

March 12, 2021

VIA E-MAIL

Christine E. Long Board Secretary and Registrar (registrar@oeb.ca) Ontario Energy Board Toronto, ON

Dear Ms. Long:

Re: EB-2020-0043 North Bay Hydro Distribution Limited (NBHDL) 2021 Rates Cost of Service Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)

Please find attached the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

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Mark Garner Consultants for VECC/PIAC

Email copy: Mr. Micheal Roth, Regulatory Manager, NBHDL mroth@northbyhydro.com

REQUESTOR NAME	VECC
TO:	EB-2020-0043 North Bay Hydro Distribution Limited (NBHDL)
DATE:	March 12, 2021
CASE NO:	EB-2020-0043
APPLICATION NAME	2021 Cost of Service Rates

1.0 ADMINISTRATION (EXHIBIT 1)

1.0-VECC-1

Reference: Exhibit 1, page 85

a) Has NBHDL filed the Phase 3 Consumer Engagement Survey discussed at page 85 of the evidence and which it intended to undertake in January of this year?

1.0-VECC-2

Reference: Exhibit 1, page 89

a) NBHDL found in its survey that 87.84% of its customers support adding incentives to switch to paperless billing. How is the Utility implementing that finding?

1.0-VECC-3

Reference: Exhibit 1, page 89

- a) The NBDHL sponsored survey shows customers have a strong preference for social media or email to inform them of unplanned outages. What system does the Utility currently employ to inform customers of unplanned outages?
- b) What system does NBDHL use to inform customers of planned outages?
- c) Only 37% of customers survey found NBHDL's outage information very effective. What steps are being taken to improve outage information?

Reference: Exhibit 1, page 107

At the above reference its states : "NBHDL has always operated without a 24/7 control room, trading longer outage durations in after-hour events for lower overall operating costs."

a) Does NBHDL collect statistics to understand the difference in response time and outage during and after business hours? If so please provide the last five years data and comment on the differences.

1.0-VECC-5

Reference: Exhibit 1, page 109

a) Please update tables 1-49 and 1-50 to include 2020 results.

1.0-VECC-6

Reference: Exhibit 1, page 119

a) Please update Table 1-57 (PEG Summary Table) to show the results for 2015 to 2018 and the 2021 actual total costs results.

1.0-VECC-7

Reference: Exhibit 1, pages 124-, Appendix 1-B: NBHDL's 5 Year Business Plan

a) The Business Plan contains a number of targets and the OEB's mandated Scorecard. Please explain the way in which these targets correspond to management and non-management employee compensation.

1.0-VECC-8

Reference: Exhibit 1, pages 124-, Appendix 1-B: NBHDL's 5 Year Business Plan

a) Please explain why the Business Plan capital expenditures (page 14) are different from those found in Appendix 2-AA and 2-AB.

1.0-VECC-9

Reference: Exhibit 1, Appendix 1-F

a) Please update the OEB Scorecard to include 2020 results.

2.0 RATE BASE (EXHIBIT 2)

2.0-VECC -10

Reference: Exhibit 2, pages 3, 21

- a) Please update Table 2-1 to show 2020 actual results.
- b) Please update Table 2-19 (Fixed Asset Continuity) as at December 31, 2020.
- c) The forecast Work in Progress for 2021 of \$229,450 is significantly lower than in all other years except 2015. How is that estimate derived for 2021?

2.0-VECC -11

Reference: Exhibit 2, Appendix 2-AA

- a) Please update Appendix 2-AA for 2020 actual results.
- b) Please identify the amount of work in progress at the end of 2020

2.0-VECC -12

Reference: Exhibit 2, Table 2-37 (Appendix 2-AB), page 55

- a) Please explain how the capital contribution forecasts for 2021 through 2025 was estimated.
- b) What were the actual capital contributions in 2020?
- c) Are all capital contributions attributable to the System Access category of capital spending? If not please show the apportionment of contributions to each of the capex category in Appendix 2-AB.

2.0-VECC -13

Reference: Exhibit 2, Appendix 2-A, DSP, page 10

a) Please explain in more detail what the potential North Bay City "south side development' is and what potential capital programs are being considered.

2.0-VECC -14

Reference: Exhibit 2, Appendix 2-A, DSP, page 19

- a) Please explain why the target SAID and SAIFI measures are significantly higher (less ambitious) than the past average.
- b) How is the compensation of NBHDL employees impacted by meeting, exceeding or failing to meet these targets?

Reference: Exhibit 2, Appendix 2-A, DSP, page 20-21

Cause Code	2015	2016	2017	2018	2019	Total Outages	Percent Share	Percent Share Excluding LoS
0-Unknown/Other	7	13	13	18	10	61	7.47%	7.67%
1-Scheduled Outage	5	14	4	19	13	55	6.73%	6.92%
2-Loss of Supply	-	1	4	3	14	22	2.69%	
3-Tree Contacts	30	17	24	25	43	139	17.01%	17.48%
4-Lightning	3	-	4	2	0	9	1.10%	1.13%
5-Defective Equipment	36	37	12	47	27	159	19.46%	20.00%
6-Adverse Weather	6	10	10	1	6	33	4.04%	4.15%
7-Adverse Environment	-	1	-	-	-	1	0.12%	0.13%
8-Human Element	2	8	5	4	15	34	4.16%	4.28%
9-Foreign Interference	52	79	60	48	65	304	37.21%	38.24%

Table 2-7: Number of Outages by cause codes (2015-2019) - Excluding MEDS

- a) The 2nd leading cause of outages are due to defective equipment. Please explain what are the most common defective equipment outages.
- b) How these are addressed in the DSP.
- c) What is NBHDL's DSP target for outages due to defective equipment?

2.0-VECC -16

Reference: Exhibit 2, Appendix 2-A, DSP, page 23

 Table 2-9: Customer Hours Interrupted by cause codes (2015-2019) - Excluding MEDs

Cause Code	2015	2016	2017	2018	2019	Total CHI	Percent Share	Percent Share Excluding LoS
0-Unknown/Other	183	1,127	1,399	1,671	726	5,106	2.41%	2.77%
1-Scheduled Outage	377	687	283	232	3,126	4,705	2.22%	2.55%
2-Loss of Supply	-	1,703	5,355	5,914	14,489	27,461	12.96%	
3-Tree Contacts	11,660	18,710	12,043	13,349	7,991	63,753	30.10%	34.58%
4-Lightning	108	-	1,063	506	0	1,677	0.79%	0.91%
5-Defective Equipment	6,899	20,054	5,438	27,660	5,747	65,798	31.06%	35.69%
6-Adverse Weather	3,314	3,171	1,493	10	878	8,866	4.19%	4.81%
7-Adverse Environment	-	3	-	0	0	3	>0.01%	>0.01%
8-Human Element	47	1,225	321	1,777	870	4,240	2.00%	2.30%
9-Foreign Interference	3,950	10,554	4,736	2,184	8,800	30,224	14.27%	16.39%

- a) With respect to Scheduled Outages please explain the reason(s) for the large number of customer hour outages experienced in 2019.
- b) What target metric is being adopted for customer hours interrupted by scheduled outages?
- c) What programs are being proposed in the DSP to reduce outage time for scheduled outages?

Reference: Exhibit 2, Appendix 2-A, DSP, page 25

Ten Worst Performing Feeders Based on CI - 2018-2019			Ten Worst Per	forming Feeders E 2018-2019	Based on CHI -
Feeder	CHI	CI	Feeder	CHI	CI
15M3	3,542	12,273	18M5	8,652	8,982
18M2	7,816	11,185	14F2	8,311	3,147
18M5	8,652	8,982	18M2	7,816	11,185
17F1	5,686	3,551	17F2	6,079	2,116
11F1	2,528	3,383	18M8	5,902	1,531
14F2	8,311	3,147	17F1	5,686	3,551
10F2	2,265	2,755	13F2	5,615	2,316
15M2	313	2,550	14F3	4,732	2,096
13F2	5,615	2,316	15M3	3,542	12,273
17F2	6,079	2,116	14F1	2,842	1,218

Table 2-10: Worst Performing Feeder analysis (2018-
2019)

a) Feeders 18M2 and 18M5 appear to be poorly performing. What programs are incorporated into this DSP to address those feeders?

2.0-VECC -18

Reference: Exhibit 2, Appendix B – Scorecard NBH

a) Please update the Scorecard to include 2020 results.

Reference: Exhibit 2, Appendix C, Metsco Asset Condition Report 2020, pages 8-9

a) For each of the asset types shown in Table 0-2 what are the expected proportion of assets that will be in "very good " and "good " condition at the end of the DSP period (i.e., in 2025)?

2.0-VECC -20

Reference: Exhibit 2, Appendix C, Metsco Asset Condition Report 2020, pages 66-

- a) At section 5.1 of the Asset Condition Assessment Metsco offers 10 areas for health index improvements. Please describe how (if) these recommendations for additional condition parameters will be incorporated in to the next asset condition assessment.
- b) At section 5.2 Metsco makes a number of recommendations on improvements to data collection. Please comment on how (if) these recommendations are to be incorporated into the capital planning of NBHDL.

2.0)-V	EC	С-	21
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Reference: Exhibit 2, Appendix G, IT Strategy through 2025

CAPEX	2020	2021	2022	2023	2024	2025	5 Yr Total	5 Yr Avg
**	354,470	244,950	106,600	110,350	269,650	295,620	1,027,170	205,434
Servers	189,350	-	70,000	46,000	194,300	189,350	499,650	99,930
Facilities	70,100	3,600	-	-	4,800	8,000	16,400	3,280
Printers/Office Eq	6,400	-	27,500	16,000	26,100	6,400	76,000	15,200
Workstations	46,200	8,200	6,100	48,350	33,900	49,450	146,000	29.200
Enterprise Software	-	183,350	-	-	8,000	-	191,350	38.270
Networking/Cyber	41,170	7,800	3,000	-	2,550	41,170	54,520	10.904
Licenses	1,250	42,000	-	-	-	1,250	43,250	9.650

a) Please reconcile the 2021 IT budget from the IT Strategy (above) and the amounts shown under General Plant in Appendix 2-AA.

3.0 OPERATING REVENUE (EXHIBIT 3)

3.0-VECC-22

Reference: Exhibit 3, pages 2, 3 and 22

Preamble: The Application (page 2) states:

"Revenue for each of the actual years is from NBHDL's audited Financial Statements which reconcile to the annual filings with the OEB. The 2020 Bridge year is comprised of actual revenue from January to May 2020. The remainder of the year is based on a seven month projection of distribution revenue from existing distribution rates and other distribution revenue. The 2020 distribution revenue estimate is reflective of NBHDL's decision to defer May 1, 2020 increases to November 1st and forego recovery of increased revenue from May through October."

- a) For purposes of Table 3-1 are the revenues for January to May 2020 based on actual loads or weather normalized loads?
- b) For purposes of Table 3-1, what is the basis for the forecast loads and customer counts used to determine the 2020 revenues by rate class for the months of June to December 2020?
- c) Are the forecast distribution revenues by rate class for 2020 as set out in Table 3-1 (page 3) based on the 2020 sales by rate class as set out in Table 3-11 (page 22).

3.0-VECC-23

Reference: Exhibit 3, page 4

Preamble: The Application states:

"As mentioned above, NBHDL used the regression analysis used to support the load forecast in the 2015 COS application as a starting point and addressed these concerns in the load forecast used in this Application. As a result, the previously used variable of a "North Bay Economy" flag was tested and not used as it was found to have a decreasing predictive output."

a) Please provide the results of the regression analysis (i.e., regression model results similar to those on page 9 (lines 19-24) and Table 3-5) along with the resulting predicted purchases for 2010 to 2021 (similar to Table 3-6)) based the regression model that also included the "North Bay Economy" flag as an explanatory variable.

Reference: Exhibit 3, page 8

Preamble: The Application states:

"The regression model uses monthly kWh and monthly values of independent variables from January 2015 to December 2019 to determine the monthly regression coefficients. While a five-year regression analysis is shorter than the more common ten, fifteen, and twenty-year regressions, NBHDL submits that this is appropriate. When analyzing data and the proposed variables to be used in the forecast NBHDL found that there was a sharp decline in the predictive capability of weather variables when looking back past five years. NBHDL conducted regression models using both ten and fifteen years in addition to the submitted five-year analysis."

a) Please provide the results of the regression analysis (i.e., regression model results similar to those on page 9 (lines 19-24) and Table 3-5) along with the resulting predicted purchases for 2010 to 2021 (similar to Table 3-6)) based the regression model that used 10 years of historical data.

3.0-VECC-25

Reference: Exhibit 3, page 8

Load Forecast Model, Purchased Power Model Tab, Column B

- a) Do the historical purchased power values used in the regression model include embedded generation purchases (e.g., FIT and microFIT) by NBHDL?
- b) If not, please revise the Load Forecast model so as to include these purchases in the historical data used.

3.0-VECC-26

Reference: Exhibit 3, pages 12-13

Load Forecast Model, Purchased Power Mode Tab, Column B

- a) Are the historical customer/connection counts based on year end values or annual averages? If based on annual averages, please explain how the average was calculated.
- b) Please provide the 2020 customer/connection counts for each class as of December 31, 2019, June 30, 2020 and December 31, 2020.

Reference: Exhibit 3, pages 17-18 / Load Forecast Model, Rate Class Energy Model Tab LRAMVA Workform. 2015-2020 LRAM Tab

Preamble: The Application includes the following table with respect to the actual savings from CDM programs offered between 2015 and 2019 and their persistence into 2021:

Former CFF 6 year (2015-2020) kWh Target: 20,260,000 kWh									
	2015	2016	2017	2018	2019	2020	2021		
2015 CDM Programs	16,748,850	16,682,974	16,674,278	16,670,505	16,663,767	16,660,104	16,656,981		
2016 CDM Programs		4,554,824	4,554,804	4,554,783	4,554,761	4,554,740	4,554,740		
2017 CDM Programs			6,401,725	5,503,683	5,502,829	5,501,975	5,501,832		
2018 CDM Programs				4,027,457	2,917,353	2,907,174	2,907,174		
2019 CDM Programs					1,827,951	1,946,094	2,199,926		
Total in Year	16,748,850	21,237,798	27,630,807	30,756,427	31,466,661	31,570,087	31,820,653		

Table 3 - 15: CDM	Results	(2016-2019) a	and persistence	to 2021

The Application also includes the following table setting out the determination of the manual adjustment to the load forecast for 2019 CDM programs.

Year	Residential	GS < 50 kW	GS 50 to 2,999 kW	TOTAL
2021 Manual adjustment kWh	19,861	107,439	972,664	1,099,963
Less CEP	-	-	(777,539)	-777,539
Total	19,861	107,439	195,125	322,424
NBHDL CEP Adj	-	-	2,322,262	2,322,262
Total Manual Adjustment	19,861	107,439	2,517,387	2,644,686
2021 Manual adjustment kW	-	-	1,372	1,372
Less CEP	-	-	(990)	-990
Total	-	-	382	382

Table 3 - 16: Manual Adjustment

- a) Please explain the basis for the savings attributed to 2018 CDM programs in Table 3-15. Neither the savings from 2018 CDM programs shown for 2018 nor those shown for 2020 appear to match the savings from 2018 CDM programs as reported in the IESO's Participation and Cost Report.
- b) Please explain how the savings from 2019 CDM programs for the years 2019, 2020 and 2021 (per Table 3-15) were derived. In doing so please explain how the values are related to the results from 2019 programs as reported in the IESO's Participation and Cost Report and provide copies of any supporting reports/references relied on to derive the results.
- c) With respect to Table 3-16, please explain the basis for the 990 kW CEP adjustment.
- d) For the GS 50-2,999 class please undertake the following: i) set out the kWh savings in 2021 from 2019 CDM programs per the LRAMVA Workform and ii) explain how these savings are reflected in Table 3-16.

Reference: Exhibit 3, page 20

Load Forecast Model, Rate Class Load Model Tab

Preamble: The Application states:

"For the General Service > 50 to 2,999 kW and the Sentinel Lighting classes, the average ratio for 2017 to 2019 was applied to the weather normalized billed energy forecast in Table 3-18 but is adjusted by a reduction of 382 kW as shown in Table 3-16 and an addition of 6,602 kW which represents the model driven effect of manual adjustment for CEP (2,322,262 kWh)."

a) Please provide the derivation of the 6,602 kW adjustment.

3.0-VECC-29

Reference: Exhibit 3, page 36

Appendix 2-H

Exhibit 8, pages 11-12

- a) Table 3-44 (page 36) shows Interest & Dividend Income (USOA 4405) for 2021 of \$161,771 while Appendix 2-H shows a value of \$184,331. Please reconcile.
- b) Table 3-44 shows no Gain or Loss on Disposal of Utility Property (USOA 4355 & 4362) for 2021 while Appendix 2-H shows no Gain but a Loss on Disposal of Utility Property of \$69,191. Please reconcile.
- c) If the \$69,191 Loss on Disposal of Utility Property is to be included in Other Revenues for 2021, please explain the basis for the loss.
- d) Please explain the basis for the foreign exchange losses forecast for 2020 and 2021.
- e) Please confirm that the 2021 rent from electric property is based on a pole attachment charge of \$44.50.
- f) Are the revenues for USOA 4082 and 4084 based on the rates set out in Exhibit 8, page 12 or on those set out in the proposed Tariff Sheet (Tab 5)?

4.0 OPERATING COSTS (EXHIBIT 4)

4.0-VECC-30

Reference: Exhibit 4

a) Please update Table 1-57 (PEG Summary Table) to show the results for 2015 to 2018 and the 2021 actual total costs results.

Reference: Exhibit 4, Section 2.4.1.1.1, pg. 6/Section 2.4.1.5/ Section 2.4.2.10 pg. 27

IT Systems & Maintenance Costs	2015	2020	2021 Test	2021 vs. '2015	2021 vs. '2020
	Board	Bridge	Year	Board	Bridge
	Approved	Year		Approved	Year
Central Square (NBHDL's Software Platform)	120,850	173,849	173,849	52,999	-
CNB IS Services	104,903	-	-	(104,903)	-
Cyber Security	6,047	62,149	40,442	34,395	(21,707)
Internet (including redunancy)	40,926	33,960	51,828	10,902	17,868
Software Licenses / Support / Maintenance	22,956	37,613	80,523	57,567	42,910
Network Mtnc	-	-	3,054	3,054	3,054
Server Mtnc	18,837	6,168	7,776	(11,061)	1,608
IT Items	1,300	10,908	10,625	9,325	(283)
Total	315,819	324,647	368,097	52,278	43,450

Table 4 - 7: IT Systems & <u>Maintenance</u>

"It is important to note that the majority of cyber security related costs are allocated to internal labour which is not represented in Table 4-7 below. The table represents external costs only."

 a) Is the amount of \$34,395 identified as the incremental cost of implementing the mandated Cyber Security Framework in 2021 include both internal and external OM&A costs? If not please provide the total incremental OM&A cost of meeting the cyber security requirements

4.0-VECC-32

Reference: Exhibit 4, Section 2.4.2.4

a) Of the three positions added (Communications Officer, Admin Assistant and Operations Coordinator) were any of these employees formerly employed to work on CDM initiatives?

4.0-VECC-33

Reference: Exhibit 4, Section 2.4.1.4 / 2.4.3.6, pages 77- Table 4-40

- a) Please provide the actual 2020 OEB Annual Assessment amount and the actual OEB Section 30 costs for the same year.
- b) Please separate legal costs from the Consultants costs in Table 4-40.
- c) Please show the actual costs to-date for each category of application costs.
- d) Please explain how incremental operating costs for staff resources for this application was derived.

Reference: Exhibit 4, Section 2.4.1.3

 a) Are all the incremental Corporate Policies, Initiatives and Strategy costs (\$110k in 2020 and \$150k in 2021) made up of only incremental internal labour costs (as compared to 2019 and prior years)? If not please provide the non-labour costs and describe what type of costs these are.

4.0-VECC-35

Reference: Exhibit 4, Section 2.4.1.6/2.4.2.12 Vegetation Management.

- a) For each year 2015 to 2021 (forecast) please provide the number of kilometers cleared.
- b) What are the total kilometers to be maintained?
- c) Who are the other two Utilities co-owning the vegetation management company?

4.0-VECC-36

Reference: Exhibit 4, Section 2.4.3 Table 4-11 OM&A Programs (Appendix 2-JC).

a) It is unclear to us what the negative values in the row entitles "*Miscellaneous, Fleet Depn*" is showing. Why is fleet depreciation been recorded as an OM&A offset and how is it relevant to showing controllable OM&A costs?

4.0-VECC-37

Reference: Exhibit 4, Section 2.4.3.1.1, page 34

With respect to the 2019 to 2021 variance in Overhead Operations NBHDL states: "*The variance of \$275,685 is reflective of increased labour and overhead costs which is attributable to the allocation of time between capital and maintenance activities....*

a) How much of the \$275k variance is due to changes in the amounts capitalized rather than expensed between 2019 and 2021?

Reference: Exhibit 4, Section 2.4.3.2., Appendix 2-k

With respect to the 2019 to 2021 variance in Substation Maintenance, Load Dispatching, SCADA NBHDL states "*The variance of* \$324,333 *is reflective of increased labour and overhead costs which is attributable to the addition of a Substation Electrician Learner, the allocation of time between capital and maintenance activities…*"

b) How much of the \$324,333 variance is attributable to changes in the amounts capitalized rather than expensed between 2019 and 2021?

4.0-VECC-39

Reference: Exhibit 4, Section 2.4.3.2., Table 4-14

- a) Of the 53 full-time employees identified in Table 4-14 how many are currently employed by the Utility and how many positions are vacant?
- b) For any vacant position please describe the current stage of recruitment.
- c) What is the annual employee churn rate at NBHDL?

4.0-VECC-40

Reference: Exhibit 4, page 76, Table 4-39

a) If NBHDL is a member of the EDA please provide the annual fees paid (or estimated) for each of the years 2015 through 2021.

4.0 -VECC -41

Reference: Exhibit 4, pages 77-78 / Appendix 4-K LRAMVA Workform

a) Based on the values used in the LRAMVA Workform please provide a summary of the historic CDM savings from 2015-2019 programs (total for all customer classes) in the following format:

Impact of Historical Annualized CDM (kWh)						
Calendar Year/	2015	Colum	ins for Ead	ch	2021	
CDM Program		Subseque	ent Year ι	ıp to		
Year			2020			
2015 CDM						
Program						
Impacts						
Actual CDM						
impacts for						
each year to						
2018 – one row						
per year						
2019 CDM						
Programs						
Impacts						
Total						

5.0 COST OF CAPITAL AND RATE OF RETURN (EXHIBIT 5)

N/A

6.0 CALCULATION OF REVENUE DEFICIENCY/SURPLUS (EXHIBIT 6)

N/A

7.0 COST ALLOCATION (EXHIBIT 7)

7.0 - VECC -42

Reference: Exhibit 7, page 3

Preamble: The Application states: "General Service 50 to 2999 kW and General Service 3000 to 4999 kW involves significantly more work than Residential and GS < 50 kW servicing both from a design and construction perspective, but due to the ownership rules for these services, NBDHL does not own the assets that would be charged against the Services account and therefore these customer categories have been assigned a weighting factor of 0.0."

a) Please confirm that GS 50-2999 kW and GS 3000-4999 kW customers own and maintain their Services assets (as opposed to the assets being owned by NBHDL and paid for by the customer through a capital contribution).

7.0 - VECC -43

Reference: Exhibit 7, pages 4-5 / Cost Allocation Model, Tab I5.2

Preamble: The Application states: *"In determining the weighting factors for Billing and Collecting, an analysis of Accounts 5315 and 5320, was conducted and costs were assigned to each class based on the specific nature of the costs.*" Page 5 of the Application sets out the following:

Meter Type	Weighting Factors for Billing and Collection
Smart Meter - Residential	1.0
General Service < 50 kW	1.3
General Service 50 to 2999 kW	2.2
General Service 3000 to 4999 kW	1.8
Street Lighting	1.8
Sentinel Lighting	0.6
Unmetered Scattered Load	0.6

Table 7 - 3: Weighting Factors for Billing and Collection

However, Tab I5.2 uses the following Billing and Collecting weights:

1	2	3	5	7	8	9
Residential	GS <50	GS > 50 to 2,999 kW	GS >3,000 to 4,999 kW	Street Light	Sentinel Lighting	Unmetered Scattered Load
1.0	1.000	2.2000	1.8000	1.8000	0.0600	0.0600

a) Please explain which set of Billing and Collecting weighting factors are correct
 – those in Table 7-3 of the Application for Tab I5.2 of the Cost Allocation
 Model.

8.0 RATE DESIGN (EXHIBIT 8)

8.0 -VECC - 44

Reference: Exhibit 8, page 8 / Cost Allocation Model, Tabs I6.2 and I8

Preamble: The Application states: "For the General Service 3,000 to 4,999 kW class the kW volumetric charge of \$0.7268 per kW will increase by \$0.60 per kW to a total of \$1.3268 per kW to recover the amount of the Transformer Allowance over all kW in the General Service".

a) Why is it necessary to provide a transformer ownership allowance to customers in the GS 3000-4999 kW class, when the class is not allocated any transformer costs (per the class' CCLT and LTNCP4 values in Tabs I6.2 and I8)?

8.0 -VECC - 45

Reference: Exhibit 8, page 11 / RTSR Workform, Tabs 3, 4 and 5

a) Please confirm that the RRR data used in Tab 3 is based on the same year as the billing units values set out in Tab 5.

8.0 -VECC - 46

Reference: Exhibit 8, pages 11-12 / Tariff Schedule and Bill Impact Model, Tab 5

a) Please confirm that NBHDL is proposing the Retail Service Charges as set out in the Tariff Sheet (Tab 5) as opposed to those set out in Exhibit 8, page 12.

9.0 DEFERRAL AND VARIANCE ACCOUNTS (EXHIBIT 9)

9.0 -VECC -47

Reference: Exhibit 9, page 5,20

a) Please provide the current balance in the COVID-19 account 1509

9.0 -VECC -48

Reference: Exhibit 9, Tables 9-1 /9-6

 a) Why are accounts 1588 RSVA-Power (-\$128,916); 1589 RSVA Global Adjustment (\$170,956) and 1595 Refund of Regulatory Balance 2018 (\$29,138) not being disposed of?

9.0 -VECC -49

Reference: Exhibit 9, pages 17-/ Exhibit 4, page 104

- a) NBHDL is proposing to credit only 50% of the Accelerated Investment Incentive program (AIIP) in account 1592. However, the AIIP advances CCA meaning less CCA is available in the future. Given that ratepayers will then have to pay more taxes in rates in the future why is not more appropriate for the entire 100% AIIP balance be disposed of them now?
- b) At Exhibit 4, page 104 NBHDL requests "that any rate base implications from the phase out [of AIIP] to be tracked in a 1592 sub-account to be recovered at the next Cost of 19 Service Application." What are the expected "rate base implications"?

End of document