631	-$411,456	-7.7%	$6,395,573	$4,958,620	-$1,436,953	-22.5%	$34,009,768	$30,889,362	-$3,120,406	-9.2%

Schedule 4

All LDCs Cost of Service Rate Increases 2014-2017				
Board File	***Distributor***	***Deficiency***	***Revenue at Current Rates***	***Rate Increase***
		2017		
EB-2016-0056	Atikokan	$110,755	$1,291,501	8.58%
EB-2016-0058	Brantford	$398,862	$16,700,093	2.39%
EB-2016-0061	Canadian Niagara Power	$1,107,511	$17,732,967	6.25%
EB-2016-0089	Lakefront	-$71,508	$4,331,620	-1.65%
EB-2016-0091	London	$1,185,679	$65,153,409	1.82%
EB-2016-0096	Northern Ontario Wires	$390,087	$3,021,072	12.91%
EB-2015-0003	Powerstream	$33,851,564	$165,649,895	20.44%
EB-2016-0166	Renfrew	$112,000	$1,891,438	5.92%
EB-2016-0105	Thunder Bay	$2,907,389	$19,863,318	14.64%
EB-2016-0110	Welland	$526,253	$9,157,772	5.75%
	2017 Totals (10)	***$40,518,591***	***$304,793,086***	***13.29%***
		2016		
EB-2015-0061	Entegrus	-$438,400	$18,298,275	-2.40%
EB-2015-0072	Grimsby	$773,409	$4,479,441	17.27%
EB-2015-0073	Guelph	$1,367,535	$28,160,789	4.86%
EB-2015-0074	Halton Hills	$791,890	$9,162,101	8.64%
EB-2015-0083	Kingston	$127,769	$11,395,463	1.12%
EB-2015-0089	Milton	$6,200	$16,299,876	0.04%
EB-2015-0089	Ottawa	$6,506,931	$156,840,746	4.15%
EB-2015-0004	Ottawa River Power	$307,641	$4,039,828	7.62%
EB-2015-0100	Rideau St. Lawrence	$189,803	$2,402,631	7.90%
EB-2015-0107	Wasaga	$322,382	$3,665,862	8.79%
EB-2015-0108	Waterloo North	$2,087,227	$31,669,501	6.59%
EB-2015-0110	Wellington North	$162,171	$2,376,902	6.82%
	2016 Totals (12)	***$12,204,559***	***$288,791,415***	***4.23%***
		2015		
EB-2014-0055	Algoma Power	$2,800,964	$20,015,217	13.99%
EB-2014-0073	Festival Hydro	$301,494	$10,153,635	2.97%
EB-2014-0080	Hearst	-$75,224	$1,133,325	-6.64%
EB-2014-0002	Horizon	$5,558,322	$103,091,202	5.39%
EB-2014-0083	Hydro One Brampton	$2,730,392	$65,287,595	4.18%
EB-2013-0416	Hydro One Networks	$160,052,810	$1,165,545,886	13.73%
EB-2014-0096	Niagara Peninsula	$0	$28,665,192	0.00%
EB-2014-0099	North Bay	$800,632	$10,992,511	7.28%
EB-2014-0101	Oshawa	$2,422,564	$18,552,622	13.06%
EB-2014-0113	St. Thomas	$308,213	$7,142,330	4.32%
EB-2014-0116	Toronto	$78,341,652	$554,785,563	14.12%
	2015 Totals (11)	***$253,241,820***	***$1,985,365,076***	***12.76%***
		2014		
EB-2013-0115	Burlington	-$926,226	$29,761,758	-3.11%
EB-2013-0116	Cambridge	$2,260,946	$24,945,082	9.06%
EB-2013-0122	Embrun	-$4,996	$863,140	-0.58%
EB-2013-0130	Fort Frances	$450,736	$1,427,725	31.57%
EB-2013-0134	Haldimand County	-$815,727	$12,836,273	-6.35%
EB-2013-0139	Hawkesbury	$236,196	$1,354,369	17.44%
EB-2013-0147	Kitchener-Wilmot	$27,981	$38,421,411	0.07%
EB-2013-0155	Niagara-on-the-Lake	-$386,736	$4,848,735	-7.98%
EB-2013-0159	Oakville	$4,087,172	$31,499,496	12.98%
EB-2013-0160	Orangeville	-$313,844	$5,072,659	-6.19%
EB-2013-0174	Veridian Connections	$580,149	$49,350,029	1.18%
	2014 Totals (11)	***$5,195,651***	***$200,380,677***	***2.59%***
Weighted Average Rate Increases		**$311,160,621**	**$2,779,330,254**	**11.20%**

SME LDCs Cost of Service Rate Increases 2014-2017				
Board File	***Distributor***	***Deficiency***	***Revenue at Current Rates***	***Rate Increase***
		2017		
EB-2016-0056	Atikokan	$110,755	$1,291,501	8.58%
EB-2016-0058	Brantford	$398,862	$16,700,093	2.39%
EB-2016-0061	Canadian Niagara Power	$1,107,511	$17,732,967	6.25%
EB-2016-0089	Lakefront	-$71,508	$4,331,620	-1.65%
EB-2016-0091	London	$1,185,679	$65,153,409	1.82%
EB-2016-0096	Northern Ontario Wires	$390,087	$3,021,072	12.91%
EB-2016-0166	Renfrew	$112,000	$1,891,438	5.92%
EB-2016-0105	Thunder Bay	$2,907,389	$19,863,318	14.64%
EB-2016-0110	Welland	$526,253	$9,157,772	5.75%
	2017 Totals (9)	***$6,667,027***	***$139,143,191***	***4.79%***
		2016		
EB-2015-0061	Entegrus	-$438,400	$18,298,275	-2.40%
EB-2015-0072	Grimsby	$773,409	$4,479,441	17.27%
EB-2015-0073	Guelph	$1,367,535	$28,160,789	4.86%
EB-2015-0074	Halton Hills	$791,890	$9,162,101	8.64%
EB-2015-0083	Kingston	$127,769	$11,395,463	1.12%
EB-2015-0089	Milton	$6,200	$16,299,876	0.04%
EB-2015-0004	Ottawa River Power	$307,641	$4,039,828	7.62%
EB-2015-0100	Rideau St. Lawrence	$189,803	$2,402,631	7.90%
EB-2015-0107	Wasaga	$322,382	$3,665,862	8.79%
EB-2015-0108	Waterloo North	$2,087,227	$31,669,501	6.59%
EB-2015-0110	Wellington North	$162,171	$2,376,902	6.82%
	2016 Totals (11)	***$5,697,629***	***$131,950,669***	***4.32%***
		2015		
EB-2014-0055	Algoma Power	$2,800,964	$20,015,217	13.99%
EB-2014-0073	Festival Hydro	$301,494	$10,153,635	2.97%
EB-2014-0080	Hearst	-$75,224	$1,133,325	-6.64%
EB-2014-0083	Hydro One Brampton	$2,730,392	$65,287,595	4.18%
EB-2014-0096	Niagara Peninsula	$0	$28,665,192	0.00%
EB-2014-0099	North Bay	$800,632	$10,992,511	7.28%
EB-2014-0101	Oshawa	$2,422,564	$18,552,622	13.06%
EB-2014-0113	St. Thomas	$308,213	$7,142,330	4.32%
	2015 Totals (8)	***$9,289,036***	***$161,942,425***	***5.74%***
		2014		
EB-2013-0115	Burlington	-$926,226	$29,761,758	-3.11%
EB-2013-0116	Cambridge	$2,260,946	$24,945,082	9.06%
EB-2013-0122	Embrun	-$4,996	$863,140	-0.58%
EB-2013-0130	Fort Frances	$450,736	$1,427,725	31.57%
EB-2013-0134	Haldimand County	-$815,727	$12,836,273	-6.35%
EB-2013-0139	Hawkesbury	$236,196	$1,354,369	17.44%
EB-2013-0147	Kitchener-Wilmot	$27,981	$38,421,411	0.07%
EB-2013-0155	Niagara-on-the-Lake	-$386,736	$4,848,735	-7.98%
EB-2013-0159	Oakville	$4,087,172	$31,499,496	12.98%
EB-2013-0160	Orangeville	-$313,844	$5,072,659	-6.19%
EB-2013-0174	Veridian Connections	$580,149	$49,350,029	1.18%
	2014 Totals (11)	***$5,195,651***	***$200,380,677***	***2.59%***
Weighted Average Rate Increases		**$26,849,343**	**$633,416,962**	**4.24%**

Top 5 LDCsCost of Service Rate Increases 2014-2017				
Board File	***Distributor***	***Deficiency***	***Revenue at Current Rates***	***Rate Increase***
		2017		
EB-2015-0003	Powerstream	$33,851,564	$165,649,895	20.44%
	2017 Totals	***$33,851,564***	***$165,649,895***	***20.44%***
		2016		
EB-2015-0089	Ottawa	$6,506,931	$156,840,746	4.15%
	2016 Totals	***$6,506,931***	***$156,840,746***	***4.15%***
		2015		
EB-2014-0002	Horizon	$5,558,322	$103,091,202	5.39%
EB-2013-0416	Hydro One Networks	$160,052,810	$1,165,545,886	13.73%
EB-2014-0116	Toronto	$78,341,652	$554,785,563	14.12%
	2015 Totals	***$243,952,784***	***$1,823,422,651***	***13.38%***
		2014		
	2014 Totals	***$0***	***$0***	
Weighted Average Rate Increases		**$284,311,278**	**$2,145,913,293**	**13.25%**