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June 29, 2021

Delivered by Email & RESS

Ms. Christine Long, Registrar
Ontario Energy Board
P.O.Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: OEB File No. EB-2020-0043
North Bay Hydro Distribution Limited (“NBHDL”)
2021 Rates Application
Responses to Undertakings**

Please find enclosed NBHDL’s responses to undertakings J.1.1 to J1.5 for the Oral Hearing held on June 22, 2021 in regards to the above-noted proceeding.

Yours very truly,

BORDEN LADNER GERVAIS LLP

Per:

A handwritten signature in black ink, appearing to read 'Flora Ho', is written over a light blue horizontal line.

Flora Ho

cc: Intervenors of record in EB-2020-0043

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 North Bay
Hydro Distribution Limited (“NBHDL”) for an Order or
Orders approving or fixing just and reasonable rates and other
service charges for the distribution of electricity, effective
May 1, 2021.

Response to Oral Hearing Undertakings

Filed: June 29, 2021

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UNDERTAKING J1.1

Reference:

EB-2020-0043 Interrogatory Response to 1.0 VECC 6 dated April 1, 2021
 Oral Hearing Transcript page 69 line 25 to page 71 line 17

Undertaking:

To file the updated 2020 Bridge year table showing actuals.

Response:

Revised 1.0 VECC 6 table to include 2020 Actuals (final) and Revised 2021-2024 (settlement):

Cost Benchmarking Summary	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Bridge	2021 Test	2022 Forecast	2023 Forecast	2024 Forecast
Actual Total Cost	16,186,108	15,860,761	16,206,020	16,794,774	17,721,539	18,140,531	20,137,386	20,616,137	21,105,474	21,641,273
Predicted Total Cost	15,094,161	15,355,279	15,341,396	16,251,685	16,873,219	17,511,504	18,240,438	18,981,727	19,748,207	20,548,780
Difference	1,091,947	505,482	864,624	543,089	848,320	629,027	1,896,948	1,634,411	1,357,268	1,092,493
% Difference (Performance)	7.0%	3.2%	5.5%	3.3%	4.9%	3.5%	9.9%	8.3%	6.6%	5.2%
Three-year Average Performance			5.2%	4.0%	4.6%	3.9%	6.1%	7.2%	8.3%	6.7%
Stretch Factor Cohort										
Annual Result	3	3	3	3	3	3	3	3	3	3
Three-year Average			3	3	3	3	3	3	3	3

NBHDL notes that the original VECC 6 table included model inputs for bad debt expenses (USofA 5335) in the years 2021-2024 in error. This has been corrected in the above table.

UNDERTAKING J1.2

Reference:

Oral Hearing Transcript page 133 line 19 to page 136 line 10

Undertaking:

To file a best efforts assessment of how many kilometers of vegetation still to be cleared, what type of vegetation and which categories of vegetation for which part of the city.

Response:

The following is the vegetation management plan. Please be aware that future estimates are based on expected growth based on current conditions. Annual reviews are undertaken prior to the vegetation management year.

VEGETATION MANAGEMENT PLAN

2021	<u>km of Line to Clear</u>	<u>Area Description</u>	<u>Vegetation Type</u>	<u>Comments</u>	
		21.9	Trout Lake Area	Very Heavy	Last cleared 2011
		7.4	HWY 17 E Area	Heavy	Last cleared prior to 2010
		29.3	Total VM Budget Required:		\$773,437.00
2022 (Start of Cycle 1)	<u>km of Line Cleared</u>	<u>Area Description</u>	<u>Vegetation Type</u>	<u>Comments</u>	
		20.9	Birchhaven & Seymour Area	Moderate	Last cleared in 2010 / 2012
		4.4	Trout Lake Station Off Road Area	Moderate	Last cleared in 2010
		75	West Ferris Area	Light	Last cleared in 2012
	100.3	Total VM Budget Required:		\$784,015.74	

2023 (Completion of Cycle 1 and Cycle 2)	<u>km of Line Cleared</u>	<u>Area Description</u>	<u>Vegetation Type</u>	<u>Comments</u>
	111	North Bay City Core	Light	Last cleared in 2014 /2015
	3.6	HWY 11 South	Very Heavy	Last cleared prior to 2010
	114.6	Total VM Budget Required:		\$790,936.05

2024 (Cycle 3)	<u>km of Line Cleared</u>	<u>Area Description</u>	<u>Vegetation Type</u>	<u>Comments</u>
	8.1	CFB Area	Light	Last cleared in 2017
	5.9	Airport Hill Area	Light	Last cleared in 2017
	61.2	Highway 11N Area	Moderate	Last cleared in 2015 /2016 / 2017
75.2	Total VM Budget Required:		\$807,248.78	

2025 (Cycle 4)	<u>km of Line Cleared</u>	<u>Area Description</u>	<u>Vegetation Type</u>	<u>Comments</u>
	57.8	Highway 63 Area	Moderate	Last cleared in 2018 / 2019
	57.8	Total VM Budget Required:		\$730,504.75

Total kms of line clearing required in 5-year cycle	408 km
Total kms of line cleared from 2021 to 2025	377 km

Legend:	
Light	Trimming, Urban or previously maintained rural
Moderate	Some urban/some rural, adjacent to highway ROW
Heavy	Rural
Very Heavy	Rural (thick, large trees and/or off road right-of-way clearing)

NBHDL notes that it will only clear 377 km of 408 km of line between 2021 to 2025. This shortfall is due to catch-up work required to get on-to a five year cycle.

UNDERTAKING J1.3

Reference:

EB-2020-0043 – Response to Pre-Settlement Clarification Questions – Question 4, dated May 17, 2021

Oral Hearing Transcript page 148 lines 9 to 22 and page 170 line 24 to page 171 line 24

Undertaking:

To file quotes from consultants in a way that addresses privacy concerns.

Response:

The estimated costs related to the complete update and overhaul of the Conditions of Service (last completed in 2007) are \$50k; \$32k for final COS document, \$8k for legal review and revision, \$10k for contingency/additional work not contemplated in scope.

Conditions of Service Scope of Work

This work has been developed to be completed in two parts: Discovery and Revisions. The first effort on the project will be a review of the existing Conditions of Service document. The second is for necessary revisions to meet the OEB Distribution System Code being recommended and inserted into the document.

Approach on these projects is normally the following:

1. Establish the project team and schedule of availability for workshop and review.
2. Review the current conditions of service document and align it to a current template (target document) which complies with the Distribution System Code.
3. Develop a target document for content review in the form of a face to face workshop (1.5 – 2 Days onsite section by section facilitated review) (optional WebEx/Zoom/Skype).
4. Capture comments from workshop – prepare working draft highlight unresolved comments for follow up discussion.
5. 2nd review phase – (1.5 days on site) section by section review of what changed and finalize unresolved content.
6. Prepare final draft for review.
7. Prepare change summary document for OEB Reference

Legal Review

Assessment of draft conditions of service to ensure compliance with applicable laws, including without limitation: the *Ontario Energy Board Act, 1998* and the *Electricity Act, 1998* and associated regulations, the terms of NBHDL's distribution license, including the Distribution System Code, Retail Settlement Code and Standard Supply Service Code as applicable.

UNDERTAKING J1.4

Reference:

EB-2020-0043 Interrogatory Response to CCC-27 dated April 1, 2021
Oral Hearing Transcript page 168 line 28 to page 169 line 10

Undertaking:

To provide a breakdown between legal and consulting costs in the Application.

Response:

See the below table:

Revised COS Application Costs:	
Legal Costs	210,713
Consultant Costs	180,126
Legal/Consultant Costs	390,839
Cost Awards	85,000
Incremental Labour	60,006
Total Application Costs	535,846
Oral Hearing Costs:	
Legal Costs	150,000
Cost Awards	25,000
Estimated Oral Hearing Costs	175,000
Total Application/Hearing Costs	710,846

NBHDL notes that on pages 127 (lines 24 and 26), 174 (lines 5 and 6), and 217 (lines 18), Ms. Casson referred to legal fees costing \$390,000 for this application without considering the estimated costs of the oral hearing. The reference to \$390,000 was in relation to all legal and consultant costs in total, not just legal fees.

UNDERTAKING J1.5

Reference:

EB-2020-0043 Interrogatory Response to 4-DDR-17, dated April 1, 2021
Oral Hearing Transcript page 192 line 18 to page 194 line 27

Undertaking:

With respect to the second full sentence in DDR17, for each item listed there, to provide evidentiary cross references to where Mr. Rennick can find additional information on how each of those have impacted staffing costs.

Response:

The second full sentence in DDR17 is reproduced below for ease of reference.

“These include inflation, improving technologies, evolving customer expectations, continuously changing regulatory and public policy requirements, an aging workforce and the need for succession planning, responding to the risks identified in Exhibit 1, among others.”

The following table provides the evidentiary cross references to additional information on how each of the items have impacted staffing costs.

ITEM		EVIDENTIARY REFERENCE
1.	Inflation	Exhibit 4, s. 2.4.3.2.3 at page 57, 58
2.	Improving Technologies	Exhibit 1, s. 2.1.2.2.1 at page 13 Exhibit 1, s. 2.1.2.4.2 at page 27 Exhibit 1, s. 2.1.7.5.1 at page 96 Exhibit 4, s. 2.4.1.10 at page 17
3.	Evolving Customer Expectations	Exhibit 1, s. 2.1.2.2.1 at page 12 Exhibit 1, s. 2.1.7.5.1 at page 96 Exhibit 4, s. 2.4.1 at page 3 Exhibit 4, s. 2.4.1.1.2 at page 8 Exhibit 4, s. 2.4.1.10 at page 16 Exhibit 4, s. s. 2.4.3.1.1 at page 33 Exhibit 4, s. 2.4.3.2.1 at page 47

4.	Continuously Changing Regulatory and Public Policy Requirements	Exhibit 4, s. 2.4.1 at page 3 Exhibit 4, s. 2.4.1.1.1 at pages 6 to 8 Exhibit 4, s. 2.4.3.2.1 at page 47
5.	Aging Workforce and the Need for Succession Planning	Exhibit 1, s. 2.1.2.5.1 at page 33 Exhibit 4, s. 2.4.1.1.2 at page 10 Exhibit 4, s. 2.4.3.2.1 at pages 47 and 48
6.	Responding to the Risks Identified in Exhibit 1	Exhibit 1, s. 2.1.3.4.2 at pages 19 to 33