

INTERROGATORY RESPONSES TO THE SCHOOL ENERGY COALITION

1-SEC-1

[Ex.1] Please provide copies of all benchmarking studies, reports, and analyses that the Applicant has undertaken or participated in since its last rebasing application, that are not already included in the application.

The company utilizes the PEG benchmarking report, the bi-annual customer satisfaction survey and informally reviews yearbook data published by the OEB to compare itself to other local distribution companies. The company also participates in the MEARIE Salary Survey. The most recent survey results were submitted on record by Burlington Hydro through proceeding EB-2020-0007.

1-SEC-2

[Ex.1] Please provide a copy of all documents that were provided to the Board of Directors in approving the underlying budgets contained in the Business Plan and this Application.

Please refer to Appendix B attached.

1-SEC-3

[Ex.1] Please provide details of all productivity and efficiency measures the Applicant has undertaken since its last rebasing application in 2016. Please quantify the savings and explain how they were calculated.

Please see response to 1-Staff-7 a).

1-SEC-4

[Ex.1] Please provide details of all productivity and efficiency measures the Applicant plans to undertake in the test year. Please quantify the savings and explain how they were calculated.

Please see response to 1-Staff-7 b).

1-SEC-5

[Ex.1 p.64, 70] Please provide revised versions of Table 20 and Table 23 that include 2021 year-to-date actuals, as well as at the same point in time in the year, both 2019 and 2020 year-to-actuals.

Please see response within the Excel appendices.

1-SEC-6

[Ex.1, Appendix 1E] Please provide details regarding METSCO Energy Solutions' experience in the field of public opinion research.

METSCO is a well-known company that has helped and supported many Ontario utilities in their rate application filings. This has included supported many utilities in developing their customer engagement programs. In some of these cases, METSCO is purely an advisory body, with the utility themselves carrying out customer programs themselves. In other cases, METSCO has run the customer engagement program on behalf of the utility.

In addition, METSCO has undertaken many projects with the CEATI organization. These projects include many elements, including developing and undertaking surveys to gather opinions of others, as well as in-depth follow-up interviews. These outputs are then analyzed and incorporated into the final project outputs. Many of these projects involve preparing and developing benchmarking assessments for utilities.

Additionally, Robert Otal and Alex Ferguson, who were both heavily involved in developing, executing and analyzing ORPC's customer engagement program have previous experience in other roles before working for METSCO. Robert Otal was involved in customer engagement activities during his time at Toronto Hydro. Specifically, in 2012-2013, he participated as part of Customer Town Hall meetings to inform customers on Toronto Hydro's capital plans and projects. Then, as part of the 2015-19 CIR application for Toronto Hydro, he worked on a team with Innovative Research Group to prepare the materials to be presented to customers, the development of survey questions as well as participation on the focus group and interview engagements. Alex Ferguson was involved in customer engagement activities during his time at National Grid (a utility in the United Kingdom). As part of his role as a Operational Team Leader, Alex engaged with National Grid's main customer accounts on a yearly basis, to understand performance, satisfaction and other issues. These findings were then used to feed into its continuous improvement program to improve customer's experience. In addition, Alex was involved in developing a customer satisfaction survey that was sent out on a yearly basis to these customers. Between 2018 and 2020 as part of the National Grid's rate application, Alex worked with teams within National Grid to prepare the materials to be presented to customers, the development of survey questions as well as participation in many customer focus groups and interview engagements across the country. All of the outputs from these engagements were then used to inform and influence National Grids Capital and Operation Plan, as part of its rate application.

2-SEC-7

[Ex.2, p.49-63] Please explain the various analyses from previous DSP to include forecast 2020 and 2021 expenditures.

The previous Distribution System Plan did not present or forecast planned capital expenditures for 2020 and 2021 as the five-year period covered by the DSP was from 2015 to 2019. The new DSP covers from 2022 to 2026. Therefore, ORPC is not able to analyze 2020 and 2021 variances against any forecast or plan provided in a DSP.

2-SEC-8

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[Ex.2, Appendix 2-AB] Please confirm that capital expenditures are equal to in-service additions.

Ottawa River Power Corporation confirms that capital expenditures equate to in-service additions. Projects have been presented across multiple years as the capital projects can be broken down into multiple replacement or connection components. Transformer and meter inventory is also presented in the continuity schedule to align the schedules with IFRS accounting standard presentation requirements.

2-SEC-9

[Ex.2, Appendix 2-AA] Please provide a revised version of Appendix 2-AA that includes 2023-2026 expenditures that align with the proposed DSP spending included in Appendix 2-AB.

Please see response to 2-Staff-15.

2-SEC-10

[Ex.2, DSP, p.116] Please provide cost details and completion timeline for the replacement of the power transformer failed in late June 2021.

The cost of the transformer was originally estimated by ORPC at \$750,000 the where cost would encompass the following:

Design & Supply & Install New TX & Connections Including Removal of Old - \$505,000

- o Mobilize on site.
- o Remove all parts from existing units (bushings, conservator tanks, radiators etc).
- o Drain unit of oil.
- o Crane unit off pad and dispose of unit.
- o Provide all design details for new TX. - See attached.
- o Mobilize on site.
- o Crane new TX onto pad.
- o Supply & Install new 15kv Maxi Amp Cable Bus Duct.
- o Make all connections.
- o NETA Commissioning.

Item #2 – Design & Supply & Install New TX Foundation - \$130,000

- o Provide all design details for new TX pad. - See attached.
- o Mobilize on site.
- o Demo existing foundation and dispose of concrete.
- o Excavate for new foundation.
- o Place rebar, form & pour new foundation.
- o Complete concrete testing as required.

Item #3 – Design & Supply & Install New TX Containment Pit - \$100,000

- o Provide all design details for new TX containment pits.
- o Containment would be for T1 & T2.

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o It is assumed the existing T2 pad could accommodate the containment.

Item #4 – Upgrade Main Breaker with SEL-751 - \$15,000

- o Provide all design details for relay upgrade.
- o Supply & install new relay, wiring and commission

The transformer is expected to be completed in December 2022.

2-SEC-11

[Ex.2, DSP, p.119] Please provide cost breakdown by project, and justification for the 101% increase in actual spending in System Renewal category between 2015 and 2019, particularly the significant increase in 2016, 2017, and 2018.

The cost breakdown by project for 2016 to 2022 is provided in Appendix 2-AA whereas the 2015 DSP projects are listed in Exhibit 2 section 5.4.4 page 121 of the previous DSP in application EB-2014-0105. As stated in section 4.3.3 of the DSP, during the 2015-2019 period, the following factors drove an overspend:

1. An increase in failure-risk-driven investments within overhead systems.
2. An increase in the number of additional single pole replacements that were undertaken due to the likelihood of these poles failing, based on inspection, ACA and APUL information, which would result in potential unexpected customer outages. Alongside these single pole replacements, the associated overhead conductor had to be transferred to the new poles, and in some cases the conductor had to be upgraded where it was deemed to not meet ORPC standards.

2-SEC-12

[Ex.2 DSP, p.119] Please provide cost breakdown by project, and provide a justification for the 218.3% increase in General Plant in 2019.

A cost breakdown by project has been presented in Appendix 2-AA. General Plant experienced an increase in 2019 due to the purchase of a new large vehicle for \$364,485. As noted in Exhibit 2, page 63, actual incurred expenditures included \$364,485 for the purchase of a 2018 International RBD to replace a non-functional and unsafe 2010 international RBD which did not reach its intended useful life.

2-SEC-13

[Ex.2 DSP, p.123] With regard to the increased System Access actual spending in 2018 and 2019:

1. Please provide the number of new services installed and upgraded in 2018 and 2019.

There were 131 and 93 new services connected in 2018 and 2019 respectively.

2. Please explain the reason delaying the replacement of 1,000 failed meters.

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The replacement of the additional 1,000 meters occurred across 2015 through 2019. The previous DSP did not properly capture the life cycle of the meters and the number of replacement requirements and therefore the replacement of the meters was not delayed. The replacement occurred as soon as practically possible such that accurate measurement and billing of customers could continue.

3. Please provide cost details of the Petro-Canada driven plant relocation project.

	Category	Hours	Cost
O/H Conductor	Labour	4.00	\$232
	Material	N/A	\$160
	Equipment	2.00	\$90
O/H Transformers	Labour	27.00	\$1,624
	Material	N/A	\$9,215
	Equipment	13.50	\$608
O/H Sec Services	Labour	3.00	\$184
	Equipment	1.00	\$45

4. Please provide cost details of the installation and connection of the pad-mounted transformer in 2019.

	Category	Hours	Cost
U/G Primary	Labour	94.50	\$5,503
	Material	N/A	\$8,139
	Equipment	48.00	\$1,710
U/G Transformers	Labour	30.00	\$1,706
	Material	N/A	\$20,880
	Equipment	9.50	\$293

5. Please provide cost details of the relocation of overhead poles for the Paul Martin Drive project.

	Category	Hours	Cost
Poles and Anchors	Labour	269.25	\$14,402
	Material	N/A	\$25,254
	Equipment	152.50	\$5,733
O/H Conductor	Labour	271.25	\$20,382
	Material	N/A	\$8,487
	Equipment	186.50	\$6,873
U/G Ducts	Labour	41.50	\$3,838
	Material	N/A	\$494
	Equipment	32.50	\$1,133

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U/G Primary	Labour	50.00	\$3,669
	Material	N/A	\$2,933
	Equipment	25.00	\$915
O/H Transformers	Labour	72.50	\$6,880
	Material	N/A	\$8,161
	Equipment	46.00	\$1,900
O/H Sec Services	Labour	5.00	\$249
	Material	N/A	\$160
	Equipment	5.00	\$225
U/G Sec Services	Labour	79.00	\$5,764
	Material	N/A	\$341
	Equipment	48.50	\$1,793
Meters	Labour	28.50	\$2,913
	Material	N/A	\$206
	Equipment	23.00	\$805

6. Please explain the reason for why projects referred to in parts 4 and 5 were not included in the DSP of previous applications.

The previous DSP was created in 2014 and 2015. The project in item 4 was a customer connection project. System access projects are often not known more than 1 to 2 years in advance and therefore it could not be predicted in 2015 what specific connections would occur in 2019. The project in item 5 was also an externally initiated project in 2016 that was not known at the time of creation of the DSP.

2-SEC-14

[Ex.2 DSP, p.124] With regard to the increased System Renewal actual spending from 2015 to 2019:

1. Please provide justification to the decision to perform voltage conversion instead of full replacement and include any studies and reports consulted during pro and con analysis.

The initial decision to perform a voltage conversion instead of a full replacement of the substation was made due to an analysis of estimated costs. ORPC utilized the budget data presented in its initial ICM request to analyze the cost of replacement. Based on the cost of Almonte MS#4, it is estimated that the cost to replace the substations would be approximately \$2M per substation for a total estimated cost of \$4M. To date, ORPC has capitalized \$531,943 pertaining to the voltage and has completed approximately 50% of the planned conversions. The total cost of the project is expected to be approximately \$1M upon completion. As a result, it would save customers approximately \$3M to perform the voltage conversion instead of replacing the substations. Excess capacity on the 12 kV system allows for decommissioning of the other 2 stations and will ultimately lead

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to the elimination of operation and maintenance costs on 2 substations. ORPC also considered that should a transformer fault, all associated equipment, such as switchgear, protection, etc., would require replacement due to the stations having reached end of life and the equipment is now obsolete. Pembroke MS#1 is currently offline due to a transformer fault in the last 2 months and replacement of the entire substation is not feasible.

2. Please provide the number of additional poles replaced and the cost for additional pole replacement, as well as any other costs associated. Please also explain the reason the additional pole replacement was not accounted for in the previous DSP.

The number of poles replaced compared to the planned number on Page 84 of the previous DSP submitted in Exhibit 2 of application EB-2014-0105 is as follows:

	2016	2017	2018	2019
Planned	100	100	100	100
Actual	75	54	85	43
Difference	25	46	15	57

The cost of pole replacements compared to the planned amount on Page 121 of the previous DSP submitted in Exhibit 2 of application EB-2014-0105 is as follows:

	2016	2017	2018	2019
Planned	\$64,500	\$64,500	\$64,500	\$64,500
Actual	\$143,527	\$87,944	\$146,862	\$81,848
Difference	\$(79,027)	\$(23,444)	\$(82,362)	\$(17,348)

Based on the information presented above, it is to note that the increase in spending was not a result of additional pole replacements beyond those planned in the previous DSP. The new DSP statement should be revised to state that the amount budgeted for the wood pole replacement program was under-costed. The DSP suggested a cost of \$645 per pole replacement whereas actual costs incurred per pole are between \$1,600 and \$2,000 in any given year. The amount per pole will vary with the complexity and material requirements of each replacement. Current management did not form part of the previous application and is not clear on how the previous cost per pole was derived, however costs currently include the cost of the pole, additional materials, labour, vehicle usage, subcontracts for pole drilling (as applicable) and any other requirements that may arise with the complexity of each replacement.

2-SEC-15

[Ex.2 DSP, p.135, Table 5-6] Please provide the information on which the breakdown estimate was based. Please also provide the total cost estimate and expected completion date for the upgrade and relocation.

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The 44kV OH line project is located on private property in Almonte without an easement. This was built by Almonte Hydro prior to the ORPC amalgamation and Almonte Hydro signed a letter stating that it would be removed. The property owner has requested the line be removed from this property to allow for a residential development. The pole line is also in very poor condition and would benefit from being relocated and placed on new poles. The estimate was based on the project taking 3 years to complete for a total cost of \$234,059 of which \$93,600 would occur in 2022. This project is broken down into multiple pole and overhead wire components and is capitalized as it is replaced as the individual poles and wire are considered in-service as they are installed. The major project costs assume 1,061 labour hours, 27 poles and 3,282m of aluminum wire among other materials required to complete the project.

The Highway 148 project relates to the relocation of poles and overhead assets driven by the upgrade of Highway 148 in Pembroke. ORPC will relocate poles and overhead assets, with some new stub poles, anchors and guys required to accommodate the relocated line due to the pole loading/angles. The project is currently expected to be completed in 2022 for a total cost of \$150,000 less an anticipated customer contribution of \$50,000.

2-SEC-16

[Ex.2 DSP, p.136 and 141, Table 5-7 and Table 5-10] With regard to the metering program:

1. Please explain the under-spending in 2015 and 2016.

The underspend in 2016 was a direct result of the utilization of existing meter inventory where little to no new meters were purchased. The 2015 figure in Table 5-7 has been revised in the Excel appendices provided as a response to question b).

2. Please provide a revised version of Table 5-7 that includes 2021 year-to-date actuals, as well as at the same point in time in the year, both 2019 and 2020 year-to-actuals.

Please see the Excel appendices for the response.

3. Please explain the pace of spending and justify the higher spending in 2022 in comparison to each year between 2023 and 2026.

The meter spend is directly correlated with system access spending. As noted in Table 4-1 of page 106 of the DSP in Exhibit 2, system access spend in 2022 is 97% higher than the average of the remaining 4 years. The system access plan showed higher expenditures in 2022 as many developers and builders have made contact with ORPC and anticipate construction and connection in 2022. The metering plan therefore is a function of the connections of new customers.

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2-SEC-17

[Ex.2 DSP, p.150, 157, Table 6-4 and Table 6-7] Please provide a revised version of Table 6-4 and Table 6-7 that includes 2021 year-to-date actuals, as well as the same point in time in the year, both 2019 and 2020 year-to-date actuals.

Please see the Excel appendices for the response.

2-SEC-18

[Ex.2 DSP Section 6.3, p.161-170, general] With regard to the spending in Station Renewal:

1. Please confirm if Station Renewal is considered a part of System Renewal.
[Ottawa River Power Corporation confirms that Station Renewal forms part of System Renewal.](#)
2. Please provide actual spending in each year between 2015 and 2021 in Station Renewal, including board approved amount.

The below table summarizes the actual spend from 2015-2021 relating to the Station Renewal Program:

DSP Program	2015	2016	2017	2018	2019	2020	2021
Stations	\$-	\$79,486	\$25,680	\$25,309	\$-	\$671	\$13,664

3. Please explain the Applicant's endeavor to pace the spending in legacy station equipment replacement in each year since 2015.

Since 2015, OPRC has addressed Station assets through three main investment programs: Station Renewal, Station Enhancement, System Enhancement. The focus over the last few years has been predominantly on ensuring the Stations are set up to meet future needs. This has included the building of a new station in Almonte (Almonte MS#4). Regarding the station renewal program, OPRC's focus has been to extend the life of assets and manage the running of assets by using spares and repairs where possible. In addition, OPRC has also explored voltage conversion options throughout 2015-2019, which has allowed for station renewal deferrals. When pacing its work, as indicated in its DSP, OPRC continually assesses its priorities and resources to balance its investments across all investment categories.

2-SEC-19

[Appendix 2-AB, Table 2] Please confirm the months of actual data recorded for 2021. Please provide a revised version of Appendix 2-AB that includes 2021 year-to-date

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actuals, as well as at the same point in time in the year, both 2019 and 2020 year-to-actuals.

Please see response 2-Staff-10 within the attached Excel appendices for the response.

3-SEC-20

[Ex.3, Appendix 2-H] Please provide a revised version of Appendix 2-H that includes 2021 year-to-date actuals, as well as at the same point in time during the year, both 2019 and 2020 year-to-actuals.

Please see the attached Excel appendices for the response.

4-SEC-21

[Ex.4, p.8, Table 3, 16, Appendix 2-JA; Chapter 2 Appendices, Appendix 2-JC] Please provide revised versions of Appendix 2-JA and 2-JC that include 2021 year-to-date actuals, as well as at the same point in time during the year, both 2019 and 2020 year-to-actuals.

Please see response 4-Staff-30 within the attached Excel appendices for the response.

4-SEC-22

[Ex.4, p.18] With regard to the vacant position that potentially contributes to the increase in 2022 OM&A, please provide the title of the vacant position and the most recent date this position was filled.

The vacant position is titled Engineering Technician. The position was last filled in January 2020. The search to fill the position was halted due to the pandemic and uncertainty of development and capital projects. The position is necessary with the return of many development and capital projects and increased engineering design and mapping requirements.

4-SEC-23

[Ex.4, p.19] With respect to the increase of \$207,765 in Account 5085 between 2019 and 2020:

1. Please provide the breakdowns for \$129,738.73 of standby labour.

This is labour represents labour pertaining to “on-call” operations staff. Staff, per the Collective Bargaining Agreement, are awarded 8 hours per week for being on stand-by status. There are 2 staff on stand-by at all times covering the 4 service territories. In 2020, the utility incurred an approximate additional \$97,300 in April and May due to the first pandemic lockdown. All operations staff were sent home and would only perform necessary maintenance on a stand-by status. This expense was not incremental as labour for the staff was already included in

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ORPC's operating costs and would have, but for the pandemic, normally been allocated to other categories in capital and O&M.

2. Please provide what portion of this increase is recorded in COVID Deferral Account.

Ottawa River Power Corporation did not record any amounts in the COVID deferral account and is not requesting any disposition of any COVID-related balance. Therefore no amount of this increase was recorded in the COVID deferral account.

4-SEC-24

[Ex.4, p.21] With regard to the increase of \$147,868 in customer billing, please explain if this increase is related to increase in number of customers. If yes, please provide the actual increase in number of customers during this period of time.

The increase does not directly pertain to an increase in number of customers.

4-SEC-25

[Ex.4, p.24] Please confirm if the increase of \$126,783 in Account 5675 between 2018 and 2019 offset any other expenses.

The corporation submits that 5675 also has an offset with account 5012 due to a re-allocation of property taxes on the office building. As noted in Exhibit 4 Table 6, account 5012 experienced a decrease of \$45,485 from 2018 to 2019.

4-SEC-26

[Ex.4, p.24] Please provide the Applicant's OM&A cost per customer benchmarking result, if any.

The company has not performed any formal report on OM&A cost per customer benchmarking, however an analysis of the OM&A cost per customer per the yearbook data has revealed the following:

Year	OM&A Cost per Customer	Utility Provincial Rank
2018	\$249.09	13 of 64
2019	\$296.83	29 of 59
2020	\$301.54	29 of 59

4-SEC-27

[Ex.4, p.43, line 5-6] Please provide the salary ranges of similar utilities in Ontario and the salary ranges of local similar workforces that the Applicant has consulted as a guideline.

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Ottawa River Power Corporation participates in the MEARIE Management Salary survey. The most recent survey results were submitted on record by Burlington Hydro through proceeding EB-2020-0007.

7-SEC-28

[Ex.7 p.8, Table 2] Please justify the 10.0 weighting factor for Services Account 1855 attributed to GS >50 class.

The proposed Services weighting factor of 10.0 reflects that these customers require greater capacity than residential customers as well as increased levels of engineering and planning. The class requires more work than Residential and GS less than 50 kW both from a design and construction perspective.

9-SEC-29

[Ex.9, p.9] Please provide a forecast of the balance of Account 1508 – Pole Attachment Revenue Variance to the end of 2021.

Please refer to the OEB Staff Interrogatory Response 9-Staff-63.

9-SEC-30

[Ex.9, p.11] With respect to the Account 1592 – Sub-account CCA Changes:

1. Please explain why there is no accelerated CCA impact for 2018.

Ottawa River Power Corporation did not implement accelerated CCA until its 2019 tax return. All tax returns are prepared by its auditor.

2. Please forecast the balance in the sub-account at the end of 2021, and provide similar supporting calculation as provided in Table 3.

Please see the response within the Excel appendices provided.

3. Please provide for each year, including 2021 as requested in part 2, the full CCA continuity schedules with and without accelerated CCA.

Please see the response within the Excel appendices provided.