CANADIAN NIAGARA POWER INC.
A FORTIS ONTARIO Company

October 27, 2023

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th floor
Toronto, ON M4P 1E4

Dear Ms. Marconi:

Re: Canadian Niagara Power Inc. ("CNPI") – 2024 IRM Application Interrogatory Responses
(EB-2023-0009)

As set out in the OEB's September 29, 2023 Procedural Order No. 1, please find attached CNPI's responses to interrogatories from OEB staff and VECC.

CNPI confirms that the responses do not include personal information as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*.

Please direct any questions or correspondence in this matter to the undersigned.

Sincerely,

Oana Stefan

Digitally signed by Oana Stefan
Date: 2023.10.27 15:48:06 -04'00'

Oana Stefan
Manager, Regulatory Affairs
RegulatoryAffairs@FortisOntario.com

Staff-1
Reference:

(i) Rate Generator Model, Tab 3, Continuity Schedule

On September 12, 2023, the OEB published the 2023 Quarter 4 prescribed accounting interest rates applicable to the carrying charges of deferral, variance and construction work in progress (CWIP) accounts of natural gas utilities, electricity distributors and other rate-regulated entities.

Questions:

a) Please update Tab 3 (Continuity Schedule) to reflect the Q4 2023 OEB-prescribed interest rate of 5.49%.

CNPI Response:

CNPI has updated Tab 3 (Continuity Schedule) of the 2024 IRM Rate Generator Model to reflect the Q4 2023 OEB prescribed interest rate of 5.49%.

Staff-2
Reference:

(i) 2024 IRM Rate Generator Model, Continuity Schedule, Tab 3
(ii) IRM Rate Generator – DVA Tabs Instructions - 2024 Rates
(iii) OEB Guidance for Electricity Distributors with Forgone Revenues Due to Postponed Rate Implementation from COVID-19, August 6, 2020, page 5

On July 18, 2023, the OEB issued the DVA Tabs Instructions for the 2024 IRM Rate Generator Model. Pages 1 and 3 noted that Account 1509 - Impacts Arising from the COVID-19 Emergency, Subaccount Forgone Revenues from Postponing Rate Implementation was added to the model. A separate rider is calculated for this account in Tab 7, if the disposition is approved.

Regarding Account 1509, Impacts Arising from the COVID-19 Emergency Account, Sub-account Forgone Revenues from Postponing Rate Implementation, the following steps are noted in the August 6, 2020 guidance:

1. Upon implementation of the forgone revenue rate rider that is calculated from the Forgone Revenue Model, the rate rider transactions will be recorded in the same Forgone Revenues Sub-account. This will draw down the accumulated balance of actual forgone revenues/amounts.

2. Any residual balance after the expiry of the rate riders should be requested for final disposition in a future rate application (cost of service or IRM), once the balance has been audited in accordance with normal deferral and variance account disposition practices.

3. If disposition is approved, the residual balance in the Forgone Revenues Sub-account should be disposed proportionately by customer class and the residual balance will be transferred to Account 1595.

Questions:

a) Please update Tab 3 (Continuity Schedule) as necessary to reflect a balance in Account 1509 – Impacts Arising from the COVID-19 Emergency, Subaccount Forgone Revenues from Postponing Rate Implementation. Please complete the above-noted steps #1, #2, #3.
b) If this balance is not applicable, please explain.

CNPI Response:

a) No changes are required, please refer to the response below.

b) Account 1509 – Impacts Arising from the COVID-19 Emergency, Subaccount Forgone Revenues from Postponing Rate Implementation is not applicable for CNPI.

CNPI did not postpone its rate implementation and therefore the foregone revenue sub-account was never required.

Staff-3
Reference:

(i) 2024 IRM Rate Generator, Tab 11, 15 and 20

On September 28,2023 the OEB issued a letter regarding 2024 Preliminary Uniform Transmission Rates (UTRs) and Hydro One Sub-Transmission Rates[1]. The OEB determined to use of preliminary UTRs to calculate 2024 Retail Service Transmission rates (RTSR) to improve regulatory efficiency, allowing for this data to feed into the rate applications including annual updates for electricity distributors on a timelier basis. The OEB also directed distributors to update their 2024 application with Hydro One Network Inc.'s (HONI) proposed host RTSRs.

OEB staff has updated CNPI's rate generator with the preliminary UTRs/and proposed host RTSR by HONI as follows:

UTRs

Uniform Transmission Rates	Unit	2022 Jan to Mar	2022 Apr to Dec	2023 Jan to Jun	2023 Jul to Dec	2024
Rate Description		Rate		Rate		Rate
Network Service Rate	kW	$ 5.13	$ 5.46	$ 5.60	$ 5.37	$ 5.76
Line Connection Service Rate	kW	$ 0.88	$ 0.88	$ 0.92	$ 0.88	$ 0.95
Transformation Connection Service Rate	kW	$ 2.81	$ 2.81	$ 3.10	$ 2.98	$ 3.21

Hydro One Sub-Transmission Rates

Hydro One Sub-Transmission Rates	Unit	2022	2023	2024
Rate Description		Rate	Rate	Rate
Network Service Rate	kW	$ 4.3473	$ 4.6545	$ 4.5778
Line Connection Service Rate	kW	$ 0.6788	$ 0.6056	$ 0.6056
Transformation Connection Service Rate	kW	$ 2.3267	$ 2.8924	$ 3.0673
Both Line and Transformation Connection Service Rate	kW	$ 3.0055	$ 3.4980	$ 3.6729

Questions:

a) Please confirm the accuracy of the Rate Generator update, as well as the accuracy of the resulting Retail Transmission Service Rates following these updates.

CNPI Response:

CNPI has reviewed the model and confirms the accuracy of the resulting RTSRs.

[1] OEB Letter, EB-2023-0222, 2024 Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates, issued September 28, 2023

Staff-4
Reference:

(i) 2024 IRM Rate Generator Model, Tab 3, Continuity Schedule, Tab 3 (Cell BE36 and Cell BJ36)
(ii) CNPI 2022 Settlement DVA Continuity Schedule, Tab 2a (Cell BT43) and Tab 2b (Cell BT91 and Cell BT105)
(iii) Chapter 3 of OEB filing requirements, Section 3.2.6.5

According to Chapter 3 of OEB filing requirements, when the OEB approves disposition of DVA balances, the approved amounts of the principal and carrying charges are transferred to Account 1595 for the rate year. Distributors are expected to request disposition of the residual balances in Account 1595 sub-accounts for each vintage year on a final basis.

OEB Staff noticed that the disposition amount in Account 1595 (2022) is not equal to the sum of OEB-Approved disposition for 2022.

Amount Disposed Using Account 1595	Total of Group 1 Account Approved for disposition	Total of Group 2 Account Approved for disposition	Total of Group 1 & 2 Accounts approved for Disposition	Difference between OEB approved disposition amount and actual disposition using Account 1595 (2022)
Reference 1 (a)	Reference 2 (b)	Reference 2 (c)	(d)=(b)+(c)	e=(a)-(d)
2,925,004.00	(396,918.99)	(2,487,595.14)	(2,884,514.13)	40,489.87

Questions:

a) Please explain the difference between the total OEB-approved disposition amounts (including Group 1 and Group 2 Accounts in Reference 2) and the total disposition of $2,925,004 in Reference 1.

CNPI Response:

The difference between the amounts referenced above and the amount moved to account 1595 of $40,490 relates to MIST Capital Cost and MIST Stranded Meters. CNPI has not yet requested disposition of account 1557 (Please see 2022 Rate application page 13, Exhibit 9).

Per EB-2021-0011 Decision and Order issued December 16, 2021, Settlement Proposal Table 21, the total balance for disposition of Group 2 Accounts was ($2,528,086). With the approved Group 1 balances the total amount approved for disposition was ($2,925,004).

Please note the Group 1 Subtotal of Table 21 excludes Account 1589, however the sum of all individual accounts in that table amounts to ($2,925,004). The total amount disposed of is corroborated in CNPI Settlement 2022 DVA Continuity (dated Nov 22,2021), Tab 7 (Rate Rider Calculation), where the sum of the total dispositions for all Rate Riders amounts to ($2,925,004).

Staff-5
Reference:

(i) GA Analysis Workform, Tab GA 2022
(ii) The OEB's letter dated October 31, 2019

Some of the principal adjustments on Tab GA 2022 of the GA analysis workform are listed below:

	Item	Amount	Explanation
2a	Remove prior year end unbilled to actual revenue differences	$ 7,000	$7k relates to the understatement of the Dec 2021 unbilled revenue accrual and billed actual (CR to be recorded in DVA in 2021), therefore record a DR adj to 2022.
2b	Add current year end unbilled to actual revenue differences	$ 258,000	$258k relates to the overstatement of the December 2022 unbilled revenue accrual and billed actual (DR to be recorded in DVA in 2022), therefore record a DR adj to 2022.
3a	Significant prior period billing adjustments recorded in current year		
3b	Significant current period billing adjustments recorded in other year(s)	$ (128,000)	GS>50 prior period billing correction (completed in 2023) for a customer. Amount is sum of GA related to billing correction of ($74,000), and the reclassification of ($54,000) to 1588 based on CT 148 true-up impact.
4a	CT 2148 for prior period corrections		
4b			Difference in Class A Global Adjustment (GA) accrued for unbilled revenue in Dec 2022 vs. IESO Class A GA
5			CT 147 accrued expense. Actual Class A GA billed to customers for Dec 2022 consumption (billed in Jan
6	Class A Global Adjustment	$ 113,000	2023) was equal to IESO billed Class A GA expense per charge type 147.
7	Correction of Gananoque RPP Settlement	$ (261,703)	Relates to RPP settlement calculation correction to Gananoque service territory for 2021 whereby the basis
8			of the GA component of the settlement calculation (and reclass to 1588 entries) was overstated because
9			the non-RPP GA Deferral Recovery amount was included. Correction is DR to 1589 and $Nil impact to 1588
10			in 2021 (reverse in 2022) because the difference is due back to the IESO via RPP settlements.

Questions:

a) For adjustment item #2b, please explain why the unbilled revenue in Dec 2022 was overstated by a large amount of $258,000, especially given that CNPI bills its customers based on calendar month.
b) This reconciling item has been updated to not be a principal adjustment. For adjustment item #3b regarding a significant current period billing adjustment of $128,000, please explain which period this billing correction is related to.
c) CNPI stated that the amount of adjustment #3b of ($128,000) is sum of GA related to billing correction of ($74,000) and the reclassification of ($54,000) to Account 1588 based on CT 148 true-up impact.
    i) Please explain if and when CNPI has settled this adjustment with the IESO for the RPP portion of the adjustment of (54,000).
    ii) Please explain the method used to prorate the billing adjustment of (128,000) into RPP and Non-RPP portions.
d) For adjustment item #6 Class A adjustment of $113,000, please clarify how the difference in class A unbilled revenue and IESO expense would impact Account 1588 that is the variance account to record and track the variance for Class B customer GA.

CNPI Response:

a) Due to timing of the unbilled calculation and the fluctuation of GA rates posted between November and December 2022, the unbilled GA estimate was adjusted downward. The rate used at the time of the calculation was $67.19 but the GA rate actually billed was $35.81.

b) The $128,000 relates to a GS>50 billing correction completed in 2023 related to bills originally issued in 2021 and 2022.The amount represents the portion of the adjustment related to 2022 original bills. The most significant corrections were related to June and July of 2022. CNPI notes that this item is related to the same billing correction discussed in Staff-7a.

Upon review of the GA Analysis Workform Instructions (dated June 23, 2023), CNPI has adjusted the treatment of this line item in the DVA continuity schedule and the GA Workform. In the Original Application, this line item was included as a principal adjustment to 2022 rather than a reconciling item.

Based on the guidance provided in the GA Analysis Workform Instructions (section #3), CNPI has reversed ($128,000) out of the 2022 principal adjustments for 1589. A related adjustment was made to 1588.

CNPI has completed the above-noted adjustments in order to align with the GA Analysis Workform instructions, however CNPI notes that this approach results in a delay in the disposition of the net credit balance associated with the 2022 impact of this Out of Period Billing Adjustment. CNPI would be open to including the amounts with the principal dispositions for 2022 (which would align with the treatment in the original Application), if the OEB deems this appropriate. CNPI notes that a further amount related to the 2021 portion of the same Out of Period billing Adjustment will remain as a reconciling item for the 2025 IRM (which will consider the Group 1 Balances as at December 31, 2023), under either of these options.

c)

i) The adjustment was settled in April of 2023.
ii) The RPP settlements were re-calculated with the corrected kWh for each month of 2022.

d) The Class A Unbilled Accrual overstatement affected the Article 490 adjustment for the GA charges resulting in an understatement of account 1589 at the end of 2022.

Staff-6
Reference:

(i) OEB letter issued on October 31, 2019 – "Adjustments to Correct for Errors in Electricity Distributor "Pass-Through" Variance Accounts After Disposition"
(ii) GA Analysis Workform Tab GA 2022

Reference 1 states that "Where an accounting or other error is discovered after the balance in one of the above-listed variance accounts has been cleared by a final order of the OEB, the OEB will determine on a case-by-case basis whether to make a retroactive adjustment based on the particular circumstances of each case, including factors such as:

- whether the error was within the control of the distributor
- the frequency with which the distributor has made the same error
- failure to follow guidance provided by the OEB
- the degree to which other distributors are making similar errors"

Reference 2, on GA Analysis Workform CNPI mentions that, "the adjustment of $(261,703) relates to RPP settlement calculation correction to Gananoque service territory for 2021, whereby the basis of the GA component of the settlement calculation (and reclass to 1588 entries) was overstated because the non-RPP GA Deferral Recovery amount was included. Correction is DR to 1589 and $Nil impact to 1588 in 2021 (reverse in 2022) because the difference is due back to the IESO via RPP settlements."

Questions:

a) Given the Account 1589 balance was last disposed on a final basis as at 2021 year end, please provide CNPI's consideration regarding the rates retroactivity issues raised in the OEB's Oct 31, 2019 letter in Reference 1.
b) Please also comment on the four factors outlined in Reference 1.
c) Please confirm that the identified error did not have impact on the RPP settlements with the IESO. If not, please explain.
d) Please explain how CNPI identified the error in Reference 2 and explain the nature of the adjustment in detail.
e) Please describe CNPI's procedures that have been implemented to prevent mistakes like those mentioned in Reference 2.

CNPI Response:

a) CNPI does not believe the adjustment constitutes a retroactive adjustment. The correction relates to the reversal in 2022 of an adjustment in 2021 activity which was addressed during the 2023 IRM application, and therefore taken into consideration before the disposition of the 2021 balances was approved in final. The correction was included in the 2021 activity settled. Since the issue was identified and posted in 2022, it is being reversed from the 2022 activity.

b) Consistent with the response to item (a) above, CNPI does not believe the adjustment meets the description- it is not an error impacting a balance that was previously disposed of on a final basis, but rather the 2022 reversal of an adjustment made to 2021 balances (before they were disposed).

c) The error did have an impact on the RPP settlements with the IESO, and was addressed and approved in the 2023 IRM rate application. The correction was settled in late 2022.

d) CNPI identified the error through the GA Analysis workform during the 2023 rate application and explained the nature of the adjustment in detail in the 2023 rate application process. The nature of adjustment in the 2024 application is the removal of this correction from 2022 activity.

e) The GA deferral and recovery was a unique situation. CNPI will do a more thorough analysis of how Hydro One treats changes to line item calculations in the future.

Staff-7
Reference:

(i) CNPI 2024 IRM GA Analysis Workform, Tab 4, Principal Adjustments, Note 9

Questions:

a) CNPI presented principal adjustments for GS>50 prior period billing correction for a customer in Account 1588 on GA Analysis workform. Please discuss the nature of these correcting entries.
b) Also, please elaborate on Item #7 related to correction to a 2022 IESO CT142 submission in 2023 under "Total Reversal Principal Adjustment" in Account 1588.

CNPI Response:

a. Consistent with the response to Staff-5 b, this item has been updated to a reconciling item instead of a principal adjustment. The amount relates to the portion of a GS>50kW customer billing correction which was originally billed in 2022. The amount consists of the recalculation of the GA and COP components of the customers billing. The amount of $42,000 represents the net adjustment associated with rebilled amounts in 2023 to invoices originally issued in 2022. As noted in Staff-5 b, there are further amounts related to the same billing correction which were originally billed in 2021.

b. This correcting amount relates to a true up that was incorrectly calculated to just reverse the previous month's accrual, rather than properly truing up the amount. This correction is to re-post the actual settlement for March 2022 COP& GA for CNPI. As a result of this correction, additional focus was placed on completing a reasonability check of the true up adjustment amounts during the prepare and review stage of true ups. CNPI's process for true ups already involved controls to ensure that a separate preparer and reviewer have reviewed the true up submission.

Staff-8
Reference:

(i) Manager's Summary, Section 1.9.1, Z-Factor Costs, Table 9, Pg. 30
(ii) Manager's Summary, Section 1.9.1, Z-factor Claim, Table 10, Pg. 31
(iii) CNPI 2024 IRM Z-factor calculation workbook

CNPI has mentioned that the total storm and subsequent restoration related costs include $955,000 in capital and $975,000 in operating costs. It further states that the capital costs are primarily related to work required to replace broken poles and conduct other work which would normally be capitalized under CNPI's typical capitalization practices. The table below is provided to display a summary of costs related to the storm.

Category	Amount
Capital	$866,568
Capital (Regular-Time Labour)	$88,548
O&M (Regular-Time Labour)	$82,906
O&M (Recorded in Acct 1572)	$892,114
Total Storm Costs	**$1,930,136**

Questions:

a) Please discuss in detail whether the total capital amount of $866,568 includes costs in addition to poles repairment/replacement.
b) If yes, please provide a breakdown of all types of Asset/Equipment in the following format:

Values in CA$

Asset/Equipment	Quantity	Repaired/Replaced	Estimated Net Asset Value	Use ful Life

c) The useful life used to calculate depreciation expense in Reference 3 is 45 years. Please clarify how CNPI has come up with this number, considering that there are additional capital items included in the overall cost of capital. Please confirm if the 45 years useful life is within the useful life range in the Kinectrics Report issued by the OEB in 2010.
d) Please confirm that CNPI has written off damaged poles/assets from its books and that their depreciation expense will no longer be recognized during the course of their useful life listed in 2022 Cost of Service application.
e) Please confirm that the upgrades to the existing assets due to the weather event have **NOT** been classified as rebuild/replaced in part (b).

f) Please confirm that the Z-factor claim does not include repair/upgrade cost of the current assets that are not impacted by the storm.
g) Please confirm if there are changes expected to CNPI's future investment plans as a result of replacing damaged assets caused by the storm event. If yes, please explain the changes. If no, please explain why not.

CNPI Response:

a) In addition to poles, included in this z-factor claim was the replacement of overhead wires (both primary and secondary). See table provided in b) below.

b)

Asset/Equipment	Quantity	Repaired/Replaced	Estimated Net Asset Va	Useful Life
Poles	43	Replaced	747,990.00	45
OH C&D - Primary	1,216	Replaced	87,814.00	45
OH C&D - Secondary	2,944	Replaced	30,764.00	45
			866,568.00	

c) All asset classes replaced per table in b) above are amortized over 45 years in CNPI's accounting system. This is consistent with the useful lives presented in Appendix 2-BB of CNPI's Chapter 2 Appendices filed in its 2022 Cost of Service application. Consistent with that application, the UL for OH Conductors is slightly lower than the Kinectrics minimum of 50 years.

d) Confirmed. The net book value of the assets damaged during the storm, and then subsequently written off in CNPI's accounting records was $3,800.

e) Confirmed.

f) Confirmed.

g) CNPI spends an average of approximately $7 million in pole replacement program and line rebuild program based on asset conditions and system needs per year. CNPI will not reduce the capital budget for these programs. However, the poles replaced during the weather event will not be replaced again. CNPI aims to manage the total capital spending within the 2022-2026 DSP (with potential exceptions for customer-driven projects).

Staff-9
Reference:

(i) Manager's Summary, Section 1.9.1, Z-Factor Costs, Table 9, Pg. 30
(ii) Manager's Summary, Section 1.9.1, Z-factor Claim, Table 10, Pg. 31

Questions:

a) Please discuss CNPI's policy for capitalization of labour charges and how the capitalized labour cost of $88,548 is directly related to the restoration work.
b) Please provide the breakdown of the costs in the format presented below:

All amounts in CA$

Cost Category	Capital Cost	O&M Cost (Regular-Time Labour)	O&M Cost (Recorded in Account 1572)	Total Cost
CNPI Labour (Regular)				
CNPI Labour (Overtime)				
Materials				
LDC Mutual Aid Costs				
Contracted Services-Line Services				
Contracted Services - Excavation and Tree removal				
Other				
Total				

c) Please provide additional information to illustrate that these costs are incremental to what underpins rates as well as CNPI's internal budget associated with these events.
d) Please elaborate on the nature of non-labour O&M cost and how it is directly associated with the Z-factor event.
e) Please confirm that the Z-factor claim is directly related to the Z-factor event and if the windstorm event had not occurred, CNPI would not have incurred any of the costs.
f) Please indicate the cost categories and dollar amounts that have not been audited in relation to the restoration of power after the windstorm. Also, please indicate when these costs will be audited.

CNPI Response:

a) In its 2022 Cost of Service application, CNPI confirmed that it uses a "modified IFRS" accounting basis for capitalization of labour charges, whereby the amounts included in the calculation of the internal labour rates used for capitalization purposes are based on directly attributable costs (per IFRS), with separate rates

being calculated/applied by each department. Directly attributable costs consist primarily of wages, payroll benefits, vehicle costs, professional dues, small tools and personal protective equipment. The $88,548 reflects the Regular time worked (at the internal labour rate calculated by department as per above) during business hours during the storm restoration work.

b)

Cost Category	Capital Cost $	O & M Cost (Regular-Time Labour) $	O & M Cost (Recorded in Account 1572) $	Total Cost $
CNPI Labour (Regular)	$ 88,548	$ 78,778	$ -	$ 167,326
CNPI Labour (Overtime)	$ 48,357	$ -	$ 258,887	$ 307,244
Materials	$ 144,632	$ -	$ -	$ 144,632
LDC Mutual Aid Costs	$ 61,932	$ 4,128	$ 174,729	$ 240,789
Contracted Services - Line Services	$ 549,753	$ -	$ 271,527	$ 821,280
Contracted Services - Excavation and Tree Removal	$ 59,029	$ -	$ 131,839	$ 190,869
Other	$ 2,865	$ -	$ 55,132	$ 57,997
Total	$ 955,116	$ 82,906	$ 892,114	$ 1,930,136

c) CNPI does not budget for storm capital costs, so the costs that have been incurred are incremental with the exception of staff's regular time which has not been included in this z-factor claim (see a) above). In CNPI's 2022 budget, approximately $50,000 was budgeted in O&M for storm restoration costs.

d) The majority of the O&M costs shown in the table provided in b) above are labour related; CNPI Labour, LDC Mutual Aid Costs, and contracted services were all labour based charges. The Other category above was a combination of meals and food items purchased as well as hotel accommodations for crews along with some other miscellaneous costs.

e) Confirmed.

f) Given the timing of the storm in conjunction with the quick turnaround in January 2023 required to close out CNPI's 2022 accounting records for year-end audit purposes, third party invoices had not yet been processed for payment prior to year-end accounting cut-off as effort was on-going. Approximately $134,000 was recorded in materials in the storm capital order and a year-end accrual entry for incremental Overtime estimate of $45,000 along with a contracted services estimate of $497,000 was also posted to the capital storm order. Similarly, CNPI recorded an accrual estimate totaling $798,000 in OEB 1572 at year-end which

included an estimate of incremental Overtime of $221,000, contractors/mutual aid estimate of $517,000 and Other costs of $60,000.

In 2023, the accrual estimates above were reversed and actual invoices were posted to the appropriate storm capital and/or OEB 1572 accounts as received and processed for payment. The values presented in the table in b) above do not reflected these accrual estimates; rather they reflect the actual costs incurred and financial posted to the respective capital storm order and OEB 1572 account. The processing of the actual invoices in 2023 would be subjected to audit as part of CNPI's 2023 audited financial statements (audit work to be completed in Q1 2024).

CNPI notes that there was no targeted audit performed specifically on the storm restoration costs, rather the audit status discussed herein refers to the annual financial audit completed in support of the audited financial statements.

Staff-10
Reference:

(i) 2024 IRM Application, Attachment "F", Pg. 141

In Reference 1, CNPI had provided a list of third parties that supported the restoration process through mutual assistance agreements.

Questions:

a) Please clarify if the terms and conditions of the agreement were uniform and standard across the contractors.
b) If yes, please provide a summary of the standard agreement in place with the parties to support the restoration of the services.
c) Please provide a separate schedule showing a breakdown of the invoices from each third-party contractor based on labour, material and other overhead charges.
d) Please clarify if the invoiced costs from those contractors are based on regular labour rates or premium rates, given the timing of the engagement, its urgency, or the amount of notice provided.

CNPI Response:

a) No, the terms and conditions were different for various mutual aid responders. Cornwall Electric, which is an affiliated LDC of CNPI, provided service on a shared services basis. The terms for Burlington Hydro, Welland Hydro, and Niagara Peninsula Energy were covered under the Ontario South Central Ontario Mutual Assistance Plan (OSCOMAP). CNPI does not have an active agreement with Niagara On The Lake Hydro, however the invoicing was completed on terms consistent with those from the OSCOMAP in the section below.

   The utility-based contractors are separate which are in line with the Master Service Agreements for each contractor.

b) CNPI is part of OSCOMAP and there is an agreement for members of the group. The following are key terms regarding the costs and invoicing from this agreement.

> **3.1 Costs and Invoicing**
>
> It is agreed by all parties that the Requesting Utility shall bear the costs incurred by the group partner(s) rendering assistance and that the Responding Utility shall invoice the Requesting Utility for Labour, Materials and Equipment including overheads and burdens based on the Responding Utility's existing collective bargaining agreements, current equipment rates and current material costs.
>
> **3.2 Travel Time and Expenses**
>
> Employee travel and living expenses (meals, lodging and reasonable incidentals) shall be paid by the Requesting Utility.

c) Please see the table below.

Vendor	Work Performed	Total Billings	Labour	Materials	Other Overhead	Vehicles
Alfred Beam Excavating Ltd.	Snow removal	$ 4,807	$ 4,807			
Burlington Hydro Inc.	Repair and/or replace poles, wires	$ 41,658	$ 27,818		$ 10,336	$ 3,504
Precision Hydrovac and Digger Services	Excavating, hydrovac, rock hole installation	$ 12,905	$ 12,905			
Ground Aerial Maintenance Service Ltd.	Repair and/or replace poles, wires	$ 258,684	$ 258,684			
Holland Power Services Inc.	Repair and/or replace poles, wires	$ 63,975	$ 53,363			$ 10,613
Hyline Utility Solutions	Replace poles, wires	$ 212,770	$ 157,875		$ 8,540	$ 46,355
Mics Lawn & Maintenance Ltd.	Snow removal	$ 2,950	$ 2,950			
Niagara On The Lake Hydro Inc.	Repair poles, wires	$ 47,293	$ 39,539			$ 7,753
Niagara Peninsula Energy Inc.	Repair and/or replace poles, wires	$ 92,557	$ 66,083			$ 26,474
Pineridge Tree Service Ltd.	Tree trimming and line clearing	$ 92,975	$ 92,975			
Peters Excavating Inc.*	Excavating, hydrovac, rock hole installation	$ 77,232	$ 5,666			$ 71,566
Power North Utility Contractors Inc.	Repair and/or replace poles, wires	$ 173,117	$ 130,723	$ 1,931	$ 1,379	$ 39,085
Spark Power High Voltage Services Inc.	Repair and/or replace poles, wires	$ 112,734	$ 94,065			$ 18,669
Welland Hydro Electric Systems Corp.	Repair and/or replace poles, wires	$ 40,818	$ 31,182			$ 9,636
Total		$ 1,234,474	$ 978,635	$ 1,931	$ 20,254	$ 233,654

d) The rates were based on regular hours or overtime rates as applicable during work provided. CNPI notes that the storm response occurred during statutory holidays and therefore the immediate response work attracted overtime premiums, sometimes for the entirety of the work provided in a day (again, taking into account that all labour done on December 25th and 26th occurred during Statutory Holidays). CNPI notes that the OT premiums paid compensate responding contractors and their staff for prompt response during at an inconvenient time, with relatively short notice.

Staff-11
Reference:

(i) Manager's Summary, Pg. 33

CNPI mentioned that it has developed a 3-year cycle to its vegetation management program, including tree trimming standards designed for CNPI's service territory. In addition, CNPI undertakes regular vegetation management in order to mitigate tree-caused outages and damage from weather-related events.

Questions:

a) Please discuss in detail the budget reserved for vegetation management programs.
b) Please provide the 2022 budget and actual amounts for capital and O&M expenses related to vegetation management and system renewals. Discuss any budget versus actuals variance.
c) Please explain how storm restoration or other emergency response/maintenance costs are normally considered in CNPI's budgeting process.

CNPI Response:

a) CNPI's vegetation management program assesses trees for their potential to damage line infrastructure, including during severe weather. The clearances incorporated into the vegetation management program are designed to mitigate such risks. CNPI's program is based on a three-year cycle however spot trimming and branch removal is also performed on areas where faster-than-typical growth has occurred or where damage branches have entered minimum clearance zones. In recent years, CNPI has increased tree trimming and grubbing in targeted areas which were associated with higher outages. CNPI also considers other stakeholders' desire of environmental protection, such as municipalities and customers.

b) CNPI's 2022 budget for vegetation management in O&M was $545,000. CNPI recorded $588,000 in actual costs in OEB USoA 5135 (Overhead Distribution Lines and Feeders - Right of Way) in 2022. The overspend was primarily due to labour effort required to remove Emerald Ash Borer infected trees in its service territory during the year which was not fully budgeted for.

   Given the maturity of its vegetation management program along with considering growth patterns within its service territory, CNPI manages its vegetation program within O&M and therefore does not have a capital budget for vegetation management.

In 2022, CNPI's budget for System Renewal was $7.3M and actual spending was $7.6M. The increase of capital spending is premilitary due to a feeder rebuild and voltage conversion project which will be complete in 2024.

c) CNPI is increasing its focus on its budgets for storm repairs. Until now, the storm responses budget has been held relatively stable, around $50k in recent years (please see response to VECC-3), adjusted annually by inflation. This amount accounts for the expectation that some storm repairs will be necessary in a given year, however it's not possible to predict with certainty the amount or severity of bad weather in a given year. While CNPI has experienced very impactful severe weather events in each of 2020, 2021, and 2022, this was not an expected pattern.

CNPI is aware that the location of the service territory, being along the shore of Lake Erie, exposes CNPI's customers and electrical system to more severe weather: higher winds, more snowfall and other precipitation. Further, CNPI is aware that climate change will further accelerate the frequency and severity of bad weather. Nonetheless, it is not expected that the pattern experienced over the last three years will continue on an *annual* basis in upcoming years.

Staff-12
Reference:

(i) EB-2022-0019, CNPI 2023 IRM Application, CNPI Reply Submission, Pg. 9

In its response to VECC's comments, associated with its 2023 IRM application, regarding its risk assessment and risk mitigation related to storm damages, CNPI set out a list of following measures aimed at mitigating risks:

- Accelerated voltage conversion projects.
- Accelerated distribution automation.
- Exploring changes to design criteria and standards to enable storm hardening and system redundancy.
- Focusing efforts in in areas of higher likelihood of storm damage.

Questions:

a) Please confirm that the costs associated with the measures listed above are not embedded in the current Z-factor claim.
b) Please explain how CNPI's risk mitigation measures are sufficient for their electricity distribution infrastructure to withstand extreme weather conditions.

CNPI Response:

a) Confirmed.

b) Regarding the sufficiency of these efforts, CNPI believes it has achieved a reasonable pace of work, with investments that are targeted at high-risk areas and assets, and which strike a balance with affordability considerations.

CNPI reviewed the London Economics International report published as part of the Distribution Sector Resilience, Responsiveness & Cost Efficiency, and notes the discussion regarding the balance between mitigation measures against high-impact events and customer affordability (ex: key lessons on p 44 of that report "Balancing resiliency and affordability is a key challenge"). A description of how each of the above-mentioned programs supports storm damage mitigation is outlined below:

Voltage Conversion

During the voltage conversation, deteriorated poles, cross arms and other hardwire are replaced. Tree branches close to the lines are removed.

System Automation

System Automation will identify and isolate outage line sections quickly. Customers supplied beyond the faulty section will be transferred to other feeders via a pre-arranged switching scheme.

Considering Higher Design Standards beyond Like for Like

When rebuilding lines in certain weather sensitive areas, such as l**ake front, higher design standards** with more guying, large poles and conductors are considered in an incremental basis. Additional backup supply lines are also considered.

These measures are undertaken when assets are due for replacement, in order to limit affordability challenges associated with early write-offs.

CNPI considers applying higher design standards and backup supply lines very carefully as it can be expensive. In recent years, CNPI constructed four (4) distribution substations with pad-mounted transformers and underground supplies to reduce high reliability impact of transformer or feeder outages. This is an example of applying higher standards (beyond like-for-like) to reduce the risk of adverse weather outages. By completing these upgrades during a regularly scheduled replacement, CNPI is able to limit the affordability impact of these incremental reliability improvements.

Vegetation Management

As one of the drivers for the additional VM spending over budget identified in Staff-11, CNPI has implemented a proactive program to identify high risk trees that are located along the CNPI right-of-way, but not *on* our right-of-way, which would not normally be removed in its regular VM program. This measure is incremental to activities conducted prior to 2023.

Assessment of Efficiency of System Investments:

The impacts of many of the above-noted system investments are often difficult to quantify, however the impacts of **system automation and recloser installation** may be an exception. During the past two DSP periods, CNPI has installed remote-controlled reclosers through a paced approach throughout the service territory. The investments made in system automation and recloser device installation are targeted at permitting the system to withstand temporary situations (ex: conductor galloping) that would otherwise result in a sustained outage. Instead, when successful, the reclosers result in momentary outage(s), but avoid a sustained outage.

CNPI has reviewed the data regarding the number of customers that experienced momentary outages during the December 2022 storm but **did not** experience a sustained outage. Customers who experienced only momentary, but no sustained outages represent customers for which CNPI's investments were able to avoid an outage, demonstrating that these previous investments were effective in reducing the impact of this weather event.

CNPI estimates that roughly 3,600 customers experienced one or more *momentary* outages, but no *sustained* outages during the storm. This indicates that at a minimum, the reclosers program helped reduce the number of customers who experienced a sustained outage by nearly 25%. CNPI estimates that the relative impact of the reclosers to the number of avoided customer interruptions (basis for SAIFI) and avoided customer hours of interruption (basis for SAIDI) would be even greater. That is to say, the analysis above does not account for some customers who did experience an outage, but who would have experienced *more* interruptions during the event, and therefore more customer hours of interruption as well (had it not been for the reclosers).

Staff-13
Reference:

(i) Manager's Summary, Pg. 30

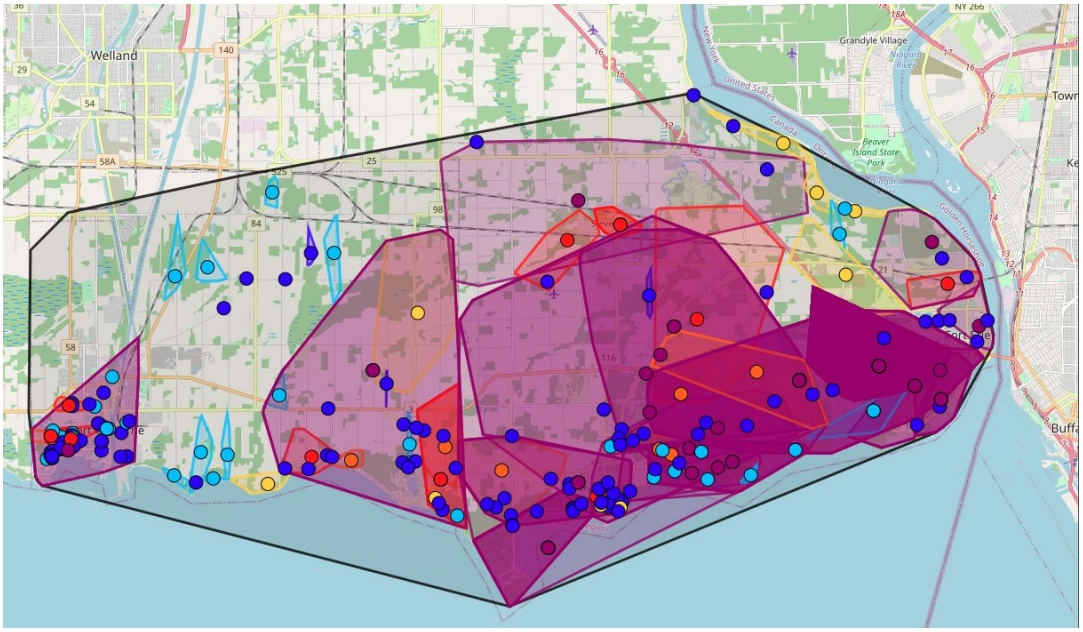
CNPI has mentioned that it was able to restore power to most customers by December 27, 2023. Some customers requiring repairs and/or ESA approvals at their premises may have been affected for a longer period. Additionally, CNPI continued its efforts to repair and replace damaged assets into 2023, after the critical repairs and customer restoration was complete.

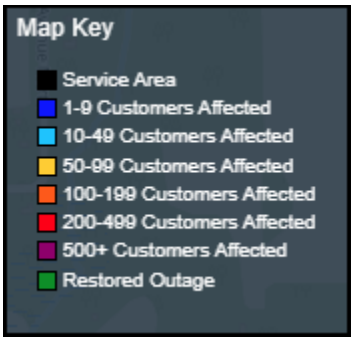
Questions:

a) Please provide a copy of the outage map of CNPI's service territory displaying storm affected outage service areas.
b) Please provide a copy of CNPI's Power Restoration Plan that was activated in response to the storm.
c) Discuss any deviation from the restoration plan during the event.
d) Please clarify if the continued efforts to repair and replace damaged assets into 2023 is part of the total Z-factor claim in CNPI's 2024 IRM application.
e) Please confirm if there are any ongoing repair activities pertaining to the z-factor claim. If yes, please identify and discuss their impact on the z-factor claim.

CNPI Response:

a) The OMS map below provides a graphic representation of interruptions within the affected CNPI service territory timeline for the period December 23, 2022 – December 27, 2022





b) Please see the attached outage restoration plan (Attachment 13-Staff-b).

c) There were no significant deviations from the plan, however depending on the particulars of the weather event, some sections of the plan may be approached differently from one weather event to another.

There were multiple meetings as the event approached initially enacting our severe weather event document. Each person responsible would initiate and complete the tasks required and report back.

The final operating meeting was held on December 22, 2023 to prepare for the storm. Internal operating resource availability was determined as several operating staff booked vacation and previously left the region. Initial staffing schedule between December 23rd and 25th was developed. Additional external resources were contacted. During the storm, as the severity of the storm became evident, external resources were called in. Logistic issues were addressed. Some of the office staff were called in during the holiday to help with the logistic issues, such as ordering and delivering hot meals and drinks to the field staff. The supporting team made sure that the line staff focus the available 16-hours/day on power restoration. The damage assessment team in the field reported back outage information; The engineering team developed restoration plans; and material management team prepared material based on the restoration plan. The control operators developed switching plans and communicated with field staff. The outage coordinator (Regional Manager) coordinated the overall restoration plan.

The customer service group played a significant role during the storm, as the conduit among operations, customers, media, and municipalities.

Specific activity related to communication, led by Director, Corporate and Customer Service are as follows:

- Hourly Outage Event Reports were created (attached) and shared with all internal key team members throughout the storm lifecycle. This information also created the basis for external communication with customers, Emergency Services and Fort Erie/Port Colborne

representatives. Multiple meetings were held daily with municipal representatives and authorities (Town, Region, Fire, Police).

- Periodic website updates (attached) to the CNP home page alerts section provided ongoing. updates including customers without power, recent restorations and field resources actively supporting restoration effort.
- Social media postings (Facebook and X – formerly Twitter) were made periodically over each day during the storm period. The updates were generally made when significant changes in either weather conditions or restoration effort had changed.
- Customer outage calls were taken 24/7; the information from these calls was used to update the Outage Management System and liase with the control room and Restoration Coordinator.

d) Yes, the continued efforts related to the assets damaged during the storm are included in the z-factor claim (with the exception of those portions of the costs related to regular time labour).

e) No, all repair efforts concluded early in 2023.

Severe Weather Event Responsibilities

All Supervisors

- ☐ Call contractors to ensure staff availability during the storm (i.e. Power Assist, GAMS, PVS, Peters Vac Truck, Welland Hydro, NPEI, KPC, Black and McDonald, etc.)
- ☐ Based on the severity and duration of the weather alert issued, ensure staff rotate going home to rest to ensure staff in each department are always available.
    - Metering Department: customer deficiency, power quality, bird dog, material delivery
    - Substation Electricians: substation issues, control room relief
    - Control Room: employees rotate 7am-10pm / 7pm-10am
        - No employees permitted in control room
        - All phone traffic through supervisors/ war room
    - Fleet, Facilities and Stores: 3 employees rotate
    - Customer Service: Supervisor and Manager of Customer Engagement
    - Lines and Substations Supervisor: rotating schedule with 8 hours rest
    - Planning and Engineering: Supervisor has created a schedule for this department
    - Lines Crews:
- ☐ Ensure all vehicles have fuel
- ☐ Co ordinate meals for field workers with Operations Assistant
- ☐ Ensure trucks are equipped with cell phone chargers
- ☐ Obtain accurate emergency contact information for both internal and external contacts

Substation and Metering Supervisor

- ☐ Inspect the state of the substations
- ☐ Check state of the system

Lines Supervisor

- ☐ Sharpen chain saws
- ☐ Fuel trucks
- ☐ Patrol sensitive areas (i.e. Point Abino Road and Colony Road in Fort Erie)

Customer Service Supervisor

- ☐ Ensure Customer Service is not answering calls(during an afterhours event) and they are being routed to Power Assist.
- ☐ Ensure CS staff are aware of anticipated storm and plan to have sufficient staff

- ☐ Issue public warning (Social media) of possible outages resulting from the pending major event (John S often does this)- but leave on list
- ☐ During the major event, issue information such as estimated times of restoration to the public via social media.
    - Power Assist manages this until such time CNP declares major event and takes social media posting "back" often time this is shared with John Sander -leave on list
- ☐ Issue notice to Town of Fort Erie
- ☐ Issue notice to the City of Port Colborne
- ☐ Issue notice to Power Assist to ensure they are aware and staffing appropriately

Planning and Engineering Supervisor

- ☐ Ensure job folders are brought to the Planning Office
- ☐ Secure retainer agreement with PVS for locates during the storm

Facilities, Fleet and Stores Supervisor

- ☐ Ensure the back-up generator at head office has enough fuel
- ☐ If it has been snowing ensure the snow is cleared at all buildings (i.e. Head Office, Substations, pole yard etc.)
- ☐ Ensure staff availability to plow job sites if required
- ☐ Ensure Head office gates are open
- ☐ Mix fuel for chainsaws

Operations Regional Manager & Assistant

- ☐ Once it is deemed a Z-factor storm, ensure Manager of Customer Engagement completes the Outage Event Report Form during the storm
- ☐ If the storm is likely to cause extended outages, arrange for emergency food and deliveries to crews
- ☐ If required, set up Lecture Room for contractor orientation

CANADIAN NIAGARA POWER INC.
A FORTIS ONTARIO Company

Notice to Canadian Niagara Power Customers

Update on Storm Restoration

December 26, 2022 (Fort Erie, Ontario) – Further to the update we provided yesterday, as of 5pm on December 26, 2022 there are approximately 3,900 customers that remain without power.

Today there were upwards of 61 line and field team members working since early this morning to restore power. Together with CNPI crews, crews from other local utilities, line contractors and field contractors restoring efforts have been in full force. We have continued to make good progress today and have restored over 2,500 more customers and crews will continue to work into late in the evening.

At the peak of the outage there were 15,000 customers without power and we have restored approximately 11,000 customers since that time. The safety of our crews and the community remain our number one priority.

We know how frustrating this is for our customers. Please be assured that crews are out all over Fort Erie, Crystal Beach, Ridgeway, Stevensville and Port Colborne and will continue to be there until all customers have power. Thank you to our customers for their continued patience and understanding. We would also like to thank our community for their great support in helping us acquire food and accommodations for our visiting crews. We could not do this without your support.

Please note warming centres are set up at the Leisureplex in Fort Erie and the Vale Centre in Port Colborne for customers without power.

Canadian Niagara Power Inc. (“CNPI”) is a wholly-owned subsidiary of FortisOntario Inc. ("FortisOntario"). CNPI has approximately 29,000 customers in Fort Erie, Port Colborne, and Gananoque. For further information visit www.cnpower.com.

- 30 -

For further information, please contact:
Kristine Carmichael
Director, Corporate &
Customer Services
Phone: (905) 994-3637
kristine.carmichael@FortisOntario.com

Major Event Report Form

Report Date/Time (YYYY/MM/DD - HH:M M) :	2022/12/26- 14:00:00
Report completed by:	John Sander
CUSTOMER IMPACT	
Are we experiencing a Major Event?	has this been declared
If yes?	2022-02-23
> Date/Time Major Event started (YYYY/MM/DD- HH:MM) :	8:00
> Expected duration:	24 hours (or greater)
> Current area affected:	Fort Erie & Port Colborne
> Current number of customers aff ected:	6,840
> Number of customers restored since last report :	7892 (Dec 25th)
If No?	
> Date/Time Major Event ended (YYYY/MM/DD - HH:MM):	
> Total CustomerHours (if known) :	
ASSET DETAILS	
Transmission Distribution Substation Underground Protection/Control Other:	
Owner/Company:	CNPI
Additional details :	
REASON/CAUSE	
Weather condition details:	Extreme wind, Flash Freezing/snow
Failed equipment details:	
Vehicle accident details:	
Additional/other details :	30 Broken Poles
RESOURCES USED	
Internal resources deployed? Yes or No Who/How many?	Most of OPS deployed
External resources deployed? Yes or No Who/How many?	25 - 2 person Line Crews 6 - 2 person non-Line Crews
Additional resources needed? Yes or No Who/How many?	
EXTERNAL COMMUNICATIONS	
Public notified? Yes or No How?	Social Media Updates
Councils/Community notified? Yes or No How?	yes via email
Media notified? Yes or No How?	
Media requested contact? Yes or No Who was requested?	
Media response provided? Yes or No Who responded?	
NOTES:	"- There are approx 10 outages ranging in 150 - 1500 customers without power making up approx 4,500 of the 6,840 customers out. These are going to be the more challenging restores due to the severity of damage and/or accessibility. - social media updates are going to also note that some customers recently restored may experience momentary outages due to ongoing repairs/restoration effort

REPORT FORM TO BE CREATED AT THE BEGINNING OF THE EVENT AND UPDATED EACH HOUR AFTERWARDS
SEND COMPLETED REPORT FORM TO THE EXECUTIVE AND MANAGEMENT TEAM UPON COMPLETION

Staff-14
Reference:

(i) Electricity Distribution Rates Application, Attachment "F", Pg. 138

It is mentioned in Reference 1 that CNPI has a Business Continuity Plan that is periodically updated and reviewed at the management level. The plan is designed to assist in the response to natural disasters, accidents, major outages, environmental disasters, municipal emergencies and cyber attacks. This plan is available to all staff both via CNPI's corporate intranet, and hard copy. For major outages, this plan covers responsibilities and procedures for all outage restoration and communication efforts, consolidates contact information for internal staff and key external agencies.

In addition to the Business Continuity Plan, CNPI also has an internal procedures document that outlines roles and responsibilities during a major event. This document is a living document that focuses on direct current assignments for roles and responsibilities during Major Outages that the management team can follow on a daily basis during a major outage.

Questions:

a) Please discuss updates in business continuity plan after the last Z-factor claim was made in 2023 IRM application. Please explain if there has not been any updates made to the business continuity plan after last year's Z factor claim.
b) Please discuss how these updates have improved the ability to resist severe weather conditions.
c) Please provide a copy of "internal procedures document" and elaborate on how it was implemented during December 2022 severe weather event that led to the Z-factor claim.
d) Please illustrate the effectiveness of CNPI's continuity plan to reduce the financial impact of weather-related events by providing historical data and trend analysis. Also, please discuss any steps taken to ensure the effectiveness the continuity plan.

CNPI Response:

a) No significant updates have been made to the business continuity plan or the internal procedure. CNPI notes that the business continuity plan is intended to be a high level corporate procedure document that is relatively general, and therefore does not need significant updates over time. Over the years, the updates to this plan have focused on updates to logistical information in the supporting schedules, for example updates to reflect the appropriate individuals and contact information for a given role.

During the December 2022 storm, the following changes in practice were implemented:

- Incremental focus has been placed into deploying inside staff to support the logistics (specifically food delivery, accommodation arrangement for out-of-town contractors) of the storm response-reducing down time of internal and third party crews in the field;
- Line staff have been broken up from their original crews in order to lead large groups of third party contractors (ie: to lead/support with local perspective, advise on CNPI's standards and protocols).
- Continuing the two- phased approach to storm reparation - initially focus on repairs and critical infrastructure replacement needed to restore power promptly to the majority of customers, with temporary repairs where appropriate. Phase 2 involves completing the necessary remaining asset replacements.

b) CNPI's *emergency response* planning (such as the BCA and internal procedures document) is intended to assist CNPI in responding efficiently and safely to severe weather conditions. The emergency response plans are meant to be invoked once a severe weather event has begun to occur, their purpose is not to support CNPI in *resisting* severe weather events. Other elements of planning are in place to assist CNPI's system to resist severe weather (see examples in Staff-12).

c) Please see the attachment and description provided in Staff-13 b) and c). With respect to the application of the Business Continuity Plan, the following items were implemented from the Storm Contingency Section:

The Regional Manager for CNPI-Niagara was appointed Restoration Coordinator (per chart) (page 49)

Subsequent chart with roles and responsibilities was utilized to ensure all personnel knew their roles and responsibilities (page 50 and 51); these roles and responsibilities and specific tasks assignments were further assigned through the use of the Internal procedures (Severe Weather Event Responsibilities) document outlined in Staff 13 b).

d) Please refer to VECC-3 for the recent spending per year (Capital and OM&A) related to storm damage, however, respectfully, CNPI does not believe a trend analysis of recent events is an appropriate assessment of the effectiveness of CNPI's planning and preparedness for such events. The frequency, duration, and severity of inclement weather is the key and core driver of the response effort required and the associated financial impact of weather-related events. A review of recent history does not permit a meaningful comparison of one event to another because of this driver.

CNPI believes strongly that it has responded appropriately to the severe weather events in recent years, and its proactive planning has allowed it to minimize the impact of extreme weather.

CNPI management and staff have acted efficiently to prepare for and respond to outages, while maintaining public and employee safety as a key priority. Plans are in place to enable communications with the public and coordination with local authorities.

CNPI has identified continuous improvements with each severe weather event, however the core tenets of the storm preparation remain in place – ensuring staff and equipment availability in advance of poor weather, preparing to draw on third party support as required, communicating clearly and consistently with the public and local authorities, and acting to swiftly and safely restore power.

Consistent with the Manger's Summary discussion in this Application, CNPI notes that the December 2022 storm had unprecedented effects (at least considering recent history), as exhibited by:

- The extent of tragic damage and fatalities occurring across the border in Buffalo;
- The complete shutdown of area highways, border crossings and roads;
- The State of Emergency declarations from local municipalities and Niagara Region;
- The announcements from local Police/EMS indicating that **emergency response during the storm may not be possible** due to the condition of roadways;
- Reporting from around the world highlighted the effects of the storm specifically in CNPI's service territory.

CNPI further notes that a significant proportion of its staff came together to support the outage response to the community, contributing many hours of work and cancelling their family plans during the holiday season. Lines and outside staff worked in poor weather and poor driving conditions. Inside workers supported communications efforts to ensure the public was kept aware of safety information, restoration updates, and information on how to access other critical resources such as warming Centres. Additionally, inside staff organized and delivered warm meals and beverages to local and visiting crews, despite most local restaurants being closed due to the storm and/or holidays.

Staff-15
Reference:

(i) CNPI 2023 Application Interrogatory Responses (EB-2022-0019), Pg. 28

In its interrogatory response of 2023 application to the question related to bill impact mitigation strategies to assist its customers, CNPI responded that it has not considered any bill mitigation strategies to assist its customers in being able to absorb the bill impact caused by Z-factor related rate rider.

Questions:

a) Please confirm if anything has changed with regards to developing the mitigation strategies since CNPI's last filing. Please provide the details of the changes, if any.

CNPI Response:

CNPI's approach to bill mitigation vis-a-vis the Z-Factor application is consistent with the OEB's guidance with respect to bill mitigation. CNPI understands that an LDC is required to file a mitigation plan if total bill increases for any customer class exceed 10%[1]. Accordingly, and consistent with the bill impacts assessed in the Rate Generator model, CNPI has not proposed any bill mitigation plan.

[1] Filing Requirements for Electricity Distribution Rate Applications- 2023 Edition for 2024 Rate Applications- Chapter 3, p10

Staff-16
Reference:

(i) IRM Online Platform

Questions:

a) Please describe your experience and provide any feedback related to the IRM online platform as well as the over-all process.

CNPI Response:

Anticipated Benefits of Online IRM

CNPI understands that one of the benefits of the OEB's online IRM pilot is to improve the flow of information (consistency and speed) between the LDCs' IRM filings and the OEB's pivotal. This can mean, for example, the improved speed of updates to the IRM calculations upon updates to RRR relevant data. This can also mean improved and more automated collection of IRM outputs into pivotal, with ease and consistency. Another benefit may be the ability to issue model changes and ensure they are consistently applied across all applications.

CNPI agrees that these benefits are worthwhile and the Online IRM process will be successful in this regard.

Small Updates and Improvements to Online IRM

During the pilot, CNPI experienced some challenges with the model outputs and access to the model for the required internal CNPI subject matter experts. The detailed items were shared with OEB staff, and corrections and/or work arounds were completed for the issues noted.

CNPI has an ongoing concern that adjustments to the model (ie: to correct data, adjust calculations) may become more complex with the shift to Online IRM. For example, in the excel model, an LDC may identify an unexpected model output and trace its provenance in order to suggest a change to a specific formula and/or input, however the Online IRM model will rely exclusively on OEB staff with a knowledge of the programming in the Online IRM model and how to adjust it. CNPI hopes that with the transition to the online IRM model, there will be no decrease in the timeliness of requested model changes as a result of the relative complexity of adjusting programming versus excel.

High-Level Core Concern Regarding Implementation

CNPI's core concern is related to the potential elimination of the excel version of the OEB's Rate Generator model. The excel model is used as a starting point for the validation and verification of rate adjustments, rate rider calculations, and bill impacts. CNPI completes its quality assurance and review on the basis of this model. Important aspects of this quality assurance involve **copying and pasting data** for the purposes of cross checks (ex: to RRR filings) and **tracing formulae** and validating that allocations

and rate setting calculations are occurring as expected. If the IRM filings in the future are exclusively conducted through IRM online, the processes to review and validate the data and calculations will be made more complicated and **take additional time**, adding additional work for distributors, and potentially **increasing the opportunity for error.** The core drivers of these outcomes are as follows:

- Inability to copy/paste data in and out of the model;
- No transparency of the formulas/data processing logic being applied.

As part of this year's pilot, CNPI continued to have access to an up to date excel Rate Generator model, and the verification of data, calculations and outcomes was supported through completing this parallel process, however if the intention is to cease providing the excel model, there will be additional work required to enable the necessary data processing and quality assurance measures. CNPI anticipates it will need to replicate significant portions of the IRM Online calculations in an internal "parallel" excel model.

Typically, the Rate Generator model is issued three weeks before the IRM filing deadline for January 1 filers, and CNPI makes full use of this time to prepare its application and rate proposals. In many years, the models contain new calculations that reflect new filing guidelines, etc. (for example the precise methodology for the Low Voltage Rate calculations was issued with the 2024 IRM Model in late July 2023). With this in mind, CNPI is concerned with its ability to meet the IRM filing deadline working with the IRM Online model alone (and considering that there is often other competing non-discretionary work during the three-week IRM filing period).

Recommendation/Request:

For these reasons, CNPI requests that if the OEB implements its Online IRM as the standard filing option, that a parallel Excel rate generator model be issued and maintained accordingly.

VECC-1
Ref: Manager's Summary p. 29

CNPI recorded total costs of $1,930,136 related to the December 23, 2022 storm and subsequent restoration efforts as follows:

Category	Amount
Capital	$866,568
Capital (Regular-Time Labour)	$88,548
O&M (Regular-Time Labour)	$82,906
O&M (Recorded in Acct 1572)	$892,114
Total Storm Costs	**$1,930,136**

a) Please confirm the total costs of $1,930,136 are outside of the base upon which rates were derived.

b) Please confirm that the Z-factor claim is directly related to the Z-factor event and if the event had not occurred, CNPI would not have incurred any of the costs.
c) Please confirm the scope of the outage invoked CNPI's Business Continuity Plan. Please confirm CNPI has followed its Business Continuity Plan in responding to the storm event or explain any deviations.
d) Please confirm all cost categories have been audited.

CNPI Response:

a) Confirmed with the exception of the Regular-Time both in Capital and O&M noted above, which CNPI has not included in its request for recovery within this proceeding.

b) Confirmed.

c) Please refer to the response to Staff-13 and Staff-14.

d) Please refer to the response to Staff-9.

VECC-2
Ref: Manager's Summary p. 29

CNPI recorded more than 32,000 customer interruptions, representing 106% of CNP's customer base (which includes Eastern Ontario Power). This indicates that many customers in Fort Erie and Port Colborne would have experienced more than one interruption during the storm and restoration.

Please provide the number of customers impacted by the storm that had one interruption.

CNPI Response:

Based on the outage data retrieved from CNPI's OMS, for the period December 23, 2022 – December 27, 2022, we noted the following interruptions:

CNPI notes that customers there were a very limited number of outages in the Eastern Ontario Power service area (which serves Gananoque and surrounding areas).

Number of Sustained Outages per Customer *	**Number of Customers Per Category**	
Zero Sustained Outages	11,021	*D=C-(A+B)*
One Sustained Outage	7,723	A
More than one outage	8,139	B
Number of Customers in NIA region as of Dec. 31	26,883	C
**Does not account for any momentary outages*		

VECC-3

Ref: Manager's Summary p. 33

CNPI confirms that the costs incurred in relation to this storm exceed the amounts included in the 2022 COS Rate Application revenue requirement underpinning CNPI's current rates, as well as CNPI's internal budget for this purpose. The claim amounts are incremental to the budgeted levels of storm damage costs.

Please complete the following table to compare storm damage costs from 2017 to 2023.

Year	Included in Rates ($)	Budgeted Amount ($)	Actual (Non-Z-factor) ($)	Actual Z-Factor ($)
2017				
2018				
2019				
2020				
2021				
2022				
2023				

CNPI Response:

CNPI has split this IR request up between non-capital and capital in the following two tables:

	NON-CAPITAL			
Year	Included in Rates ($)	Budgeted Amount ($)	Actual (Non-Z-factor) ($) (1)	Actual Z-Factor ($)
2017	$ 39,977	$ 39,977	$ 13,553	$ -
2018	40,277	69,894	89,766	-
2019	40,700	24,313	56,981	285,050
2020	41,331	25,391	18,297	-
2021	42,054	25,000	55,615	135,887
2022	50,000	50,000	82,906	892,114
2023 (2)	$ 51,675	$ 50,000	$ 160,172	$ -

(1) Included amounts related to Z-Factor storms but not claimed for recovery within Z-Factor

(2) Included in Rates and Budgeted Amount is the annual 2023 amount, Actual is based on September 2023 YTD.

	CAPITAL			
Year	Included in Rates ($)	Budgeted Amount ($)	Actual (Non-Z-factor) ($) (1)	Actual Z-Factor ($)
2017	$ 6,597	$ -	$ 26,232	$ -
2018	6,647	-	190,417	-
2019	6,716	-	803,443	-
2020	6,820	-	277,070	-
2021	6,940	-	137,141	183,447
2022	-	-	88,548	866,568
2023 (2)	$ -	$ -	$ 78,360	$ -

(1) Included amounts related to Z-Factor storms but not claimed for recovery within Z-Factor

(2) Included in Rates and Budgeted Amount is the annual 2023 amount, Actual is based on September 2023 YTD.

VECC-4

Ref: Manager's Summary p. 33

CNPI has developed a 3-year cycle to its vegetation management program, including tree trimming standards designed for CNPI's service Territory.

a) Please provide a map of CNPI's 3-year vegetation management cycle and indicate the cycle areas impacted by this event?

b) Please complete the following table to compare vegetation management program costs from 2017 to 2023.

Year	Included in Rates ($)	Annual Budget ($)	Actual ($)
2017			
2018			
2019			
2020			
2021			
2022			
2023			

c) Please provide the tree related activities and costs included in the Z-factor storm restoration costs.

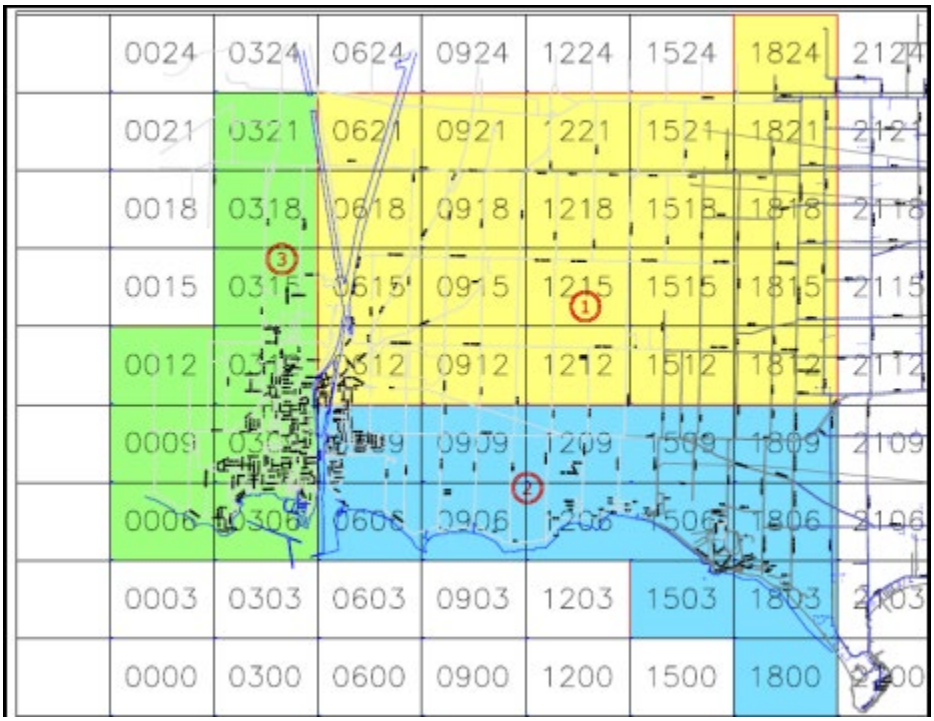
d) Please provide the vegetation management cycle for 2022 and confirm the cycle was completed as planned.

e) Please provide the tree trimming standards designed for CNPI's service territory and confirm CNPI adhered to its tree trimming standards in 2022.

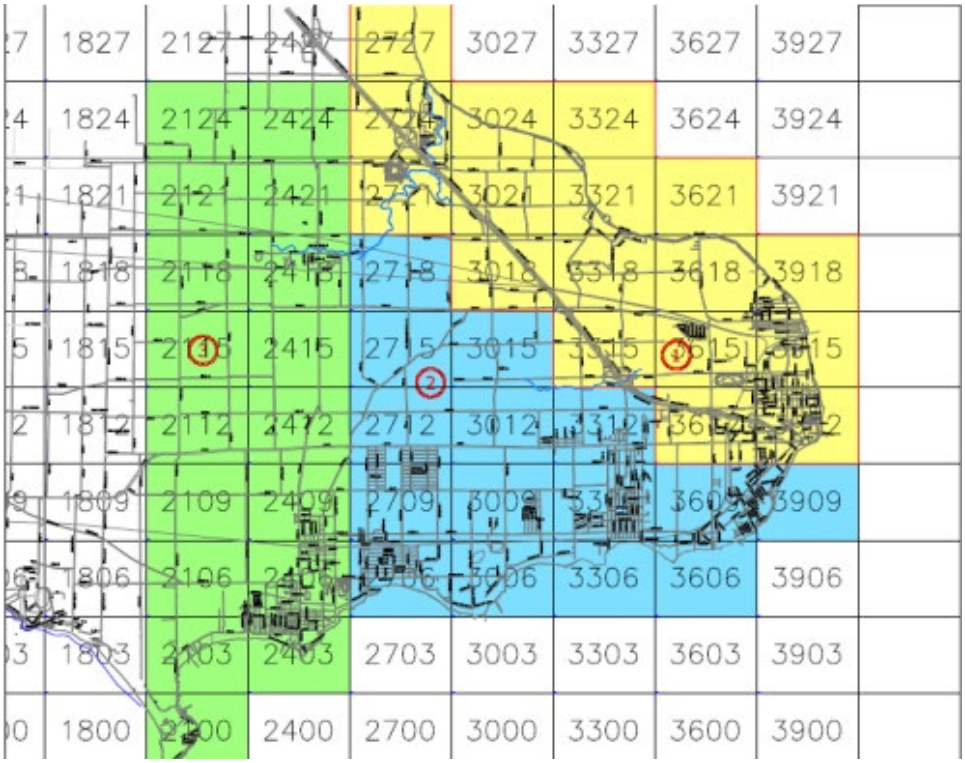
CNPI Response:

a) Please see the maps below for the 3- year vegetation cycle. The areas closest to the shore of Lake Erie were most impacted, as the winds, and snow and ice accumulation were most extreme in these areas.

Port Colborne VM Areas:

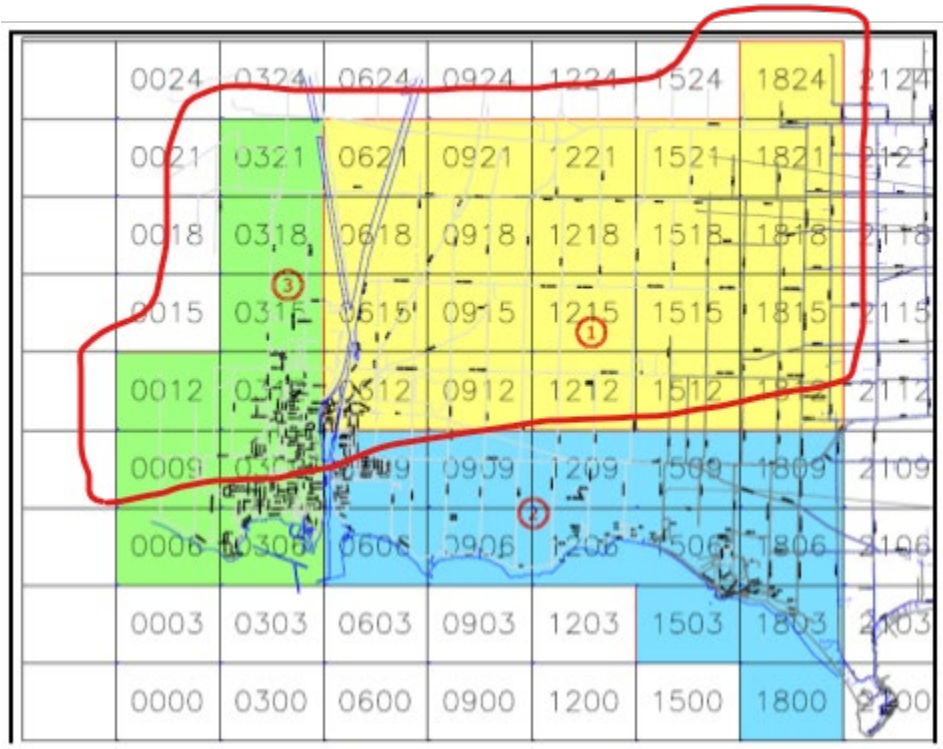


Fort Erie VM Areas:



The area indicated below in Port Colborne experienced *fewer* outages. CNPI notes the majority of the area is in “zone 1”, which was the area for which Vegetation Management was completed in 2022. This reinforces the fact that the outages

were primarily driven by high winds and snow and ice accumulation, which were most extreme along the shores of Lake Erie.



b) Please see table below.

Year	Included in Rates ($)	Annual Budget ($)	Actual ($)
2017	$ 481,000	$ 480,667	$ 442,527
2018	484,608	485,070	478,201
2019	489,696	500,039	530,240
2020	497,286	524,085	492,409
2021	505,989	509,713	581,800
2022	545,000	545,000	588,146
2023 (1)	563,258	543,000	375,825
(1) Included in Rates and Budgeted Amount is the annual 2023 amount, Actual is based on September 2023 YTD.			

CNPI anticipates it will spend over $600,000, exceeding its budget for 2023.

c) Several of the contractors hired to repair/replace poles and wires during restoration effort had to clear vegetation (i.e. trees, branches, etc.), but this effort was not explicitly tracked within the invoicing to CNPI; rather invoicing was time and materials based on the tasks that CNPI had assigned to that contractor for each day. However, Pineridge Tree Service was specifically brought in to assist with addressing vegetation issues by performing a combination of tree trimming along

with line clearing during the storm restoration effort. $9,400 of Pineridge invoices were capitalized while $83,575 of Pineridge invoices were allocated to OEB 1572.

d) Zone 1 in Port Colborne and Zone 1 in Fort Erie were completed in 2022.

e) Please see attachment.

LIVING IN HARMONY WITH VEGETATION NEAR POWER LINES

If you notice vegetation that's interfering with our power lines, please stay clear and call our Customer Service Department as soon as possible at 905-871-0330 or 905-835-0051 during regular business hours or 1-844-501-9473 after regular business hours in the case of an emergency. Contact us if a tree poses a potential threat to human safety or meets any of the hazardous conditions referenced on this site.

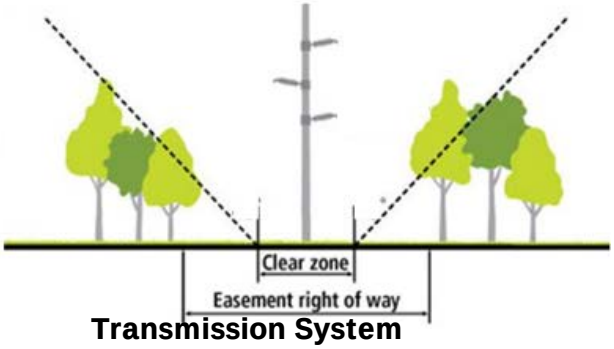
Canadian Niagara Power Inc. Vegetation Management

As a licensed Transmitter and Distributor, Canadian Niagara Power Inc. (CNPI) is required to provide safe and reliable service to the customers of Fort Erie, Port Colborne and any stakeholders who may be affected by its 115kv Transmission system outside its service territory. Each of the systems are operated at varying voltages and have distinct methods and standards associated with their management.

CNPI has an obligation to manage vegetation that can interfere with the safe and reliable operation of its electrical systems. Trees and brush growing in the vicinity of electrical wires increases the risk of injury to the public as vegetation in close proximity may contact power lines creating an electrical hazard. Additionally, vegetation in proximity may create arcing, potentially resulting in fires. Vegetation can cause electrical service interruptions when branches contact or come in close proximity to power lines.

CNPI's Integrated Vegetation Management Program has been developed to align with FortisOntario's Health Safety and Environmental Management System (HSEMS) consistent with ISO 14001 standard, ISO 45001 standard, the North American Electric Reliability Corporation (NERC) Compliance Program, (ANSI) A300 Standard Practices for Trees, Shrubs and other Woody Plant Maintenance, the Electrical Safety Authority (ESA) Guidelines for Tree Trimming Around Power Lines and Planting Under or Around Power Lines and Electrical Equipment. These management systems, standards and guidelines provide the framework for ensuring adequate processes such as governance and oversight.

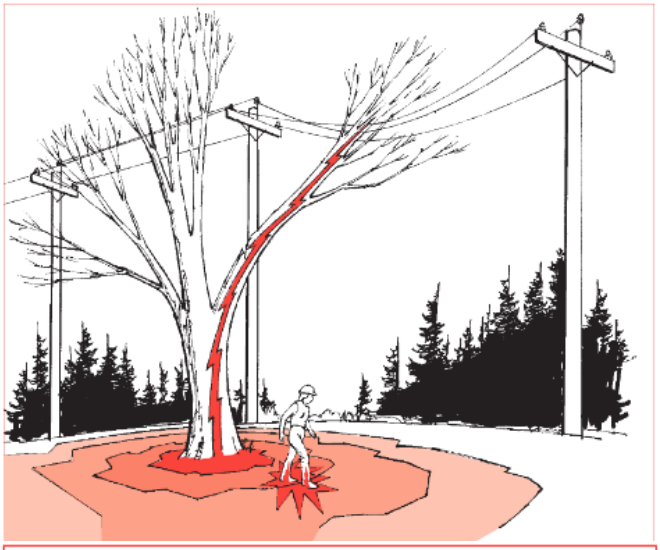
Distribution System

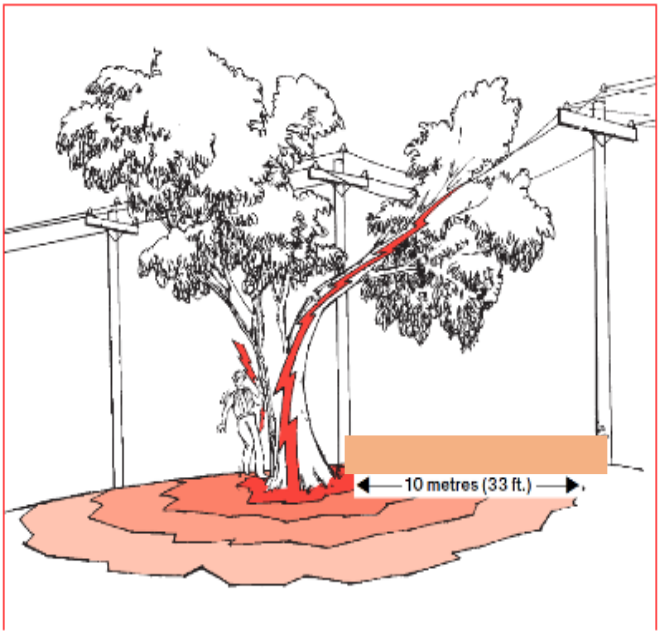


Transmission System

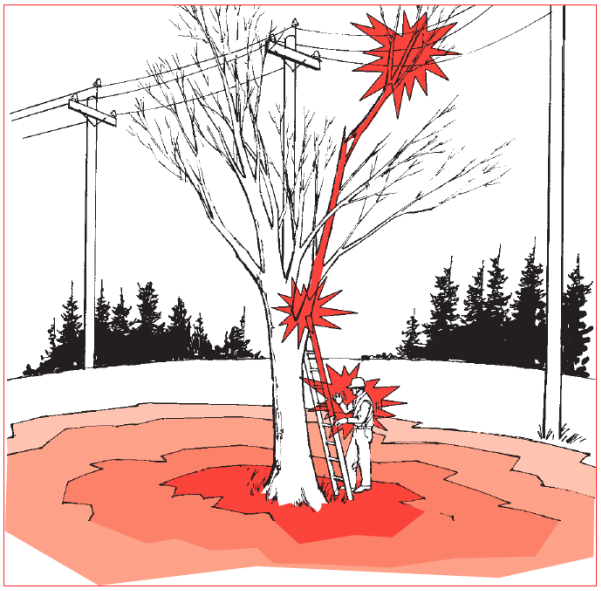
There are a number of potential risks associated with power lines and interaction with vegetation such as;

1. Step and touch potential through contact with energized equipment.





When vegetation has made contact with energized equipment, there is risk of the vegetation being energized at high voltage, creating a path to ground. This condition may also energize the ground surrounding the vegetation, creating two distinct hazards as illustrated.



2. Fire hazards associated with vegetation contact and encroachment of Minimum Vegetation Clearance Distance ("MVCD") though ionization (Arcing)

CNPI's Vegetation Management Program ("VMP") has been designed to effectively minimize risk to the public from electrical contact, flashover (arcing) and fire. Minimum approach clearance distances and absolute clearance from vegetation to Transmission (115kV) and Distribution (>750v to 35kV) power systems has been developed based on the following:

-Vertitical and horizontal wire movement

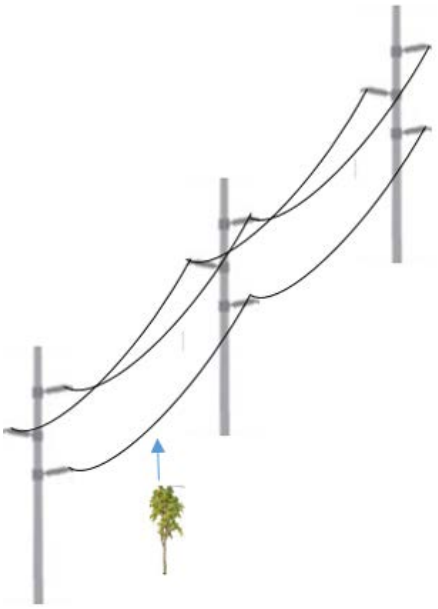
-Thermal loading

-Line sag and sway

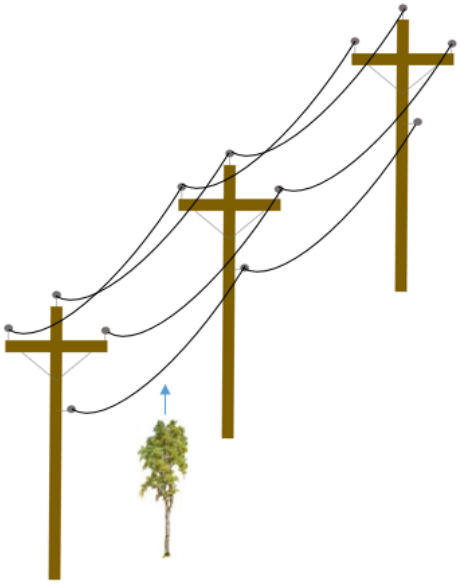
CNPI's VMP accounts for these dynamic situations by establishing an absolute clearance from the vegetation to the wire, ensuring vegetation is kept well away from hazards as described in the images below.

Vegetation Grow In

In the examples below, adequate clearances must be maintained between the maximum sag of the conductor and the top of the tree, by ensuring timely removal of the tree on Transmission systems and removal or adequate trimming on Distribution systems.



Transmission System

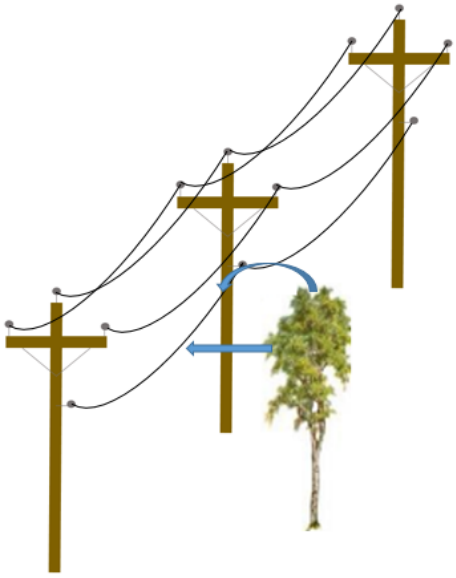


Distribution System

Vegetation Fall In/Blow In

In the example below adequate clearances must be maintained between the maximum swing of the conductor and the top of the tree, by ensuring timely removal or adequate trimming of the tree.

Transmission System



Distribution System

Vegetation Clearance Distances

	Transmission	Distribution
Voltage – Phase to Phase	115 kV	>750v – 35kV
Min. Vegetation Clearance Distance	1.0 m	1.0 m
Absolute clearance from tree to conductor	4.5 m	3.5 m

Tree Trimming Around CNPI Power Lines

Between the years 2001 and 2011, there were 176 contacts and near misses involving members of the public, arborists and landscapers in Ontario who were directly or indirectly working too close to energized power lines resulting in two fatalities.

Members of the public, arborists, and landscapers are not qualified to work in the vicinity of energized power lines and should not trim or remove trees or other plant material around power lines and electrical equipment. It is highly recommended that customers wishing to perform tree trimming or pruning near power lines contact a licensed utility arborist. For more information please refer to Electrical Safety Authority Guidelines.

Tree Trimming Around Privately Owned Power Lines

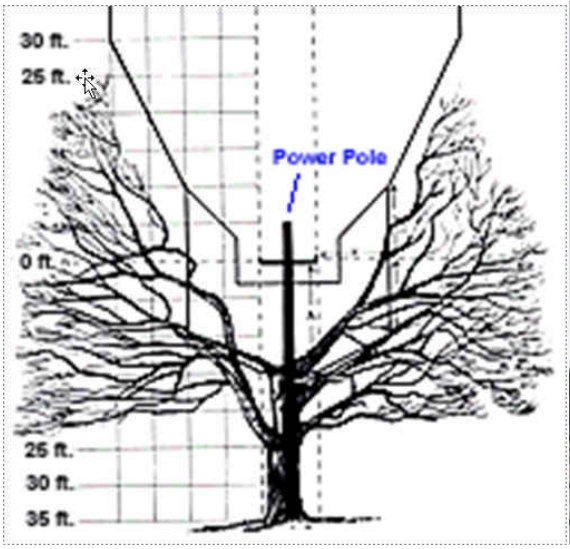
CNPI is not responsible for the maintenance of trees or vegetation on privately owned lines. This is the responsibility of the owner. It is recommended that you hire a qualified utility arborist to complete the work. Please contact CNPI for any inquiries in this matter.

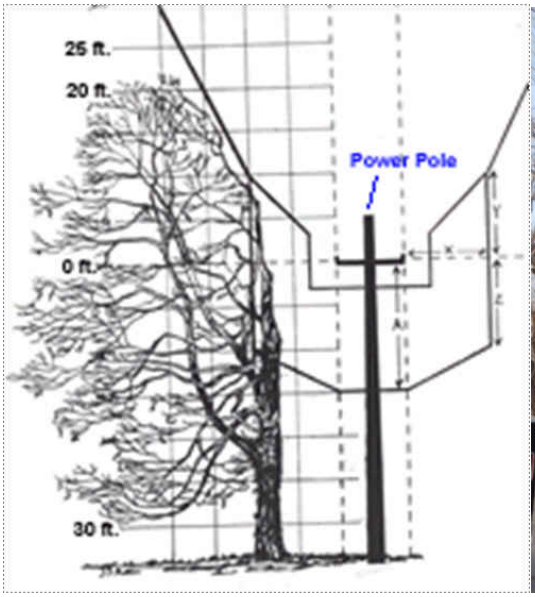
What We Do

CNPI has incorporated an *Integrated Vegetation Management* system in which objectives are set, compatible and incompatible vegetation is identified, thresholds considered, and control methods are evaluated, selected, implemented, monitored and assessed. The choice of control method is based on anticipated effectiveness, environmental impact, site characteristics, safety, security, economics and other factors.

CNPI's responsibility is to maintain safe clearances, ensure public safety and reliability of its operating systems. From time to time, vegetation outside of safe distances may contact these systems. CNPI will not assume the responsibility of cleanup of any privately owned tress or vegetation as a result of contact and clearing of its systems. Cleanup of this vegetation is the responsibility of the property owner.

Pruning





Tree Removal

Brush Control / Grass Cutting

CNPI's Ontario Energy Board Approved Transmission and Distribution Vegetation Management Plan Schedule 2020-2023:

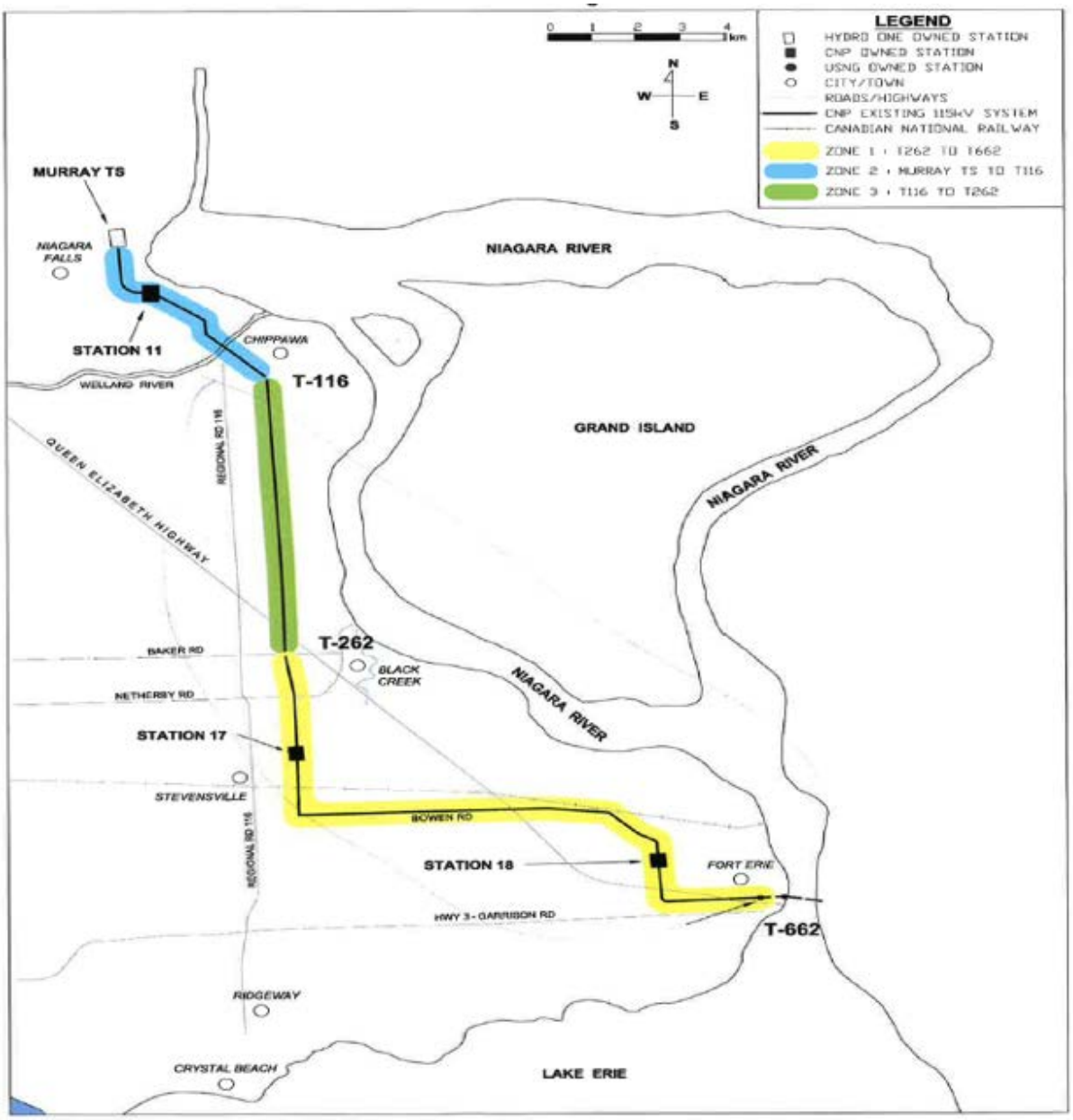
2020 – Zone 2

2021– Zone 3

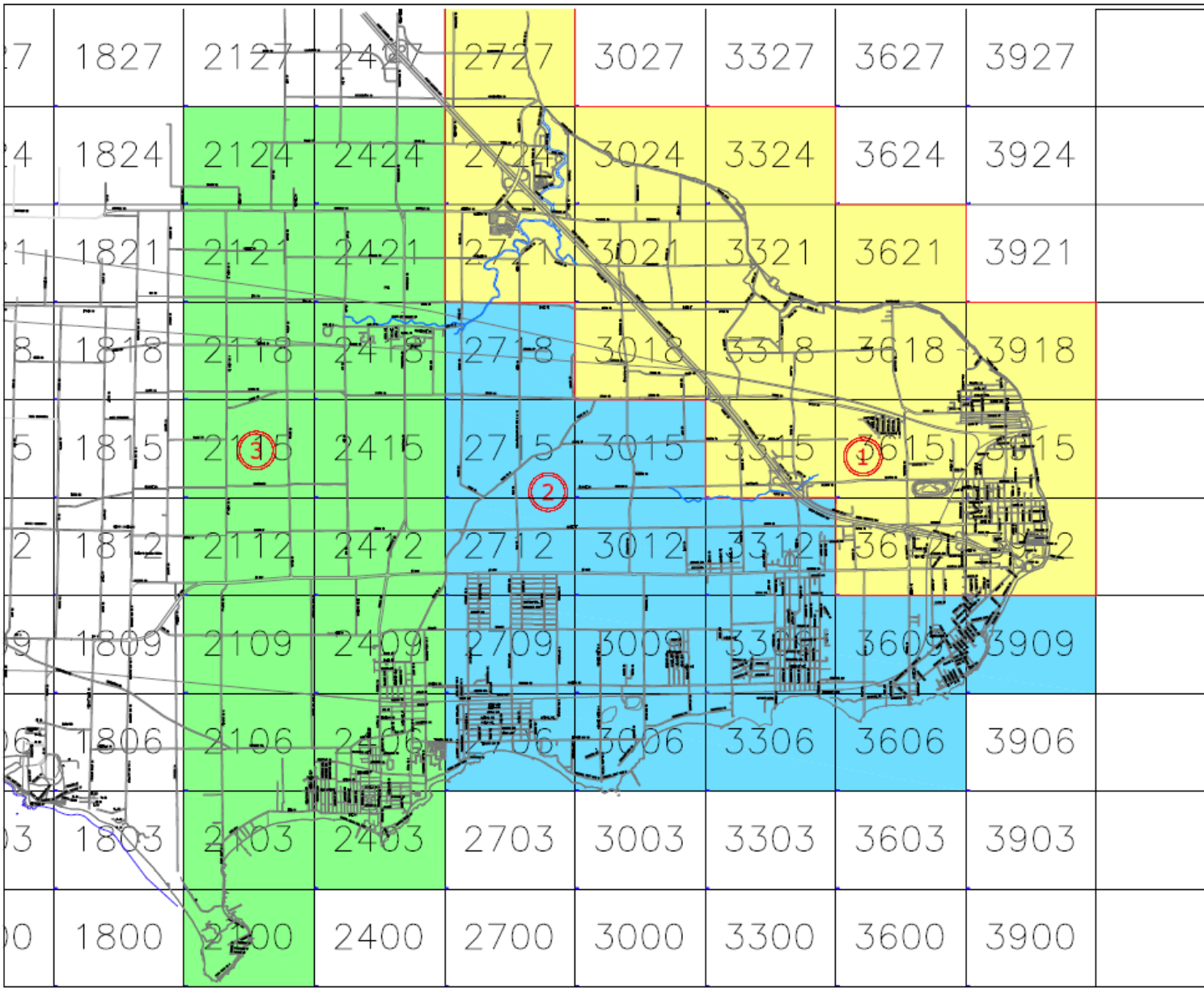
2022 – Zone 1

2023 – Zone 2

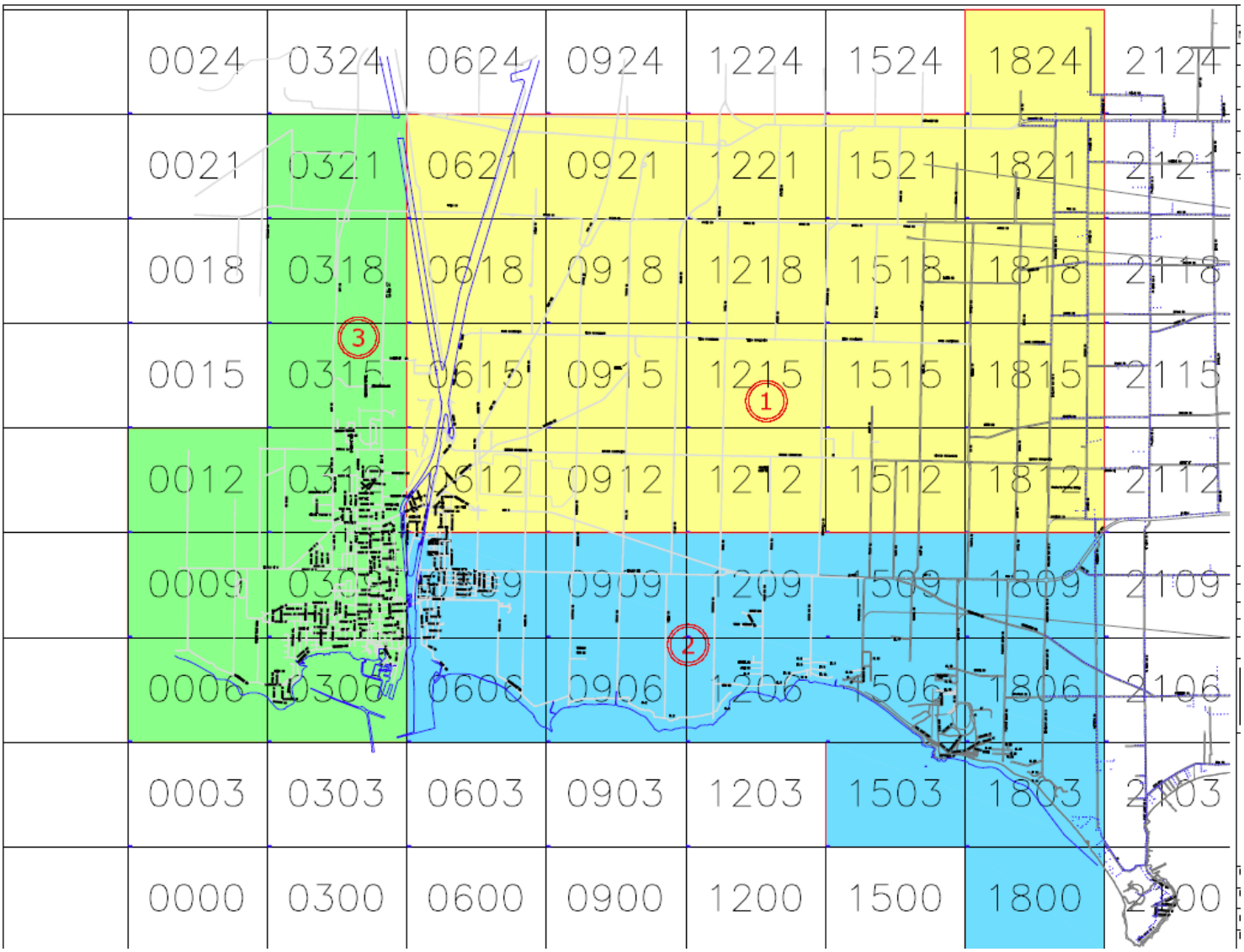
Transmission Fort Erie – Niagara Falls



Distribution Fort Erie



Port Colborne Distribution



CNPI's Annual Transmission and Distribution Clearing Schedule

CNPI's Brush Control/Grass Cutting Schedule is subject to number of variables including weather, ground stability and nesting seasons of Species at Risk. All variables must allow for the safe operation of maintenance equipment.

- Areas highlighted red between Niagara Falls, ON (Chippawa) and Fort Erie, ON to be maintained twice per season, between May and October.
- Areas highlighted green in Niagara Falls (Chippawa), ON to be maintained monthly following initial maintenance at beginning of season. (See detailed Figure B below)
- Areas highlighted green in Fort Erie, ON to be maintained bimonthly following initial maintenance at beginning of season. (See detailed Figure C below)

Figure A

Figure B

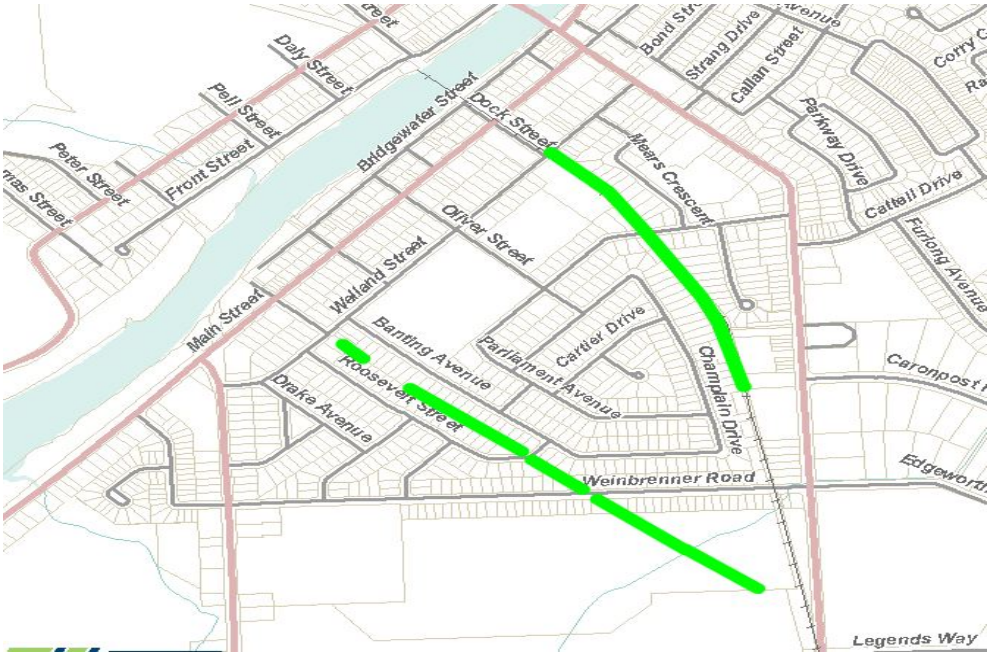
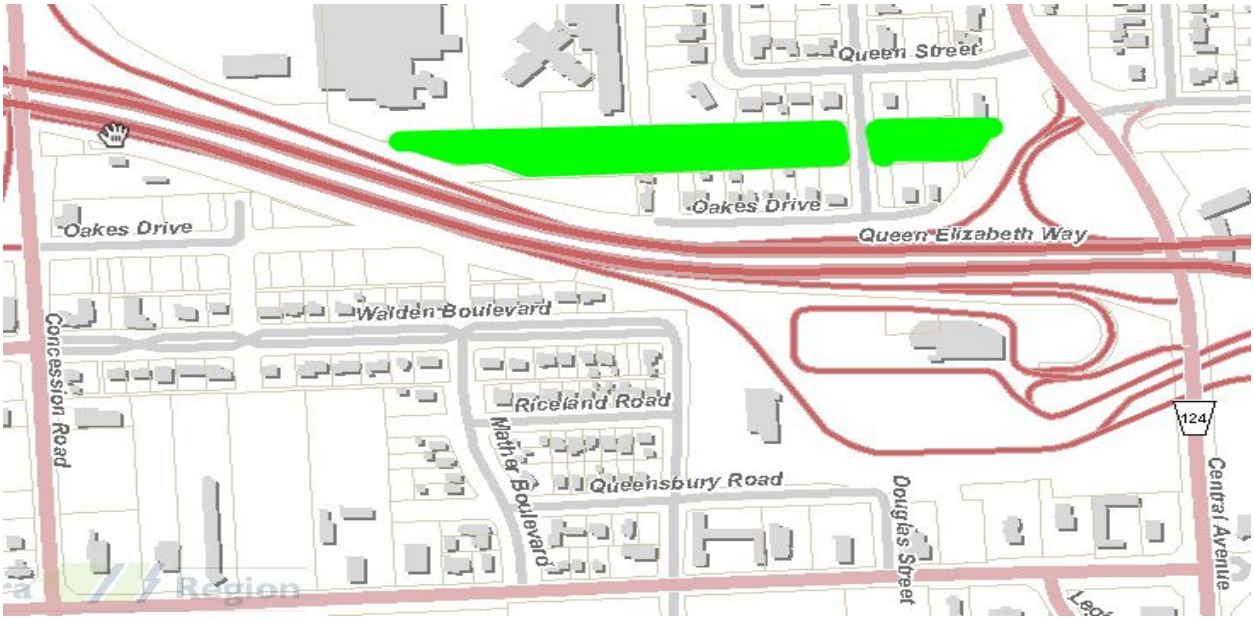


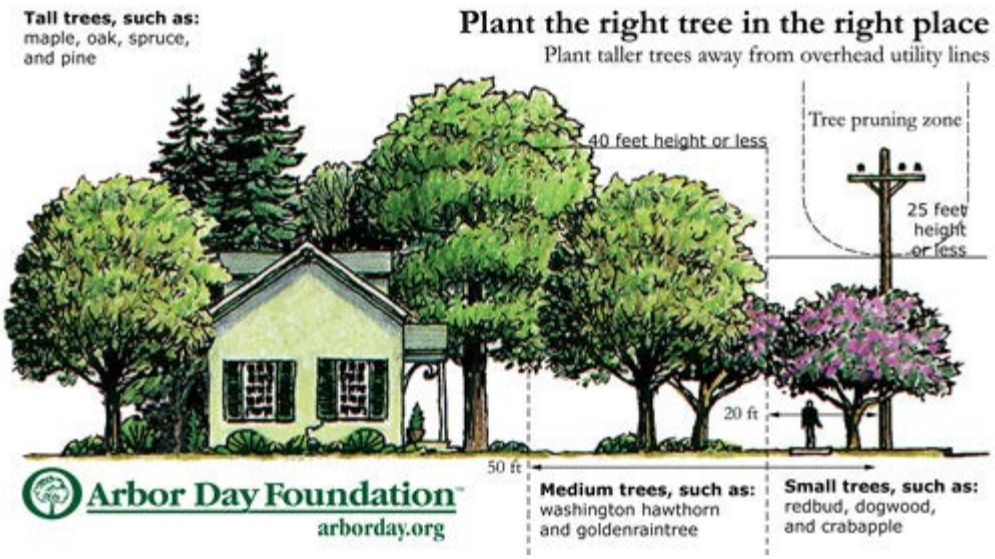
Figure C



Right Tree Right Place

CNPI recognizes that trees and vegetation are important to thriving environment in a variety of ways. However, trees and shrubs may interfere with the safe and reliable operation of the electrical system, causing a significant portion of inconvenient and costly interruption of electrical service. To minimize these outages and reduce potential safety hazards, CNPI must control vegetation in the proximity of the power lines. Before planting trees or shrubs on your property ensure that you are planting the right tree in the right place.

Distribution Only



Choosing the Right Tree or Shrub

Selecting the appropriate tree or shrub and the right planting location will help to prevent the need for future trimming or removal of the tree due to vegetation and power line conflicts. When purchasing a tree or shrub, enquire about its maximum height and width at maturity. Soil conditions, drainage, and the amount of available sunlight should also be considered when selecting your tree or shrub.

Customers can help reduce costs and maintain a pleasant environment by ensuring trees of the right type and size are planted near power lines. Remember “Right Tree, Right Place”. Seek permanent solutions. Do not plant trees near electric lines; or plant only low-growing, compact varieties. The guidelines given here aim to reduce sprouting, reduce

the working time in a tree for the tree worker, increase the time between pruning cycles, and help the trees planted near lines to be healthy, safe and as attractive as possible.

Prior to digging to plant, removing tree stumps and removing roots, use Ontario One Call (www.on1call.com) to request locates to confirm there is no underground equipment in your

intended dig area. Once Ontario One Call has confirmed a clear dig site, excavation may occur. If Ontario One Call identifies utility equipment in the area, CNPI recommends selecting a more suitable area at a minimum of 3 metres away from the identified equipment.

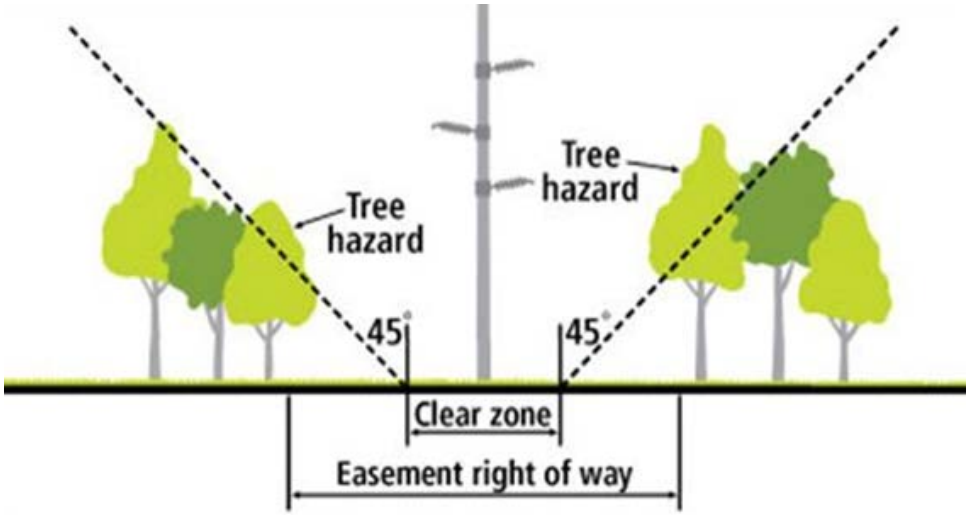
Underground Equipment

Keep shrubs and structures 3 metres away from the front, or door side, and 2 metres away from all other sides of padmount transformers and switchgear.

To maintain the reliability, integrity and efficiency of the distribution system, CNPI has the right to have unobstructed access to CNPI electrical distribution equipment, including but not limited to padmount transformers and switchgear, on private and public property at all times for inspection, repairs, maintenance, etc.

Should CNPI be unable to access, operate, maintain, respond to emergency, construct new, or for any other reason deemed necessary as a result of obstruction(s), CNPI will take every necessary action to remove the obstruction(s). CNPI will not be responsible for any remediation resulting from these actions.

Transmission Only



Written approval must be obtained from the FortisOntario's Forestry Department before planting any vegetation in a transmission line right-of-way or registered easement.

No trees or shrubs will be allowed to grow on right-of-way or registered easement.

Grasses, wildflowers and compatible vegetation are allowed within the established right-of-way or registered easement, however any remediation efforts as a result of line operation, maintenance or construction will be limited to the terms identified in the easement.

Please remember that vegetation located within or along the immediate edge of the right-of-way or registered easement is planted at your own risk. It may be necessary to remove or prune vegetation if it interferes with emergency restoration, line-maintenance or line-construction.

DEFINITIONS

Arborist- or (less commonly) arborculturist, is a professional in the practice of arboriculture, which is the cultivation, management and study of individual trees, shrubs, vines, and other perennial woody plants. Arborists are not trained to work near power lines and must follow the Ont. OH&S Act 'limits of approach'. Additional training is required for arborists to work near power lines, or they need to be Certified Line Clearance trimmers or Utility Arborists.

ESA- The Electrical Safety Authority (ESA) is administrative authority mandated by the Government of Ontario to enhance public electrical safety in the province. It is both a safety regulator and advocate. http://www.esasafe.com/

IVM- Integrated vegetation management is a systematic integrated approach to managing vegetation. It applies the right intervention method at the right place and the right time to control vegetation.

Landscaper- Is a professional in the practice of horticulture, which is the cultivation, management and study of plans. Landscape Trades are not trained to work near powerlines and must follow the Ont. OH&S 'limits of approach.'

Local Distribution Company- A distributor who is licensed under the Ontario Energy Board (OEB) responsible for transmitting electricity to municipal infrastructure including general public and public areas.

Locates- Requesting information from a facility owner identifying all their underground facilities by the use of surface markings such as coloured spray paint or flag identifiers, maps or drawings.

Species at Risk – Refers to the official list of endangered, threatened, special concern and extirpated animals and plants in Ontario.

Utility Arborist- Have completed the Utility Arborist Apprenticeship program under the Ministry of Training Colleges and Universities 444B Certificate of Qualification – and are authorized to prune, clear vegetation, fell or remove trees within the Ont. OH&S Act defined 'limits of approach'.

VECC-5
Ref: Manager's Summary p. 30

CNPI indicates it continued its efforts to repair and replace damaged assets into 2023, after the critical repairs and customer restoration was complete.

a) Please discuss if the repair and replacement of damaged assets into 2023 is included in the storm claim.

b) If yes to part (a), please provide a breakdown of the 2023 capital and O&M costs.

CNPI Response:

a) Yes, CNPI confirms that a portion of the storm claim is associated with work that was conducted in 2023; primarily capital replacement of poles that had been temporarily repaired.

b) OEB Staff 9-f states that most third party invoices related to 2022 effort had not yet been received and processed prior to CNPI closing out its 2022 accounting records and so an accrual of the estimated costs was recorded in 2022. The 2023 capital costs related to 2023 effort was approximately $84,000 of internal labour, materials of $13,000, and contracted services of $178,000,

VECC-6

Ref: Manager's Summary p. 30

CNPI indicates the capital costs are primarily related to work required to replace broken poles, and conduct other work which would normally be capitalized under CNPI's typical capitalization practices.

Please provide a breakdown of the $866,568 in Capital costs based on work completed and include the major asset quantities replaced as a result of the storm.

CNPI Response:

Please refer to OEB Staff-8a.

VECC-7
Ref: Manager's Summary p. 31 Table 10

CNPI's total proposed Z factor claim is $984,114, is comprised of OM&A, Capital (evaluated as the revenue requirement associated with capital cost), and interest elements as follows:

Category	Amount
OM&A Component Principal Balance	$892,114
2023 Interest Forecast	$44,000
Capital Expenditures Revenue Requirement	$48,000
Total Z-Factor Claim	**$984,114**

a) Please provide the 2023 Interest Forecast calculation.

b) Please provide a breakdown of the OM&A costs of $892,114 recorded in Account 1572.

CNPI Response:

a) CNPI calculated interest forecast by taking the $892,114 calculated in 1572 and multiplied by each of the quarterly OEB prescribed Deferral and Variance accounting interest rates that were available at the time of the original application:

Quarter	Rate	$ Amount
Q1 2023	4.73%	11,000
Q2 2023	4.98%	11,000
Q3 2023	4.98%	11,000
Q4 2023	4.98%	11,000
		44,000

Now that Q4 2023 is available, CNPI recalculated and given difference from above is immaterial, CNPI has not adjusted its request for disposition.

Quarter	Rate	$ Amount
Q1 2023	4.73%	11,000
Q2 2023	4.98%	11,000
Q3 2023	4.98%	11,000
Q4 2023	5.49%	12,000
		45,000

b) Please refer to Staff-9b.

VECC-8

Please complete the table below which summarizes the categorized invoiced amounts to Capital vs. OM&A by vendor.

Vendor	Work Performed	Total Billings	Billings to Capital	Billings to OM&A
Total				

CNPI Response:

Please see table below where CNPI has broken down by vendor, the LDC Mutual Aid Costs, Contracted Services - Line Services, and Contracted Services - Excavation and Tree Removal rows of data provided in Staff-9b.

Vendor	Work Performed	Total Billings	Billings to Capital	Billings to OM&A
Alfred Beam Excavating Ltd.	Snow removal	$ 4,807	$ -	$ 4,807
Burlington Hydro Inc.	Repair and/or replace poles, wires	41,658	15,558	26,100
Cornwall Electric	Repair poles, wires	18,464	-	18,464
Precision Hydrovac and Digger Services	Excavating, hydrovac, rock hole installation	12,905	12,905	-
Ground Aerial Maintenance Service Ltd.	Repair and/or replace poles, wires	258,684	196,761	61,924
Holland Power Services Inc.	Repair and/or replace poles, wires	63,975	20,475	43,500
Hyline Utility Solutions	Replace poles, wires	212,770	212,770	-
Mics Lawn & Maintenance Ltd.	Snow removal	2,950	-	2,950
Niagara On The Lake Hydro Inc.	Repair poles, wires	47,293	-	47,293
Niagara Peninsula Energy Inc.	Repair and/or replace poles, wires	92,557	31,657	60,900
Pineridge Tree Service Ltd.	Tree trimming and line clearing	92,975	9,400	83,575
Peters Excavating Inc.	Excavating, hydrovac, rock hole installation	77,232	36,724	40,508
Power North Utility Contractors Inc.	Repair and/or replace poles, wires	173,117	65,142	107,975
Spark Power High Voltage Services Inc.	Repair and/or replace poles, wires	112,734	54,605	58,128
Welland Hydro Electric Systems Corp.	Repair and/or replace poles, wires	40,818	14,718	26,100
Total		$ 1,252,938	$ 670,715	$ 582,223

VECC-9

a) Please provide CNPI's annual OM&A Emergency Maintenance amounts included in rates, budgeted and actual expenditures for the years 2017 to 2023.

b) Please provide CNPI's annual capital demand response/storm amounts included in rates, budgeted and actual expenditures for the years 2017 to 2023.

CNPI Response:

a) Please refer to the response in VECC-3.

b) Please refer to the response in VECC-3.