

November 9, 2022

RESS & EMAIL

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

Attention: Ms. Nancy Marconi, Registrar

Dear Ms. Marconi:

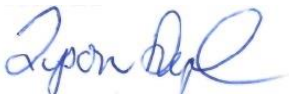
Re: EB-2022-0041 – Hydro One Remote Communities Inc. 2023 Cost of Service Application – Interrogatories to Applicant

As directed in the Ontario Energy Board's ("OEB") Procedural Order No. 1 issued on October 19, 2022, Wataynikaneyap Power LP, by its general partner Wataynikaneyap Power GP Inc. (together, "WPLP") is filing interrogatories in respect of the above-noted proceeding.

An electronic copy of this letter has been submitted using the Board's Regulatory Electronic Submission System.

If you have any questions, please do not hesitate to contact me at the number shown above.

Yours truly,



Tyson Dyck

cc: Ms. Margaret Kenequanash, WPLP
Mr. Duane Fecteau, WPLP
Ms. Brianne Paulin, Torys LLP
Ms. Carla Molina, Hydro One Networks Inc.
Ms. Raman Dhillon, Hydro One Networks Inc.

Hydro One Remote Communities Inc.
Application for electricity rates and proposed revenue requirement beginning May 1, 2023

WPLP Interrogatories
November 9, 2022

WPLP-1:

Reference: Exhibit A-1-2, Page 3, Lines 1-4, Executive Summary of Application

Preamble: In Exhibit A-1-2, Page 3, Lines 1-4:

“Watay seeks to connect 16 communities to the provincial electricity grid by 2024, of which 10 are already serviced by Hydro One Remotes. The remaining 6 communities will function as Independent Power Authority (IPA) communities and will also be serviced by Hydro One Remotes.”

Interrogatory: Please clarify the statement in the Preamble, in particular, whether the existing IPA communities intend to function as IPAs after connection to Hydro One Remotes.

WPLP-2:

Reference: Exhibit A-1-2, Page 2, Lines 14-15, Executive Summary of Application

Preamble: In Exhibit A-1-2, Page 2, Lines 14-15:

“There will also be additional OM&A increase resulting directly from the Watay project, which are forecasted at \$66M annually starting in 2023, however these will be a flow-through for Remotes and will be funded through the Remote or Rural Rate Protection (RRRP) plan.”

Interrogatory: Assuming that the OEB-approved OM&A increase related to WPLP’s Transmission System is known during this proceeding, will Hydro One Remotes update its evidence to reflect the actual 2023 OM&A amount?

WPLP-3:

Reference: Exhibit A-3-1, Attachment 1, Page 2, Summary of Remotes Business

Preamble: In Exhibit A-3-1, Attachment 1, Page 2:

“The capital required to meet community load growth is funded by the federal government in all off-grid communities. Consequently, work is planned and executed in

close collaboration with the First Nations communities, their Tribal Councils and Indigenous Services Canada.”

Interrogatory: Please provide the most recent report(s) for load growth and/or capital projects, if any, that have been prepared with First Nations communities, their Tribal Councils and/or Indigenous Services Canada for the First Nation communities that are connected or planned to be connected to WPLP’s Transmission System.

WPLP-4:

Reference: Exhibit A-3-1, Attachment 1, Page 3, Summary of Remotes Business

Preamble: In Exhibit A-3-1, Attachment 1, Page 3:

“Consequently, Remotes continues to work with both the federal and provincial governments, the local communities and their project partners on providing reliable back-up power in communities post connection.”

Interrogatory: Please provide a summary of the feedback received through the activities described in the Preamble from the communities that do not have community wide back up plans insofar as any such feedback relates to or affects WPLP or WPLP’s Transmission System.

WPLP-5:

Reference: Exhibit A-6-1, Pages 1-2, Corporate Organization Charts

Preamble: WPLP’s understanding is that there have been certain changes to Hydro One Remotes’ organizational structure. The following requested information would allow WPLP to know who to contact at Hydro One Remotes and their current roles.

Interrogatory: Please confirm whether there have been any changes to Hydro One Remotes organizational structure. To the extent that the current organizational structure is different than the organizational structure filed in this proceeding, please update the structure and related evidence.

WPLP-6:

Reference: Exhibit A-7-3, Page 2, Lines 10-12, Project and Program Approval and Control

Preamble: In Exhibit A-7-3, Page 2, Lines 10-12:

“Projects funded by ISC are all subject to the Hydro One internal approval process described above. ISC-funded projects must also be approved by the local Band Council and are also approved following ISC’s own internal funding processes.”

In WPLP's view, capital projects can impact reliability of Hydro One Remotes local distribution system or back-up generation. The following requested information will provide valuable information to WPLP when determining construction timelines for the Transmission System and WPLP operation requirements once a First Nation is connected. The following requested information will also provide WPLP with the understanding of a connecting First Nation's expectations of Hydro One Remotes and could therefore influence WPLP's overall relationship with that First Nation.

Interrogatory: For communities planned to be connected to WPLP's Transmission System, please provide any documents outlining a local Band Council's approval of projects, along with any requested work by that local Band Council that is not currently planned for completion within Hydro One Remotes work plan.

WPLP-7:

Reference: Exhibit B-2-1, Page 14, Distribution System Plan

Preamble: In Exhibit B-2-1, Page 14:

"At the request of the communities connecting to the Watay Project, Remotes has also made a commitment to provide backup power to the communities after grid connection to ensure that these communities continue to have access to reliable electricity in the event of any grid-related outages."

Interrogatory:

- (a) Can Hydro One Remotes confirm that the planned backup solution meets the backup power requirements identified by each community connecting to WPLP's Transmission System? To the extent the backup solution does not meet the community requirements, please identify the community and any related gaps between requested backup and the planned backup solution and what steps Hydro One Remotes is undertaking to address any shortfalls.
- (b) For communities planned to connect to WPLP's Transmission System, can Hydro One Remotes provide a detailed update on the status of all activities and permits (e.g., section 28(2) permits) required by Hydro One Remotes to ensure the backup power solution for each community is in place when the community is planned to connect to WPLP's Transmission System?

WPLP-8:

Reference: Exhibit B-2-1, Page 32, Distribution System Plan

Preamble: In Exhibit B-2-1, Page 32:

“Remotes participates in all aspects of the engagements related to the Watay Project that, once complete, will connect 16 indigenous northern communities to the bulk transmission system. Out of these 16 communities, 10 are currently served by Remotes and 6 are unregulated IPAs being added to Remotes customer base. The key engagements are related to transmission connection planning, transmission connection funding, regulatory support for IPAs, and diesel generation backup.”

Interrogatory: Please provide a summary of the feedback received from the communities as part of the activities described in the Preamble insofar as the feedback relates to or affects WPLP or the WPLP’s Transmission System.

WPLP-9:

Reference: Exhibit B-2-1, Page 35, Distribution System Plan

Preamble: In Exhibit B-2-1, Page 35:

“As part of this effort, Remotes has met and continues to meet with community leadership, IPA representatives and their advisors from North Spirit Lake First Nation, Wunnumin Lake First Nation, Muskrat Dam Lake First Nation, Wawakapewin First Nation, Poplar Hill First Nation, and Keewaywin First Nation. In addition to transition requirements, information shared included ESA requirements, Ontario regulations, OEB programs, and rate setting.”

Interrogatory: Please provide a summary of the feedback received from the communities as part of the activities described in the Preamble insofar as the feedback relates to or affects WPLP or WPLP’s Transmission System.

WPLP-10:

Reference: Exhibit B-2-1, Page 58, Distribution System Plan

Preamble: In Exhibit B-2-1, Page 58:

“**Average Number of Hours that Power to a Customer in Interrupted:** In 2017, the number of planned outages was high as a result of Remotes conducting planned equipment replacements and making improvements to the distribution system. For 2020, Remotes reported an average outage duration of 8.3 hours, which is 1.7 hours worse than 2019 (6.6) and 0.9 hours worse than the OEB target of 7.4. This was due to outages caused by an increase in tree contacts and adverse weather.”

Interrogatory: Can Hydro One Remotes confirm whether there has been any change in their vegetation management program following the increased tree contacts in 2020? Please also provide Hydro One Remotes’ current vegetation procedure used to manage vegetation in

connection with the facilities servicing communities that are planned to be connected to WPLP's Transmission System.

WPLP-11:

Reference: Exhibit B-2-1, Page 97, Distribution System Plan

Preamble: In Exhibit B-2-1, Page 97:

"No changes have been made to Remotes' asset life optimization policies and processes since the last DSP filing. However, the Watay Project has introduced additional considerations as it relates to generation asset life optimization since 24/7 prime power from diesel generation may not be a key consideration in all communities. The Watay Project is expected to drastically change Remotes' business and operations during the forecast period and Remotes' lifecycle optimization policies and practices will continue to evolve with these changes."

Interrogatory: Can Hydro One Remotes identify which of its lifecycle optimization policies and practices have changed, or are expected to change, because of WPLP's Transmission System? For any such policies and practices, please describe the nature of any changes or expected changes.

WPLP-12:

Reference: Exhibit B-2-1, Page 117, Distribution System Plan

Preamble: In Exhibit B-2-1, Page 117:

"As shown in Figure 5.4-6, the forecast average for general plant is approximately 62% higher than the historical plus bridge year average. This is primarily due to the expansion / relocation of the Beaverhall Facility in 2022-2023 to accommodate the anticipated growth in workforce and space requirements associated with the Watay Project, growing business complexity and the addition of the seven new communities to Remotes' customer base (six grid-connected IPA communities plus Cat Lake)."

Interrogatory:

- (a) For each of the 6 IPA communities planned to connect to the WPLP's Transmission System:
 - i. please provide a detailed update (including any areas of concern) regarding the status of all activities and permits (e.g., section 28(2) permits) required by Hydro One Remotes to ensure such IPA communities are in a position to connect to the WPLP's Transmission System as planned; or, as applicable,

- ii. please confirm that Hydro One Remotes has completed all required actions and obtained all required permits to connect such IPA communities when the IPA communities are currently planned to be connected to WPLP's Transmission System.

- (b) Please describe any updates required to the preventative maintenance and emergency response plans for the IPA communities as a result of their connection to WPLP's Transmission System. Specifically, please provide detailed information on Hydro One Remotes' plan for preventative maintenance and emergency response activities for Wawakapewin First Nation.

WPLP-13:

Reference: Exhibit B-2-1, Page 119, Distribution System Plan

Preamble: In Exhibit B-2-1, Page 119:

"Finally, by participating in, and advocating for the Watay Project, Remotes is working towards a large fuel cost reduction, much lower emissions and reduced capital and OM&A expenditures on diesel plants, and a more flexible power solution for its customers."

Interrogatory: Please provide an estimate of the estimated reductions in fuel costs, emissions and capital and OM&A expenditures on diesel plants.

WPLP-14:

Reference: Exhibit A-1-5, Page 1, Lines 22-26, Performance Management

Preamble: In Exhibit A-1-5, Page 1:

"Custom Metric set in the pervious DSP filing: In the last DSP filing, Remotes presented several custom performance metrics that were reflective of Remotes' business and operations at the time of filing. Several of these metrics however, will no longer be applicable in subsequent DSPs because of the impact of the Watay Project on Remotes' operations."

Interrogatory:

- (a) Please identify the specific metrics that will no longer be applicable.
- (b) Please discuss any additional performance metrics that Hydro One Remotes is considering as its distribution systems become connected to WPLP's Transmission System.

- (c) Please summarize the results of any engagement completed by Hydro One Remotes related to performance expectations and appropriate performance metrics following connection to WPLP's Transmission System. Please emphasize any areas where performance expectations and/or targets are expected to change following such connection.

WPLP-15:

Reference: Exhibit B-2-1, Pages 515-516, 525-528, 559-590, 599, Distribution System Plan EB-2018-0190 (Watay LTC Application), Exhibit B-4-1, Appendix D

Preamble: In the December 2018 Backup Power Report, Hydro One Remotes discussed and provided estimates of technically feasible alternative solutions (e.g. new containerized DGS) for First Nation communities where the existing Diesel Generating Stations could not be repurposed for community-wide backup power. In November 2019, Hydro One Remotes produced a subsequent report providing additional detail on the containerized DGS option for several communities. The April 2020 Backup Power Plan indicates that all communities passed resolutions supporting community-wide backup, but indicates the recommended option is "critical asset only" for three communities (North Caribou Lake, Pikgangikum and Wawakapewin). The IESO's supported scope for the Remotes Connection Project indicated that *"The backup supply resources, at a minimum, will maintain supply to essential loads within critical buildings (nursing station, airport, water treatment plant, and at least one of school/band office/community centre) in each community, consistent with each community's Emergency Preparedness Plan."*

Interrogatory: In respect of the three First Nations (North Caribou Lake, Pikgangikum and Wawakapewin) where the recommended backup power option is "critical asset only":

- (a) Please provide detail on any technical, financial and other factors that influenced the decision for each of the three First Nations. Was the recommendation primarily due to financial considerations, or due to timing required to resolve non-financial factors?
- (b) If the critical asset only recommendation was primarily due to non-financial considerations (e.g. technical issues that couldn't be resolved pre-connection), has Hydro One Remotes investigated the feasibility of implementing community-wide backup power post-connection?
- (c) If the critical asset only recommendation was primarily due to financial considerations, was consideration given to any additional investments in WPLP's Transmission System and/or additional operating costs that may be required to achieve similar levels of reliability for these three communities compared to the communities with community-wide backup power?
- (d) Did Hydro One Remotes review each First Nation's Emergency Preparedness Plan? If such a plan was not available, or the plan did not contemplate backup power

following grid connection, what did Hydro One Remotes consider as evidence of the First Nation's position with respect to emergency preparedness and back up power? In particular, please confirm whether each Chief and Council has endorsed the "critical asset only" recommendation and/or whether Band council resolutions supporting this approach were available and considered. If not, please explain why.

WPLP-16:

Reference: Exhibit B-1-1, Page 3, Rate Base and Working Capital
Exhibit D-1-2, Page 4, Generation OM&A
Exhibit D-2-2, Page 1, Costing of Work

Interrogatory: Hydro One Remotes states that it incurs costs related to construction and maintenance of staff houses in most communities that it serves.

- (a) Please provide the approximate usage rate (e.g. % occupancy) of staff houses during a typical year.
- (b) Would Hydro One Remotes be agreeable to renting staff house accommodations (assuming availability) to WPLP and its service providers in order to increase the usage rate of these facilities?