



Ontario
Energy
Board | Commission
de l'énergie
de l'Ontario

BY EMAIL

October 1, 2020

Christine E. Long
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Long:

**Re: EB-2020-0008 Canadian Niagara Power Inc. - Application for 2021 Rates
OEB Staff Interrogatories**

In accordance with Procedural Order #1, please find attached the Ontario Energy Board (OEB) Staff interrogatories in the above proceeding. The applicant and intervenors have been copied on this filing.

Canadian Niagara Power Inc.'s responses to interrogatories are due by October 15, 2020.

Any questions relating to this letter should be directed to Marc Abramovitz at marc.abramovitz@oeb.ca or at 416-440-7690. The Board's toll-free number is 1-888-632-6273.

Yours truly,

Original Signed By

Marc Abramovitz
Advisor
Incentive Rate Setting & Regulatory Accounting

Encl.

OEB Staff Interrogatories
2021 Electricity Distribution Rates Application
Canadian Niagara Power Inc. (CNPI)
EB-2020-0008
October 1, 2020

Staff-1

Ref 1: Manager's Summary, Page 18

Please provide the following information:

- a) Provide a copy of CNPI's Emergency Operations Plan.
- b) Discuss any deviations from CNPI's Emergency Operations Plan.
- c) Clarify whether CNPI paid any premium amounts to its third-party contractors.
- d) Provide a separate schedule (breakdown) of each Third Party Contractor invoice based on labour, materials, accommodations, meals, truck, other (provide explanation).

Staff-2

Ref 1: Manager's Summary, Page 23

- a) Please provide a breakdown of all CNPI's internal labour costs applicable for the affected period using the following format.

Department	Number of Eligible Employees	Regular Hours Worked	Total Regular Time Payments	Overtime Hours Worked	Total Overtime Payments
Management					
Other Non-Union Employees					
Sub-Total Non-Union					
Union Employees					
Operations					
Other					
Sub-Total Union					
Total Internal Labour for Affected Parties					
Total Z-Factor Labour Costs					

- b) Please provide CNPI's policy with respect to overtime for its non-union employees and management.
- c) Please describe whether the z-factor labour costs included payments made to union employees at regular rates of pay for work on pre-scheduled vacation days.

Staff-3**Ref 1: Manager's Summary, Page 18-24**

CNPI did not indicate whether or not it assisted neighboring communities once power was restored to its customers.

- a) Please confirm whether or not CNPI assisted other LDCs.
- b) If CNPI did assist neighboring communities, did it charge a premium to assist other LDCs?

Staff-4**Ref 1: Manager's Summary, Page 18-24**

Provide CNPI's annual Emergency Maintenance amounts (budgeted and included in base distribution rates, compared to actual expenditures), for the period 2016 and to-date.

Staff-5**Ref 1: Manager's Summary, Page 20-21**

In its application, CNPI noted that a significant number of poles had to be replaced due to the October/November 2019 storm. The associated capital costs identified in the application is \$516,896.

- a) Has all restoration work been completed? If not, please describe the work that remains from the storm, and provide the estimated costs.
- b) Please explain how CNPI differentiates between any asset replacement required as a result of the storm and accelerated retirements required due to conditions deteriorating at a greater rate than typically expected.
- c) Please describe the nature of any Professional Engineer recommendations relied upon by CNPI when determining whether poles or other asset required replacement.

Staff-6**Ref 1: Manager's Summary, Page 18-24**

In light of the COVID-19 pandemic and the economic effects it may have on CNPI's customer base, please explain whether CNPI has:

- a) considered absorbing the cost of the storm, in part or in full, in lieu of a requesting recovery from its customers.
- b) considered deferring collection of the cost of the storm, in part or in full, to a future period.
- c) performed an assessment on its customers' current ability to pay for an incremental amount related to the z-factor, given the current economic environment.
- d) considered any other bill impact mitigation strategies to assist its customers in being able to absorb this incremental amount.

Staff-7**Ref 1: Manager's Summary, Page 18-24**

Please complete the following table:

	2018	2019	2020 Forecast
Deemed ROE			
Achieved ROE			
Difference			

Staff-8**Ref: GA Analysis Workform – Note 3 – GA Billing Rate**

OEB staff noted CNPI is not using the same GA Rate used for unbilled revenue as the one used for billed revenue in any particular month. Please see below:

Note 3 **GA Billing Rate**

GA is billed on the

2nd Estimate

Please confirm that the same GA rate is used to bill all customer classes. If not, please provide further details

Yes

Please confirm that the GA Rate used for unbilled revenue is the same as the one used for billed revenue in any particular month

No

OEB staff also noted that CNPI's explained this in its 2020 IRM application as follows:

"Given the 2nd GA estimate is not yet available at the time the first unbilled report is run, the 1st GA estimate is therefore applied to all non-interval customer unbilled estimates in order to meet the tight financial reporting deadlines".¹

Please confirm that the above explanation continues to apply for 2019. If not, please explain the use of a different GA rate for the purposes of unbilled revenue.

¹ CNPI – EB-2019-0024, Staff questions_CNPI_responses_20190912.docx, page 3 of 8.

Staff-9

Ref: Filing Requirements for Electricity Distribution Rate Applications, Chapter 3
EB-2020-0008 Application, Pages 17 & 24

CNPI proposes to dispose of the Street Lighting Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) balance over a period of 48 months as the annual bill change is an increase of 12.1% when considering LRAMVA balances in isolation. However, the total bill increase for Streetlighting customers is 2.5% when considering all application claims.

Please explain the rationale of a 48-month disposition period. In the response, please provide a range of disposition periods and the associated rate impacts.

Staff-10

Ref: LRAMVA Workform, Tab 3-a

The Retrofit program electricity savings allocations for the GS < 50 kW, and GS > 50 kW rate classes are extracted from a separate Excel spreadsheet titled 'Temagami CNP CDM Export'. This Excel spreadsheet was not provided as part of the application submission.

Please provide an unlocked copy of the 'Temagami CNP CDM Export' Excel spreadsheet with all cells visible to show all calculations. Please ensure that any confidential information is removed or treated in accordance with Rule 9A of the OEB's *Rules of Practice and Procedure* (in response to this question or any other subsequent LRAMVA-related inquiry).

Staff-11

Ref: LRAMVA Workform, Tab 5

The LRAMVA balance adjustment for the 2017 savings for the Save on Energy Coupon, Save on Energy Heating and Cooling, and Save on Energy Retrofit programs could not be reconciled to the IESO Participation & Cost reports filed.

Please identify the source documentation for these 2017 LRAMVA balance adjustments. If this documentation was not filed as part of the pre-filed evidence in this proceeding, please provide a copy.

Staff-12**Ref: LRAMVA Workform, Tab 5**

Energy and demand savings are being claimed for the 2019 Energy Retrofit program.

- a) Please provide a breakdown of the individual initiatives, including the energy and demands savings of each, that resulted in verified LRAMVA amounts for the 2019 Energy Retrofit program. Please include the energy and demand savings from Streetlighting as a single line item.
- b) The rate class allocations for the 2019 Energy Retrofit program are reported as 25.71% for the GS < 50 kW rate class and 74.29% for the GS > 50 kW rate class. Please confirm whether these rate class allocations are valid for both Energy Retrofit and Streetlighting, as the savings values for each are reported together.

Staff-13**Ref: LRAMVA Workform, Tab 8**

The OEB Filing Requirements identify specific information that must be filed to support Streetlighting LRAMVA claims.

- a) In Microsoft Excel format, please provide the detailed calculations underpinning the claimed Streetlight savings. This includes, but is not limited to, the type of bulb that was replaced, and the pre- and post-bulb replacement wattage. In the response, please provide the required statements on eligibility of the Streetlighting energy demand savings.
- b) Please confirm whether the claimed Streetlighting savings have been deducted from the respective Retrofit program(s).

Staff-14

Please provide an updated IRM Model Rate Generator and LRAMVA Workforms reflecting any changes required in response to OEB Staff interrogatories, as required. Please indicate all changes in Tab 1-a of the LRAMVA Workform.