



October 20, 2023

Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street  
P.O. Box 2319  
Toronto, ON M4P 1E4

Re: Synergy North Corporation 2024 Cost of Service Application  
AMPCO Interrogatories  
Board File No. EB-2023-0052

Dear Ms. Marconi:

Attached please find AMPCO's interrogatories in the above proceeding.

Please do not hesitate to contact me if you have any questions or require further information.

Best Regards,

A handwritten signature in blue ink, appearing to read 'Colin Anderson'.

Colin Anderson  
President

Copy to: Aaron Blazina, Vice President, Finance, Regulatory Affairs & Purchasing

EB-2023-0052

Synergy North Corporation

Application for electricity distribution rates beginning May 1, 2024

AMPCO Interrogatories October 20, 2023

1-AMPCO-1

Ref: Ex.1 p. 22

While the actual level of work and targeted volume of work between 2017 and 2024 (650 assets vs 630 assets) is not significantly different, the complexity of the renewal areas combined with increases in material and labour costs have contributed to the overall increase in system renewal.

On the same basis, please provide the targeted volume of work in terms of assets over the 2024 to 2028 period.

1-AMPCO-2

Ref: Ex. 1 p. 53

SNC discusses productivity and cost reductions.

Please provide a schedule that sets out the OM&A and capital productivity savings for the years 2017 to 2024.

1-AMPCO-3

Ref: Ex.1 p. 86

At current rates, SNC has a revenue deficiency in 2024.

- a) Please confirm the revenue deficiency at the time of filing interrogatory responses.
- b) Please provide a schedule that sets out the material drivers of the revenue deficiency.

1-AMPCO-4

Ref: EB-2018-0124 s.86 (MAADs) Application p. 30 Figure 8

Figure 8 below provides a comparison of the cost structure among the Parties, status quo versus post consolidation.

*Figure 8 – Year over Year Comparative Cost Structure Analysis*

1		2018	2019	2020	2021	2022	2023
2	OM&A	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
3	Thunder Bay Hydro	15,989,680	16,245,515	16,505,443	16,769,530	17,037,843	17,310,448
4	Kenora Hydro	2,099,360	2,126,652	2,154,298	2,182,304	2,210,674	2,239,413
5	Consolidated OM&A Status Quo	18,089,040	18,372,167	18,659,741	18,951,834	19,248,517	19,549,861
6							
7	OM&A Synergies	(800,000)	(260,220)	864,551	877,816	889,227	900,787
8	Post Consolidation	18,889,040	18,632,387	17,795,191	18,074,019	18,359,289	18,649,074

Please update Figure 8 with Actuals.

2-AMPCO-5

Ref: Appendix 2-AA

Please provide Appendix 2-AA on the basis of in-service additions.

2-AMPCO-6

Ref: Ex. 2 p. 81

Please complete the following table:

Costs	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Forecast	2024 Forecast
Labour								
Material								
Third Party								

2-AMPCO-7

Ref: Ex 2. P. 85 Table 2-31

- a) With respect to Overhead Expenses, please define Downtime.
- b) Please explain the increase in Downtime in 2024 compared to 2022 Actuals.

2-AMPCO-8

Ref: Ex 2 Appendix 2-A p. 29

Please complete the following table:

# interruptions	2017	2018	2019	2020	2021	2022
Thunder Bay						
Kenora						

2-AMPCO-9

Ref: Ex 2 Appendix 2-A p. 33 Figure 5.2-14

- a) Please provide the numerical values for each of the years 2017 to 2022 by cause code.
- b) Please provide a further breakdown of Defective Equipment by cause code for each of the years 2017 to 2022.

2-AMPCO-10

Ref: Ex 2 Appendix 2-A p. 34 Figure 5.2-15

- a) Please provide the numerical values for each of the years 2017 to 2022 by cause code.
- b) Please provide a further breakdown of Defective Equipment by cause code for each of the years 2017 to 2022.

2-AMPCO-11

Ref: Ex 2 Appendix 2-A p. 34 Figure 5.2-16

- a) Please provide the numerical values for each of the years 2017 to 2022 by cause code.
- b) Please provide a further breakdown of Defective Equipment by cause code for each of the years 2017 to 2022.

2-AMPCO-12

Ref: Ex 2 Appendix 2-A p. 37

SNC customers have experienced an average annual improvement in SAIDI (all causes) of 12%, and average improvement in SAIFI (all causes) of 6% over the historical period.

Please provide the forecast performance of SAIDI and SAIFI over the forecast period 2024 to 2028.

#### 2-AMPCO-13

Ref: Ex 2 Appendix 2-A p. 42

With respect to Pole Testing, in 2019 SNC began a program to systematically test the remaining strength at the ground line of its wood pole population.

- a) Please explain how the test is conducted.
- b) Please confirm pole testing is undertaken in Thunder Bay and Kenora service territories.
- c) Please provide the number of poles tested each year for the period 2019 to 2022 and forecast for 2023 to 2028.
- d) Please provide the Pole Testing costs for each year for the period 2019 to 2022 and forecast for 2023 to 2028.
- e) Please provide the Pole Testing results for the period 2019 to 2022.

#### 2-AMPCO-14

Ref: Ex 2 Appendix 2-A p. 42

With respect to Cable Testing, in 2020 SNC began non-destructive cable testing in several areas throughout Thunder Bay.

- a) Please explain how the test is conducted.
- b) Please confirm pole testing is undertaken in Thunder Bay and Kenora service territories.
- c) Please provide the km tested each year for the period 2019 to 2022 and forecast for 2023 to 2028.
- d) Please provide the Cable Testing costs for each year for the period 2019 to 2022 and forecast for 2023 to 2028.
- e) Please provide the Cable Testing results for the period 2019 to 2022.

#### 2-AMPCO-15

Ref: Ex 2 Appendix 2-A p. 56

SNC tracks feeder performance as a composite of all OEB defined outage categories; as well individually by OEB outage category and trends feeder performance overtime. By analyzing the data SNC can identify the poorest performing feeders annually, as well as feeders that have continually performed poorly. Feeder performance is further analyzed to determine how current programs will impact these statistics and consideration to this fact is given at the time of selecting and prioritizing projects.

Please summarize SNC's current analysis with respect to poorest performing feeders and provide SNC's plans to address feeder performance in the 2024-2028 investment plan.

2-AMPCO-16

Ref: Ex 2 Appendix 2-A p. 56

SNC utilizes financial metrics on a per unit basis for its major asset categories based on actual historical replacement to estimate future capital costs for projects of similar size and scope. These metrics are updated annually to ensure that the estimating process continues to be effective and is based on the best available data each year.

Ref: Ex 2 Appendix 2-A p. 94

SNC maintains a repository of information regarding its previously completed projects. Metrics for these projects are tracked to assist in future budgeting efforts. Data is tracked in the form of dollars as well as labour hours on a per unit basis to estimate projects costs based on the scope defined in the project listing.

Please provide SNC's financial metrics for its major asset categories for the period 2017 to 2022.

2-AMPCO-17

Ref: Ex 2 Appendix 2-A p. 62

In anticipation of KMTS reaching its thermal capacity, SNC has retained the services of Power Advisory Group to provide options for managing this peak demand.

Please provide the report prepared by Power Advisory Group.

2-AMPCO-18

Ref: Ex 2 Appendix 2-A p. 62

Table 5.3-7 summarizes the approximate number of major distribution assets within SNC's service territory.

- a) For each asset category, please provide the quantity of assets replaced over the period 2017 to 2022.
- b) For each asset category, please provide the quantity of assets to be replaced in 2024.

2-AMPCO-19

Ref: Ex 2 Appendix 2-A p. 108

Please provide Table 5.4-6 for the years 2017 to 2023.

## 2-AMPCO-20

Ref: Appendix 2-AA

- a) Please explain and provide a breakdown of the capital tree trimming work in 2023 and 2024.
- b) Please explain the driver for the increase in Small Pole Replacements in 2024 compared to the average spend over the 2017 to 2022 period.
- c) Please explain the driver for the increase in Transformer/Switch/Switchgear Replacements in 2024 compared to the average spend over the 2017 to 2022 period.
- d) Please explain the driver for the increase in Design Work in 2024 compared to the average spend over the 2017 to 2022 period.
- e) Please explain the driver for the increase in Grid Modernization in 2024 compared to the average spend over the 2017 to 2022 period.

## 4-AMPCO-21

Ref: Exhibit 4 p. 8

SNC's Board of Directors approved the 2023 budget in November 2022, and the 2024 budget was approved in January 2023.

Please provide all correspondence to and from SNC's Board of Directors regarding approval of the 2023 and 2024 budgets.

## 4-AMPCO-22

Ref: Exhibit 4 p. 8

SNC indicates once approved, the budget is only revised if a material change in plan is required.

Please discuss if any material changes have impacted the 2023 and 2024 budgets.

4-AMPCO-23

Ref: Ex. 4 Appendix 2-JC

- a) Please provide the subcontractor costs under each program for the years 2017 to 2024.
- b) Please provide the total % of OM&A costs allocated to subcontractors for each of the years 2017 to 2024.

4-AMPCO-24

Ref: Ex. 4 p. 16

Please provide the spending on the Skywire project by year, budget compared to actuals.

4-AMPCO-25

Ref: Ex. 4 p. 30

SNC PLT's undertook a significant customer driven project during the year resulting the need to hire subcontractors for two significant projects in the 4th quarter of 2022.

Please provide a description of the projects and associated costs.

4-AMPCO-26

Ref: Ex. 4 p. 31

Tree trimming was higher than rebasing due to a high level of reactionary vegetation hazards in 2017.

Please define reactionary vegetation hazards.

4-AMPCO-27

Ref: Ex. 4 Appendix 2-K

- a) Please provide a further breakdown of Appendix 2-K based on the following categories: Executive, Management, Non-Union and Union.
- b) With respect to salary and wages, please provide a further breakdown into the following categories: Salary and Wages, Overtime and Incentive Pay.
- c) Please provide an excel version of the revised Appendix 2-K.



4-AMPCO-28

Ref: Ex. 4 p. 60

SNC provides Vegetation Management costs as follows:

Program	2017 BA Proxy	Historical Years						Bridge Year	Test Year
		2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Forecast	2024 Forecast
Tree Trimming	\$ 721,654	\$ 1,050,987	\$ 838,944	\$ 825,185	\$ 809,494	\$ 951,433	\$ 2,368,116	\$ 2,229,725	\$ 2,081,556

- a) Please confirm SNC has separate Vegetation Management plans for the Kenora and Thunder Bay service territories.
- b) Please separate the costs in the above table between Thunder Bay and Kenora and split between internal costs and subcontractor costs.
- c) Please provide the total km of line requiring vegetation management in each service territory.
- d) Please provide the work accomplishments in each of the years 2017 to 2024 by service territory and provide details.

4-AMPCO-29

Ref: Ex. 4 p. 68

Kenora’s service territory has been divided into 4 quadrants, with each zone being approximately equivalent in size. Zone 1 was completed in 2019, Zone 3 in 2020, Zone 4 in 2021 and Zone 2 will be completed by the end of 2023.

- a) Please confirm SNC has a 4-year Vegetation Management cycle for the Kenora service territory.
- b) Please provide the km completed for each of the years 2019 to 2023 and confirm 100% of the service territory will be completed by the end of 2023.
- c) For 2024, please provide the Zone and km to be completed and the associated costs.
- d) Please discuss if Thunder Bay’s service territory has also been divided into quadrants. If yes, please provide the map, the km in each zone, the cycle length and when the cycle will be implemented.

4-AMPCO-30

Ref: Ex. 4 p. 82

Please provide the Storm Damage Repair costs for each of the years 2017 to 2024.

#### 4-AMPCO-31

Ref: Ex. 4 p. 87

Please provide the collective agreement increases for the years 2017 to 2022.

#### 4-AMPCO-32

Ref: Ex. 4 p. 93

The FTE calculation is based on hours worked by employees, including overtime hours divided by their annual regular time hours.

- a) Please provide the overtime hours worked by employees for each of the years 2017 to 2024.
- b) Please provide the forecast overtime budget compared to actuals for each of the years 2017 to 2024.
- c) Please provide the number of employees in each category, Management & Non-Management, in each of the years 2017 to 2024 excluding overtime hours.

#### 4-AMPCO-33

Ref: Ex. 4 p. 95

From 2017 to 2022, SNC has experienced difficulty staffing vacancies in several departments due to the inability to find skilled labour. Within this period, at least one or more of the following positions were in short supply: System Control Operators, Regulatory positions, Supervisors, Protection & Control Technologist, Office Clerks. The short supply of skilled labour has only exacerbated the problems associated with high turnover. SNC has had difficulty filling the high number of vacancies since 2017, and vacancies remain unfilled for longer periods of time.

- a) Please provide the vacancy data (FTEs and \$) for each of the years 2017 to 2023.
- b) Please provide the current list of vacancies by position and identify how long each position has been vacant.
- c) Please provide SNC's assumptions with respect to vacancies in its 2024 OM&A budget.

#### 4-AMPCO-34

Ref: Ex. 4 Appendix 4-C

Please provide the total number of trees in i) Thunder Bay and ii) Kenora.

#### 4-AMPCO-35

Ref: Ex. 4 Appendix 4-C Appendix A p. 5

SNC states "KBM was not able to summarize any vegetation metrics within the 10m corridor related and the line segment (span) / feeder because of data inconsistencies within the Primary Overhead line

feature class. These should be addressed prior to reporting on vegetation from this lens.

- a) Please provide SNC’s historical vegetation management metrics.
- b) Please provide SNC’s proposed vegetation management metrics and targets for 2024 to 2028.

4-AMPCO-36

Ref: Ex. 4 Appendix 4-C Appendix B p. 1

Please provide a copy of the Tree Trimming Presentation.

4-AMPCO-37

Ref: Ex. 4 Appendix 4-C Appendix B p. 5

KBM’s report states “In total there is 119.07ha of vegetation within managed corridors, of that 5.36ha is within 1m of the wires.” KBM provided Table 1 below.

Distance to Wire

Proximity to Wire	Area (ha)	Percent
>1m	5.36	4.5%
1-3m	43.32	36.5%
>3-5m	70.3	59%

Table 1: Amount of vegetation within the 10m corridor and the proximity to the primary overhead wire.

Ref: Ex. 4 p. 65

The plan was initiated in May of 2022 and by December of 2022, 491 km had been verified cleared of vegetation to 1m and 84 km had been verified cleared of vegetation to 3m by the subcontractor for a total cost of \$2,053,194.

The plan was to remove 50% of all vegetation within 1m in 2022 and 100% of vegetation within 1m by the end of 2023, in rural areas with dense vegetation cover with significant undergrowth, mechanical brushing equipment was necessary. This equipment clears to the ground level at approximately 3m on each side of the line. The first two years of the plan was completed out of net income at no additional cost to customers.

Ref: Ex. 4 p. 67

In 2023, SNC is continuing to complete its vegetation management plan and in June reported that 628 of overhead line has been verified clear. This amounts to 75% complete. As in 2022, SNC encountered 29 km of dense rural vegetation with significant undergrowth, which required mechanical brushing.

- a) Please add # of km to Table 1 (Distance to Wire) above.
- b) Please provide the km at 100% complete.
- c) Please complete the following table:

Work Completed	2022	2023	2024	2025	2026	2027	2028
Cleared to 1 m (km)							
\$							
Cleared to 3 m (km)							
\$							

4-AMPCO-38

Ref: Ex. 4 Appendix 4-D

Please provide a breakdown of the \$382,500 in consultant costs in 2024.

4-AMPCO-39

Ref: Ex. 4

Please provide the total Operations and Maintenance Reactive spending for the years 2017 to 2024.

8-AMPCO-40

Ref: Ex 8 p.7-9

Please provide the Fixed/Variable split calculation and the resulting Fixed and Variable rates and Bill Impacts if the Monthly Service Charge for the GS>1,000 kW Rate Class is maintained at the current 2023 rate of \$3,283.57.

8-AMPCO-41

Has SNC had any discussions with the 15 customers in the GS>1,000 kW Rate Class about SNC’s proposal to maintain the existing fixed-variable split which produces a fixed monthly charge that is greater than the current 2023 rate.

- a) If yes, please provide the details and feedback.
- b) If no, does SNC anticipate any issues with respect to the proposed increase in the fixed monthly charge for customers in this rate class.

8-AMPCO-42

Ref: Ex 8 p. 7

SNC provides a Monthly Service Charge Comparison in Table: 8-5.

Please provide a similar Table that sets out a comparison of the Variable Charge by Rate Class compared to the current (2023) charges for Thunder Bay and Kenora.

8-AMPCO-43

The volumetric charge for the General Service 1,000 to 4,999 kW class will increase from \$3.2101 per kW to \$3.8101 per kW to recover \$283,947 or the “cost” of Transformer Allowance for this class.

Please explain how the \$283,947 cost is derived.

8-AMPCO-44

Ref: Ex 8 p. 23

SNC proposes to combine the rate classes of the Thunder Bay rate zone and Kenora rate zone.

Please discuss how SNC consulted with customers in each rate class regarding the change.