

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B, as amended (the “OEB Act”);

AND IN THE MATTER OF an Application by Northern Ontario Wires Inc. (“NOW”) for an Order or Orders pursuant to Section 78 of the *Ontario Energy Board Act, 1998* for 2025 distribution rates and related matters.

INTERROGATORIES

ON BEHALF OF THE

SCHOOL ENERGY COALITION

1-SEC-1

[Ex. 2-2-1, Attachment 4 and Appendix 2-AA] The average CapEx from 2017 to 2023, not including any spending on the Cochrane New Station, is \$702k (removed amounts for Cochrane Feeder Fortification, Cochrane New Station and Land). The planned spending in 2024 is \$1,788k and for 2025 to 2029 is \$1,719k, also not including any spending on the Cochrane New Station.

- a. Please confirm that these are the averages excluding all spending on the Cochrane New Station.

1-SEC-2

[Ex. 2, Distribution System Plan (DSP) 2025-2029, Appendix A Material Narratives – 2.4 to 12 kV Upgrade-Millgate Sub; EB-2016-0096, 2017 Distribution System Plan (2017 DSP)] Further to the question above, a large contributor to the increased spending for 2025 to 2029 is the increased spending on voltage conversion.

- a. NOW also included voltage conversion in the DSP submitted with its 2017 rate application (EB-2016-0096). Please file on the record of this proceeding a copy of the DSP filed as part of NOW’s 2017 rate application. (Note: It is sufficient for the Applicant to simply agree to deem the EB-2016-0096 DSP on the record for this proceeding and provide a link to the OEB’s Regulatory Document Search, as opposed to re-filing.)
- b. In the 2017 DSP, NOW stated in section 2.3.2.3.3 that, ‘[w]ith the completion of the 2.4 kV delta voltage conversion to 12.5/7.2 kV in Iroquois Falls in 2021, the 2.4 kV delta substation (Mill Gate DS) will be decommissioned.’ Please confirm that this did not happen, and explain why.
- c. The total cost for the Iroquois Falls 2.4 kV voltage conversion in order to retire the Mill Gate DS in the 2017 DSP was \$810k between 2017 and 2021 and the cost to

decommission the station was \$75k in 2021. Please explain what these funds were spent on instead of the planned project. (Ref. 2017 DSP, Table 4-1)

- d. Based on Exhibit 2-2-1 Figure 2 in the 2017 DSP and Exhibit 2-2-1 Figure 3 in the current DSP, it appears that the proposed areas for conversion in 2025 were also included in the work proposed in 2017-2021. Please confirm and provide an explanation.
- e. In the 2017 DSP, NOW identified a reduction in OM&A costs as one of the benefits of its proposed voltage conversion plan. Please provide the details of the reductions in OM&A that have been included in the 2025 forecasted OM&A resulting from the voltage conversion work done in 2017 to 2024.

1-SEC-3

[Ex. 2, DSP, Appendix A Material Narratives – Kapuskasing – 5kV to 25kV Conv. Upgrade]

- a. Based on Exhibit 2-2-1 Figure 3 in the 2017 DSP and Exhibit 2-2-1 Figure 7 in the current DSP, it appears that some of the proposed areas for conversion in 2025 were also included in the work proposed in 2017-2021. Please confirm and provide an explanation.
- b. NOW's 2017 DSP indicated that the Kapuskasing conversion would be completed in 2025. In the 2025-2029 DSP, work is scheduled to finish in 2026. Please explain the reasons for the extension to the completion of the work.

2-SEC- 4

[Ex. 4, Appendix 2-JB]

- a. Appendix 2-JB shows a \$364k increase in Operation Maintenance and Vehicles from 2017 approved to 2025 in addition to a \$888k increase for Salaries, Wages and Benefits, \$254k increase in 3rd party tree trimming and \$110k in Professional Services. Please explain what is included in the Operation Maintenance and Vehicles category and the reasons for this increase.

2-SEC-5

[Ex. 4-4-1, p. 7]

- a. Please provide the number of locates performed and forecast for each year between 2017 and 2025.
- b. Please provide the budget amount for locates for each year between 2017 and 2025.

2-SEC-6

[Ex. 4-4-2, p. 9, Table 4 and Appendix 2-N] SEC has prepared the following table from information provided in the application.

| | \$000 | NOW Inc pay | 2017 approved | 2017 actual | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-------------|--------------|-------------|------------------|----------------|----------|----------|----------|----------|----------|----------|----------|----------|
| A | Appendix 2-N | CTS/ToCGU | | \$ 1,419 | \$ 1,435 | \$ 1,478 | \$ 1,496 | \$ 1,432 | \$ 1,488 | \$ 1,459 | \$ 1,800 | \$ 2,079 |
| B | Table 4 | CTS Outside | 8 | 8.13 | 7.96 | 8 | 5.17 | 0 | 0 | 0 | 0 | 0 |
| C | Table 4 | GU Outside | 0 | 0 | 0 | 0 | 3.13 | 7.67 | 8.03 | 7.08 | 10.58 | 11 |
| D | Table 4 | CTS Office | 4.2 | 5.08 | 4.59 | 5.4 | 3.1 | 0.4 | 0.4 | 0.17 | 0.17 | 0.13 |
| E | Table 4 | GU Office | 0 | 0 | 0 | 0 | 1.71 | 4.4 | 3.35 | 4.06 | 4.8 | 4.5 |
| F | Table 4 | ToC | 0 | 0 | 0 | 0 | 0 | 0.25 | 0.35 | 0.65 | 1 | |
| G=B+C+D+E+F | Total | | 12.2 | 13.21 | 12.55 | 13.4 | 13.11 | 12.47 | 12.03 | 11.66 | 16.2 | 16.63 |
| A/G | Charge/FTE | | | \$ 107 | \$ 114 | \$ 110 | \$ 114 | \$ 115 | \$ 124 | \$ 125 | \$ 111 | \$ 125 |

- Please correct any errors in the table, if any, and fill in the highlighted cells.
- Please explain the variance in the Charge/FTE for CTS/ToCGU. For example, why does the charge/FTE dip in 2024?
- NOW is planning to move one IT staff from part time to full time. Please describe the additional job responsibilities and explain the need for the position.

2-SEC- 7

[Ex. 4-4-3, p. 2]

- Please explain how the amount of rent paid to the Town of Cochrane and Cochrane Telecom Services (i.e. allocated 50% in both cases) is determined.

2-SEC- 8

[Ex. 4-4-3, Appendices 2-N and 2-H]

- Please explain why Appendix 2-N shows NOW receiving \$20,345 in rent from the Town of Cochrane for TGB Tower Rent, and Appendix 2-H shows revenue for TGB Rental as \$13,179.

7-SEC-9

[Ex. 2, DSP, Appendices: A Material Narratives –Cochrane New MS and A-2 McMillan - Feasibility Study New Transformer Station (McMillan Report)]

- The McMillan Report includes ‘[c]ursory examination of alternatives such as modifying the existing Cochrane MTS or non-wires alternatives’ and refers to the potential for Distributed Energy Resources (DER) and/or Conservation and Demand Management (CDM) in the area. It recommends that ‘[f]urther discussion with customers, engineering study and economic evaluation of wires versus non-wires options is required to determine the preferred option for Northern Ontario Wires.’ Please provide full details on any further work that has been done to investigate non-wires alternatives to defer or eliminate the need for the new station.
- The Material Narrative for the Cochrane MS states, with respect to DERs and CDM, “each of these alternatives presented limitations in terms of reliability, cost-effectiveness, and the ability to address the underlying issues with the aging infrastructure.’ These non-wire solution options are shown as Options 4, 5 and 6 under Investment Justification. Please provide details on what the specific alternatives investigated were, the analysis done on the impact on reliability, and the cost-benefit analysis.

7-SEC-10

[Ex. 2, DSP, Appendix A Material Narratives –Cochrane New MS]

- a. NOW notes that '[t]wo industrial customers have projected significant increases in their energy consumption'. Please provide details on the certainty of these new loads materializing and the timing, e.g. have the customers made any financial commitments, etc.
- b. Should these increased loads not materialize, would the new Cochrane MTS be required, and if so, when?
- c. NOW states 'To support the cost development, quotes have been obtained from vendors.' Please provide details of the quotes that were obtained, including work involved and costs.

7-SEC-11

[Ex. 2-2-5, Table 1 and DSP, Appendix A Material Narratives –Cochrane New MS]

- a. NOW has provided the following breakdown of the budget:
Equipment: \$10161k
Design: \$328k
Construction: \$405k
Valard Equipment/Construction /Design: \$3251k
Commissioning: \$142k
Site Preparation: \$100k
Please provide a more detailed breakdown of the total budget of \$14,386.5k and indicate what has already been spent.
- b. Has Valard Construction already been awarded a contract? If so, please provide further details on how the contract was awarded and the scope of work.
- c. Does the above budget include a contingency? If so, how much is included?
- d. Does the above budget include the decommissioning of the current site of the Cochrane MTS?
- e. Have the two new transformers been ordered? If so, when will they be delivered?
- f. Please provide the calculation of the revenue requirement and the bill impacts when the new station goes into service in 2028.

7-SEC-12

[Ex. 2, DSP, Appendix A Material Narratives –Cochrane New MS]

- a. Has NOW benchmarked the proposed cost of the Cochrane New MS? If so, please provide details.
- b. If not, how has NOW determined that the proposed budget is prudent for what is being constructed?
- c. NOW stated at the Issues Day that the cost estimate of \$14,386.5k was a Class D estimate. Please confirm that the current estimate is +30% and -20%.

- d. Please provide a detailed schedule of what work will be completed in each year between 2025 and 2028.

Respectfully, submitted on behalf of the School Energy Coalition on November 15, 2024.

Jane Scott
Consultant for the School Energy Coalition