

Ontario Energy Board

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

AND IN THE MATTER OF the Application by Westario
Power Inc. for electricity rates and proposed revenue
requirement effective January 1, 2018

Interrogatories of Energy Probe Research Foundation

February 21, 2018

EXHIBIT 1

IR#1

One of the key outcomes that the OEB wishes to achieve with its Renewed Regulatory Framework for Electricity (RRFE) is “Operational Effectiveness”, which it defines as “continuous improvement *in productivity and cost performance...*” (emphasis added)

Can Westario Power Inc. (WPI) please highlight points in its application that clearly lay out the productivity savings that the utility intends to achieve over the next five years.

IR #2

Reference: Exhibit 1 Page 28

Preamble: The total number of staff positions listed is 37.

Please provide a chronological summary of WPI’s staff positions from 2013 to 2018 and identify all positions that have been added or deleted by year since 2013.

IR #3

Reference: Exhibit 1 Page 58

- a) Please provide a complete listing of the surveys and other customer outreach activities conducted specifically related to WPI’s 2018 electricity rate application and include the dates they were undertaken and the number of customers that participated.

IR #4

Reference: Exhibit 1 Page 58

Reference: Exhibit 1 Appendix I

- a) Please discuss the weight WPI places on the general survey (Appendix I) in justifying its proposed capital plan expenditures.
- b) How many customers completed the general survey (Appendix I)?
- c) Please provide the results of each question posed.

IR #5

Reference: Exhibit 1 Appendix C

- a) Please provide the number of customers that responded to the survey at Appendix C.
- b) Please provide the results of the survey.
- c) Please discuss the weight WPI places on the survey at Appendix C in justifying its proposed capital and OM&A expenditures.

IR #6

Reference: Exhibit 1 Page 60

Preamble: WPI engaged UtilityPulse to conduct an independent customer satisfaction survey for 2016. UtilityPulse surveyed 422 responses.

- a) Please identify the results of the survey that WPI is relying on to justify its proposed capital and OM&A expenditures.

IR #7

Reference: Exhibit 1 Page 61

- a) Please provide the cost of Front Desk Support in 2017 and 2018.
- b) Please provide the data WPI tracks and monitors regarding Front Desk Support.

IR #8

Reference: Exhibit 1 Appendix H

Please provide the scorecard results for 2017.

IR #9

Reference: Exhibit 1 Appendix H

Preamble: The 2016 Scorecard includes distributor targets.

Please provide the distributor targets for 2017 and 2018.

IR #10

Reference: Exhibit 1 Appendix H

Preamble: Under cost control the scorecard tracks total cost per customer and total cost per km of line.

- a) Please provide in chart format, the Total cost per MWh for the historic years 2013-2017 and 2018 Test Year.
- b) Please provide in chart format, the O&MA costs per unit of Load expressed as \$/MWh for each of the historic years 2013-2017 and the 2018 Test Year.

IR #11

Reference: Exhibit 1 Page 71

- a) Please confirm the revenue deficiency in 2018.
- b) Please provide a breakdown of the key drivers of the 2018 revenue deficiency and the corresponding expenditures.

IR #12

Reference: Exhibit 1 Page 25

Please update Table 25 with 2017 actuals.

EXHIBIT 2

IR #13

Reference: Exhibit 2 page 33

Can WPI please explain the \$3.4 million expense related to stranded and smart metering.

IR #14

Reference: Exhibit 2, page 60-63

Please recreate tables 11-13, but include actuals versus budgeted expenditures.

IR #15

Reference: Exhibit 2, page 70

Will the Fair Hydro Plan have any impact on the 335—Power Supply Expenses category of costs? If so, please update Table 17.

IR #16

Reference: Exhibit 2, page 73, Table 21

Please updated this table with the most recent RPP from the Ontario Energy Board that included reductions that are part of the Fair Hydro Plan. If the update results in a material difference in the rate application, please highlight that difference and provide any applicable tables and charts.

IR #17

Reference: Exhibit 2, page 73

Please provide an updated to your load forecast if 10%, or 50% of your residential customers in Kincardine switch to natural gas heating in 2021.

IR #18

Reference: Exhibit 2, page 106, Table 16

The one service your customers say they are willing to pay more for each month is “increased tree trimming to improve reliability.” Please highlight in your evidence where you have increased your tree-trimming budget in response to this request.

IR #19

Reference: Exhibit 2, page 101-108

- a) Did WPI tell the customers being surveyed that the utility will be experiencing no load growth over the next five years?
- b) Did Westario tell customers that it planned on increasing rates by more than 16% for residential customers in 2017 and more than 80% for larger volume customers?

IR #20

Reference: Exhibit 2, page 112, Table 20

Please updated this table with 2017 actuals.

IR #21

Reference: Exhibit 2, page 115-116, Table 23-28

Please update these tables with 2017 actuals.

IR #22

Reference: Exhibit 2, page 116, Chart 3

Preamble: Tree contact is the second biggest cause of interruptions.

- a) Please provide a detailed response on the utility’s plan to reduce tree contacts over the next five years
- b) Has the utility performed a cost benefit analysis on whether it’s cheaper to reduce outages through an increased tree trimming budget as opposed to the capital budget, as it is currently proposing?

IR #23

Reference: Exhibit 2, page 128

Please provide evidence, or highlight where it can be found in the application, that the pole mount transformers are degrading or failing more regularly.

IR #24

Reference: Exhibit 2, page 133

- a) Is there a cost difference between replacing or refurbishing a substation?
- b) Has WPI completed a cost-benefit analysis on whether it's more cost effective to replace or refurbish a substation? If so, please provide that analysis.
- c) If not, why has it not done so?

IR #25

Reference: Exhibit 2, page 133

What percentage of the utility's poles are currently assessed at less than 60% of the strength of a new pole?

IR #26

Reference: Exhibit 2, page 134

Please provide the number of capital pole installations on an annual basis between 2013 and 2017.

IR #27

Reference: Exhibit 2, page 137, Table 35

- a) Is this an above average rate of failed smart meters?
- b) Has WPI compared its level of failed smart meters to other utilities in Ontario?
- c) IS WPI using the same smart meter has other utilities in Ontario?

IR #28

Reference: Exhibit 2, page 154, Table 46

Please update this chart with 2017 actuals.

IR #29

Please refile Appendices 2-AA and 2-AB using 2017 actuals.

EXHIBIT 4

IR #30

Reference: Exhibit 4 Page 7

Preamble: The evidence indicates WPI engaged its customers to complete a survey wherein they could express their needs and wants in relation to the service they receive from WPI. The feedback from this survey was used to determine a spending plan that was in line with customer's expectations moving forward.

- a) Please provide the date the survey was issued and a breakdown of the number and type of customers that responded.
- b) Please provide a copy of the survey.
- c) Please provide details on how the 2018 OM&A budget was lowered in response to some customers concerns regarding increasing bills and quantify the amount the budget was lowered.

IR #31

Reference: Exhibit 4 Page 10

Preamble: The evidence indicates the lower levels of spending in 2015 had to do with an extremely high staff turnover rate and the high management turnover resulted in difficulties in managing planned expenditures and for multiple years not all planned work was completed.

- a) Please explain the reason for the high staff turnover rate since 2013.
- b) Please explain the reason for the high management turnover.
- c) Please itemize the key planned work that was not completed as a result of high staff turnover.

IR #32

Reference: Exhibit 4 Page 13

Preamble: The evidence states "WPI has been able to find efficiencies in its processes since its last Cost of Service application that it has flowed through its 2018 test year to reflect these savings.

- a) For each year, please identify and quantify all efficiencies in processes and the associated savings.
- b) Please confirm the total cost savings embedded in 2018 rates.

IR #33

Reference: Exhibit 4 Page 14

- a) Please compare the Board of Director expenses for 2013 and 2018.

IR #34

Reference: Exhibit 4 Page 21 Table 4

- a) For each of the years 2013 to 2017, please identify the specific positions in each category (management, trades, office) that have been hired or vacated in each year.

IR #35

Reference: Exhibit 4 Recoverable OM&A Cost Drivers

- a) Page 26: Please discuss how WPI has increased the number of members of its customer service department since 2013 and explain why.
- b) Page 27: Please discuss where WPI has changed the frequency or methodology to inspect or test its assets since the 2013 Cost of Service application and explain the need for each change.

IR #36

Reference: Exhibit 4 Page 28

- a) Please discuss the current tree trimming cycle compared to 2013.
- b) Please provide the tree trimming unit accomplishments for the years 2013 to 2017 and planned for 2018.
- c) Please provide the number of customer interruptions from tree contact for each of the years 2013 to 2017.
- d) Please provide the number of customer interruption hours from tree contact for each of the years 2013 to 2017.

IR #37

Reference: Exhibit 4 Page 32 Table 9

Please update Table 9 with 2017 actuals.

IR #38

Reference: Exhibit 4 Page 48

Preamble: Maintenance of overhead conductors has increased by \$62K due to increased maintenance being performed on overhead conductor and devices in relation to the increased number of inspections resulting identifying an increase in the amount of maintenance work for these items. The increased level of work performed in this account (#5125) is not expected to continue long term.

Please explain the need for increased maintenance being performed on overhead conductor and devices.

IR #39

Reference: Exhibit 4 Page 65

Preamble: WPI indicates the Other category has increased due to a higher level of inspections and maintenance work being done in the year as a result of the planned increase in preventative maintenance.

Please provide the rationale for the planned increase in preventative maintenance.

IR #40

Reference: Exhibit 4 Page 68 Table 20 Appendix 2-K

- a) Please provide an excel version of the table that shows a breakdown of executive, management, non-union, union and temporary FTEs, and overtime and incentive costs.
- b) Please update the table for 2017 actuals.
- c) Please show the percentage of costs per year allocated to OM&A and Capital.

IR #41

Reference: Exhibit 4 Page 67

Preamble: The evidence indicates that positions that were vacant for the entire year were not accounted for in Table 20.

- a) Please provide the number of management and non-management vacancies for the entire year by year for each of the years 2013 to 2017 and include the corresponding total vacancy dollars by year.
- b) Please provide a list of the positions that are currently vacant and include the length of time for each vacancy.

IR #42

Reference: Exhibit 4 Page 69

Preamble: WPI's 2013 Board-Approved FTEs of 36 includes permanent staff, co-operative and summer students and contract positions. CDM personnel are excluded.

- a) Please provide a breakdown of the number of permanent staff, co-operative and summer students and contract positions for each of the years 2013 (Board-Approved and Actual) to 2018.
- b) Please provide the number of CDM personnel excluded by year.
- c) Please confirm how CDM personnel are paid for.

IR #43

Reference: Exhibit 4 Page 69

Preamble: WPI indicates overall compensation for all employees are designed to reflect the market in order to be competitive and therefore attract and retain qualified personnel.

- a) For executive, management, union, and non-union staff, please provide the amount in each category that reflects pay above the 50% median.

IR #44

Reference: Exhibit 4 Page 69

Preamble: WPI indicates it utilizes third party organizations.

- a) Please provide a percentage of OM&A undertaken by third party service providers compared to internal staff for each of the years 2013 to 2017.
- b) Please provide a summary of the work activities undertaken by third party service providers and the associated costs.
- c) Please identify and quantify any annual savings resulting from using third party service providers for each of the years 2013 to 2018.

IR #45

Reference: Exhibit 4 Page 76

Please provide the union negotiated wage increases for the years 2013 to 2018.

IR #46

Reference: Exhibit 4 Page 85

Please provide a breakdown of the party, activity and cost related to the following: Legal costs (\$52,500), consultant Costs (\$178,500) and incremental operating expenses (\$20,000).

IR #47

Reference: Appendix 2-G

- a) Please update Appendix 2-G to provide the Service Reliability and Quality indicators for 2017.
- b) Please provide SAIDI and SAIFI results for the years 2012 to 2017 excluding loss of supply, excluding major event days and excluding scheduled outages.

IR #48

Reference: Appendix 2-H

Please update Appendix 2-H to include 2017 actuals.

IR #49

Reference: Appendix 2-JB Recoverable OM&A Cost Driver Table

Please add 2013 and 2017 Actuals to the table and provide an excel version of the table.