



PUBLIC INTEREST ADVOCACY CENTRE  
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

---

November 15, 2024

VIA E-MAIL

Ms. Nancy Marconi  
Registrar (registrar@oeb.ca)  
Ontario Energy Board  
Toronto, ON

Dear Ms. Marconi:

**Re: EB-2024-0046 Northern Ontario Wires Inc. (NOW)**  
**May 1, 2025 Cost of Service Rates**  
**Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)**

---

Please find attached the revised interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

Mark Garner  
Consultants for VECC/PIAC

Email copy:  
Geoffrey Sutton, CFO NOW  
[geoffs@nowinc.ca](mailto:geoffs@nowinc.ca)

Michael Buonaguro, Counsel to NOW  
[mrb@mrb-law.com](mailto:mrb@mrb-law.com)

<b>REQUESTOR NAME</b>	<b>VECC</b>
<b>TO:</b>	<b>Northern Ontario Wires Inc. (NOW)</b>
<b>DATE:</b>	<b>November 15, 2024</b>
<b>CASE NO:</b>	<b>EB-2024-0046</b>
<b>APPLICATION NAME</b>	<b>2025 Cost of Service Rate Application</b>

---

## **2.0 RATE BASE AND CAPITAL (EXHIBIT 2)**

### **2.0-VECC -1**

**Reference: Exhibit 2, Tab 1, Schedule 1, page 9, Appendix 2-AA**

- a) Please provide a vehicle breakdown of the \$410,754 in 2024 transportation equipment. Please provide the current status of the purchase of these vehicles (e.g., acquired, ordered etc.).

### **2.0-VECC -2**

**Reference: Exhibit 2, Tab 2, Appendix 2-AA**

- a) Please provide the status of the Kapuskasing 5Kv to 25Kv conversion indicating if the project is complete and electrified and if not the current stage of the project. Please provide the Gantt or other planning chart which shows the staging of this project.

### **2.0-VECC -3**

**Reference: Exhibit 2, Tab 2, Appendix A Material Projects**

- a) Please provide the Gantt or other planning chart which shows the staging of the Millgate project.

### **2.0-VECC -4**

**Reference: Exhibit 2, Tab 2, Schedule 1, page 6**

- a) Please provide a breakdown of the computer software spending in 2024 of \$719,993 into the amount for asset management software and other software costs (please identify these if material).
- b) Please identify the asset management software product
- c) Please provide the current status of the asset management software implementation.

### **2.0-VECC -5**

**Reference: Appendix 2-BA 2025 Continuity Schedule**

- a) Please identify the projects related to the \$587,242 of CWIP in 2025.

## **4.0 OM&A (EXHIBIT 4)**

### **4.0 -VECC -6**

**Reference:** Exhibit 4, Tab 4, Schedule 1, page 5, Table 5/ pages 17-

- a) In every year 2017 through 2021 NOW spent less on tree trimming and vegetation control than was allotted in the Board approved 2017 budget. Please explain why.
- b) Please provide a table showing the number of km of line which were subject to tree trimming in each year 2017 through 2025 (forecast)
- c) Please show the amounts spent (separately) on contracted and in-house vegetation management for each year 2017 through 2025 (forecast)

### **4.0 -VECC -7**

**Reference:** Exhibit 4, Tab 4, Schedule 1, page 20, Table 15

- a) Please recast table 15 to show the Billing and Collecting costs separated into labour and non-labour costs.

### **4.0 -VECC -8**

**Reference:** Exhibit 4, Tab 4, Schedule 3, page 3-

*“Direct labour and facility costs charged by TOC GU to NOW Inc. are subject to a 12% Management Fee.”*

- a) Please provide the methodological basis for the 12% management fee charged to NOW.
- b) Please provide the dollar amount of management fees paid to NOW affiliates in each year 2017 through 2025 (forecast).
- c) Does NOW pay a management fee for employees who are working 100% for NOW? If so please explain the rationale for management fees on employees who are solely managed by NOW.
- d) Are the fees prorated for the percentage of time worked with NOW? If not please explain why not.

#### 4.0 -VECC -9

Reference: Exhibit 4, Tab 4, Schedule 3

- a) Please confirm (or clarify) that Cochrane Telecom Services (CTS) as of April 2021 was no longer affiliated with either NOW or any NOW affiliates, including the Town of Cochrane (i.e., CTS is now a third party independent company).
- b) Are there any agreements between CTS and NOW or CTS and any NOW affiliate which are in respect to NOW? If so please provide those agreements or the relevant portions for which NOW is a party to any such agreement.

#### 4.0 -VECC -10

Reference: Exhibit 4, Tab 4, Schedule 3, page 3-

**Table 1**  
**Shared Services Variance Summary**

Service Offered			2017 OEB Approved	2023 Actual	2025 Test Year	2025 TY vs. 2017 OEB Appr.	2025 TY vs. 2023 Actual	
Shared Services:								
	From:	To:						
	ToC GU	NOW Inc.	Wages and Benefits	1,189,978	1,303,059	1,856,172	666,194	553,113
	CTS	NOW Inc.	Office Rental	27,295	41,634	46,538	19,243	4,904
	ToC GU	NOW Inc.	Service Centre Rental	25,214	20,703	21,000	(4,214)	297
	NOW Inc.	NOE Inc.	Truck/Eq. Rental	9,872	9,167	10,000	128	833
	NOW Inc.	NOE Inc.	Wages and Benefits	3,897	835	2,000	(1,897)	1,165
	NOW Inc.	CTS	Wages and Benefits	52,676	-	-	(52,676)	-
Corporate Cost Allocation								
	From:	To:						
	NOW Inc.	ToC	Tower Rental	-	18,178	13,179	13,179	(4,999)

- a) Shared services as between ToC GU and Now for wages and benefits increased 56% between 2017 and 2025 (forecast). NOW explains this was due to an increase in FTEs from 15.7 to 19.6 which is the same increase shown in Appendix 2-K. Please confirm (or clarify) that the entire amount of the increase of \$666,194 shown in this table is included as part of the increase shown in Appendix 2-K.
- b) The Office Rental increase between 2017 (\$25,214) and 2025 (\$46,538) is over 70%. Please provide evidence of similar office rental increases of this magnitude in NOW's franchises (towns) over the 2017-2015 period.
- c) Is the office rental cost now charged by CTS or by Town of Cochrane or another affiliate of NOW?

#### **4.0 -VECC -11**

**Reference: Exhibit 4, Tab 4, Schedule 3, Attachment 2**

- a) The Service Agreement at the above reference has a number of “in-draft edits” (see for example sections 11.5.1 and 8.3) which have not been initialed to show the acceptance of the parties for those changes. Please confirm that the “edit” version of this agreement is the one currently in force.
- b) This agreement appears to have replaced and superseded another agreement. Was this new agreement made as part of the change made for the sale CTS?.
- c) Please provide a list of the changes in the agreement filed and the prior agreement.
- d) Please file the prior agreement

#### **4.0 -VECC -12**

**Reference: Exhibit 4, Tab 4, Schedule 3, Appendix 2-N**

- a) Appendix 2-N shows that prior to 2020 all affiliate transactions (other than TGB Tower Rental) were between NOW Inc. and the Affiliates of CTS or NOE inc.). Beginning in 2021 there is a change showing transaction between ToC GU and NOW for employee wages and benefits previously from CTS). Please explain the change that occurred in 2021.
- b) Are any employees previously working for CTS (then employed by CTS, NOW or ToC GU) prior to the purchase of CTS in 2021 currently employed by NOW (directly or by assignment through an affiliate)? If yes, please identify these FTEs and provide a description of their pre and post 2021 duties. Please provide the job classifications/descriptions for these employees and the total cost in 2025 of their employment.

**End of document**