Board Staff Interrogatories
Hydro One Remotes Communities Inc.
2009 Electricity Distribution Rates Application
EB-2008-0232

RATE BASE / CAPITAL EXPENDITURES

1. Ref: Ex D2 / Tab 3 / Sch 1

   Please explain the variance between column (b) titled "Additions" in Exhibit D2/Tab3/Sch 1 and column (b) titled "Capital Expenditures" in Exhibit D2/Tab3/Sch 3.

2. Ref: Ex D2 / Tab 2 / Sch 3

   In Exhibit D2/Tab2/Sch 3/G1, Remotes indicates that it will be overhauling or replacing components on 60 diesel engines. Please answer the following questions with respect to this initiative:
   a. How many engines will be overhauled in 2009?
   b. What is the total cost of overhauling or replacing engines in 2009?
   c. How many engines will be replaced with new units? Please provide details.

3. Ref: Ex D2 / Tab 2 / Sch 3 / Pg 5

   Remotes indicates that it plans to test catalytic reactor technology at its Armstrong station at a cost of $358,368. Please answer the following questions with respect to this initiative:
   a. Has the company conducted any cost/benefit analysis with respect to this initiative? If "Yes", please provide details.
   b. Does Remotes plan to extend this initiative to other gensets? If "Yes", please provide details and cost estimates.
   c. Should Remotes decide to expand this initiative and use the catalytic reactor technology on all or majority of its gensets, what will be the additional cost to implement this initiative?
   d. Remotes has indicated the possibility of adopting a zero emissions strategy. Has Remotes forecast the cost of such a strategy? If so, what would be the additional cost to the utility?

4. Ref: Ex D2 / Tab 4 / Sch 1

   Please provide a table similar to the one in Exhibit D2/Tab4/Sch 1 for the years 2006 to 2009.

5. Ref: Ex D1 / Tab 2 / Sch 1

Remotes has updated Table 1 showing annual capital investments. Total capital expenditures for 2008 have reduced from $4.1 million to $3.1 million, a drop of approximately 25%. Proposed expenditures for 2009 have dropped from $5.4 million to $5.1 million or by 5% from that previously forecast. Please answer the following questions with respect to the revision:

a. Please provide a list of completed, pending and cancelled projects in 2008 including costs.
b. Capital expenditures for 2008 have declined significantly as a result of the update as compared to 2009 expenditures. Please provide reasons for the significant drop in 2008.
c. Will remotes be able to complete all planned expenditures for 2009? If no, please provide a list of projects that may not be completed.
d. Considering that some of the 2008 projects will flow to the 2009 Test Year, does Remotes still plan to complete all the 2009 scheduled projects on schedule?

6. Ref: Ex C1 / Tab 4 / Sch 1

Table 1 in Exhibit C / Tab 4/ Schedule 1 shows the depreciation expense from 2005 to 2009. Although Remotes has updated capital expenditures for 2008 and 2009 with significant reductions, depreciation and other related expenses have not changed as a result of the update. Please provide an updated schedule with the appropriate revisions.

INCOME TAX

7. Ref: Ex C2 / Tab 6 / Sch 1 / Att A (Updated Nov 28, 2008)

The Company has recalculated the Regulatory Net Income to $223,000. Remotes does not have any equity and therefore cannot earn a return on equity based on the Board's methodology. Please provide details as to how Remotes has calculated the Regulatory Net Income.

8. Ref: Ex C2 / Tab 6 / Sch 1 / Att C

In Exhibit C2-6-1, Attachment C, the taxable loss (line 34) for 2007 is $1.1 million. However, the 2007 tax return indicates a taxable loss of $1.9 million (2007 Tax Return, Schedule CT23, page 14 of 20). Please explain the variance.

9. Ref: Ex C2 / Tab 6 / Sch 1 / Att C

In Exhibit C2-6-1, Attachment C, the taxable loss for 2006 is $2.8 million. Please confirm whether the loss has been carried forward to 2007. If “Yes”, please provide details and if “No”, please provide the reasons for not carrying forward losses from previous years.

10. Ref: Ex C2 / Tab 6 / Sch 1 / Att C

If Remotes were to carry forward losses from previous years to 2008 and 2009, is it possible that Remotes may not realize a profit for the 2009 Test Year? If “yes”, please provide a table with the related calculation.

SMART METERS

11.

In Schedule B of the attached report, Remotes noted that the smart metering plan was developed with three primary objectives: to assist customers in reducing usage during peak periods on the grid, to support customer billing based on a fluctuating price for electricity, and to offer customers better information on their usage. Remotes also noted that the first two objectives do not apply in an off-grid context and the third objective – to offer customers better, more timely information is appropriate to its business with significant potential benefits for its customers and its business. Accordingly, Remotes planned to pilot alternative smart meter technologies. Please answer the following questions with respect to this evidence:

a. What alternative smart meter technologies have been considered by Remotes and how different are they as compared to smart metering implemented by other distributors? Please provide a detailed explanation.
b. In the 2009 Rate Application, Remotes has indicated its intention to deploy smart meter technology. Is this technology different from the alternative technologies referred to in the August 4, 2006 document? Please clarify and provide a detailed response.
c. Remotes has noted three primary objectives for implementing smart metering technology. Of these, the Company has indicated that a utility like Remotes would only benefit from the third objective. Since there seems to be a limited benefit from implementing smart metering technology, has Remotes conducted a cost/benefit analysis? If so, please provide details of the analysis.

d. The evidence notes that Remotes plans to pilot alternative smart meter technologies. Has remotes conducted the pilot? If “yes”, please provide details including the result of the pilot. If “not”, when will Remotes conduct the pilot?

12. Ref: Ex A / Tab 12 / Sch 1 / Pg 5

Remotes has indicated that it plans to begin deploying smart meter technology in 2009 after other distribution companies have deployed smart meters to rural communities. Please answer the following questions:

a. How many smart meters does Remotes intend to install?
b. Will the smart meters be installed in all communities? If no, please provide details.
c. What will be the approximate cost of each installed smart meter?
d. Will Remotes be filing a separate Smart Meter application? If yes, when?
e. What will be the procuring process for the smart meters?
f. What is total estimated cost of Remotes Smart Meter Implementation Plan?
g. Will Remotes be asking for a smart meter rate adder in this or in a subsequent application? If “yes”, please provide details.
h. Has Remotes incurred any expenditures related to the Smart Meter implementation initiative? If “yes”, please provide details including the account in which they are included.

13. Ref: Ex D1 / Tab 2 / Sch 1 / Pg 8

Remotes has indicated some initial investments in smart meter technologies amounting to $32,000. Please provide answers to the following questions with respect to this expenditure:

a. When was this expenditure incurred?
b. Please provide details and a breakdown of this expenditure.
c. Has this expenditure been included as part of the capital programs and added to rate base? If “yes”, to which year’s rate base has this expenditure been added?

OPERATIONS, MAINTENANCE & ADMINISTRATIVE EXPENSES

14. Ref: Ex C1 /Tab 2/ Sch 1 / page 2

Please provide a table showing the actual OM&A expense for each of the years 2003 through 2007, 2008 (Bridge) and 2009 (Test). Please include in the table a breakdown of the OM&A by the following expense categories:

- o Generation
- o Distribution
- o Customer Care
- o Community Relations
- o Administrative, General and Other

15. Ref: Ex C1 /Tab 2/ Sch 2 / page 8

Remotes notes that fuel costs are affected by three main factors: price, delivery and volume. Does Remotes have a variance account to track fuel price variances? If so, please describe the operation of this variance account and show the entries into the account for 2008 year-to-date, and provide the current balances in the account. When does Remotes' expect to dispose of the balances in the account?

16. Ref: Ex C1 /Tab 2/ Sch 2

The market price of diesel fuel has declined since the time that the original Remotes application was filed (August) and Remotes has since provided an Update (November 28, 2008). Please provide the average 2009 diesel fuel price used to prepare the 2009 application. Please describe the process that Remotes used to forecast diesel fuel prices for the budget year 2009. Does Remotes forecast diesel fuel prices for the IRM years subsequent to 2009 (i.e. 2010 and 2011)? What is the price forecast that will be used for the years 2010 and 2011 and what is the basis of the forecast (e.g., is it based on NEB or EIA forecasts)?

17. Ref: Ex C1 /Tab 2/ Sch 2 / page 8

Remotes notes that fuel costs are affected by three main factors: price, delivery and volume.

a) Does Remotes use any price risk mitigation strategies such as forward contracting or hedging?
b) Does Remotes have a fuel price hedging policy in place?
c) If the answers to the above questions are yes, please explain the strategies/policies in place.
d) If the answers to the above questions are no, please explain why not.

18. Ref: Ex C1 /Tab 2/ Sch 2 / page 8

Remotes' evidence mentions that it has negotiated long term fuel delivery contracts with: multiple suppliers; directly with First Nations communities; and finally, that it has maximized winter roads deliveries among other measures. Please describe the nature of the contracts and indicate what savings or other benefits are expected from these contracts and the winter roads delivery strategy? In answering the question please discuss the costs of fuel delivery (i.e. transportation) separately from the costs of the commodity itself.

19. Ref: Ex C1 /Tab 2/ Sch 2 / page 3 and 4

With respect to the Renewable Energy Partnerships budgeted at $253,000 for 2009 please provide more specific details of the spending proposals, and the timetable of future work that may be forthcoming as a result of the studies. Please explain:

a) Are these one-time costs or would there be an on-going budget in the subsequent years of the IRM period?
b) When would the projects begin generating power?
c) Why was the funding moved from capital to operating expense?

20. Ref: Ex C1 /Tab 2/ Sch 2 / page 3 and 4

With respect to the Renewable Energy Partnerships, Remotes mentions that it proposes to enter into Power Purchase Agreements with the First Nations and others and would buy electricity at a price based on the avoided cost of diesel fuel. Do the Power Purchase Agreements require Board approval? If so, when would Remotes expect to be filing the agreements?

21. Ref: Ex C1 /Tab 2 / Sch 5 / page 1

With respect to the funding of the CDM programs,

a) What is the involvement of the OPA in terms of funding the programs?
b) What percentage of Remotes CDM costs are devoted to OPA funded CDM?
c) Are there any OPA funded CDM activities that Remotes is recovering through distribution rate revenues in 2009? If so, please provide the program and the associated cost.

22. Ref: Ex C1 /Tab 2/ Sch 5 / page 3

The evidence mentions that conservation programs helped customers save over one million kWh of electricity and 300,000 liters of diesel fuel during the last year. Please describe the elements of these programs and what each element contributes in terms of savings, including financial savings to customers. What are the expected savings of these programs for 2009 and have these savings been built into the budget?

23. Ref: Ex C2 / Tab 3 / Sch 1

Please provide a table showing the percentage increases in base salary and total compensation (salary wages and benefits) budgeted for 2009 (versus 2008) broken down by major employee grouping (e.g., executive, management, non-union and unionized workers).

24. Ref: Ex C1 /Tab 2 / Sch 1

Please list the productivity or cost efficiency programs at the utility that are either in place now or are contemplated to be in place at some future time. Please describe the nature of any such program and the scope, timing and benefits expected. What is the amount of cost savings that have been achieved so far?

25. Ref: Ex C1 /Tab 2/ Sch 1

For any extra Regulatory Expenses associated with this application (the 2009 COS rate case costs), please provide a breakdown by expense category of the amount requested for 2009. Is the amount proposed to be amortized over a 3-year time period?

26. Ref: Ex C1 /Tab 2/ Sch 1

Please identify any one-time expenses in 2009 that could be amortized over a period of more than a single year and suggest an appropriate amortization period for those expenses.

27. Ref: Ex C1 /Tab 2 / Sch 1

Please confirm that the utility has no one-time expenses in 2008 that were inadvertently carried over into the 2009 budget. If there are such expenses, please identify the item and provide the dollar amount of the inadvertent carry-over.

28. Ref: Ex C1 /Tab 2 / Sch 1

Please confirm that charitable donations are not included in the revenues sought from utility ratepayers. If they are, please provide the dollar amount and reason why these should be recovered through distribution rates.

29. Ref: Ex C1 /Tab 2 / Sch 1

Please identify and explain any costs in the Remotes' 2009 budget associated with the implementation of the new International Financial Reporting Standards.

30. Ref: Ex C1 /Tab 2 / Sch 1

Please identify any costs in the Remotes' 2009 budget associated with the Winter Warmth Program or any other special assistance programs to low income customers.

LOAD & REVENUE FORECAST

31. Ref: Customer Forecast (Ex G/T1/S2/ page 3)

  a. Remotes' is forecasting 3,411 customers in test year 2009 (Ex G1/T1/S2/page 3, Table 1). Please explain the methodology used to forecast number of customers in the test year.
  b. Please provide historical customer numbers, by rate class for the period 2003 to 2008.
  c. Please provide the 2006 Board approved customer forecast. Please identify and explain the reasons for a variance (if any) between the 2006 Board approved customer forecast and actual number of customers in 2006.
  d. Please explain if Remotes' test year customer count forecast is consistent with one or more external forecasts (such as Housing Outlook reports from CMHC or the chartered banks). Please provide the references to the reports/forecasts used and explain how these forecasts support Remotes' projections for customer additions in the test year. If the external reports/forecasts do not support Remotes' proposed customer forecast, then please explain the reasons for any variances.

32. Ref: Customer Forecast

Please prepare a test year customer forecast by rate class using a simple trend method based on historical customer data from 2003 to 2007.

33. <u>Ref: Load Forecast</u>

a. In addition to the description provided at Ex G1/T1/S2/page 2, please explain the load forecast methodology (by rate class, if the methodology varies by rate class) adopted by Remotes for forecasting test year load. If the load forecast was developed using regression analysis, then please provide the statistical results of the regression equations and identify the independent variables used to forecast load.
b. Please describe and quantify any 'adjustments' made to the base line data (Ex G1/T1/S2/page 2, lines 11 to 13) and the reasons for these adjustments.
c. Is the load forecast methodology adopted in this application similar to the methodology approved by the Board in Remotes' last rate case (2006)? If the proposed forecasting methodology is different from what was previously approved by the Board, then please identify the differences and explain the reasons for the revisions to the Board approved methodology.

34. <u>Ref: Load Forecast</u>

Please provide the following information regarding the accuracy of previous load forecasts:

a. What was the forecast error (i.e. variance between total normalized actual 2004 load versus forecast 2004 load) of the 2004 load forecast?
b. What was the forecast error (i.e. variance between total normalized actual 2005 load versus forecast 2005 load) of the 2005 load forecast?
c. What was the forecast error (i.e. variance between total normalized actual 2006 load versus forecast 2006 load) of the 2006 load forecast?
d. What was the forecast error (i.e. variance between total normalized actual 2007 load versus forecast 2007 load) of the 2007 load forecast?
e. What was the year-to-date (Jan-08 to Aug-08) forecast error (i.e. variance between total normalized actual 2008 load versus forecast 2008 load) of the 2008 Bridge year load forecast?

35. <u>Ref: Weather Forecast</u>

a. Of the proposed nine rate classes (Ex G1/T1/S2/page 3/ Table 1), please identify the rate classes whose load is weather sensitive?

b. Please explain if weather is used as an input variable in developing the test year load forecast for the weather sensitive rate classes?
c. Is the test year 2009 load forecast based on normal weather? If the load forecast is based on normal weather, then please explain how was the test year weather normal derived and utilized in the load forecast. If the load forecast is not based on normal weather, then please explain the rationale for this approach.

INCLUSION OF MARTEN FALLS IN SERVICE TERRITORY

36. <u>Ref: Ex A/T1/S1/P2; Ex A/T2/S1/P2; Ex C1/T2/S2/P7</u>

Preamble: Remotes indicated in its application that it had filed for its revenue requirement on the basis that the community of Marten Falls would be included in its service territory. Remotes has not received approval for the inclusion of this community, but has stated that it is in final discussions with Indian and Northern Affairs Canada (“INAC”) to finalize this agreement. On November 28, 2008, Remotes filed an update indicating that given its current schedule, inclusion of Marten Falls in its service territory will not be effected until July 1, 2009.

The table at ExA/T2/S1/P2 indicates that the cost to serve Marten Falls increases revenue requirement by $666,000 for the 2009 rate year. Please indicate if this amount covers the cost to serve Marten Falls from July 1, 2009 forward, or if it includes some or all of the costs to serve Marten Falls during the period from May 1, 2009 to June 30, 2009 as well.

COST ALLOCATION AND RATE DESIGN

37. <u>Ref: Ex A/T2/S1/P3</u>

Preamble: Remotes has requested an increase to the final block rate of 25% (the block affecting highest use customers). Remotes received approval for, and has implemented the increases to, the other blocks, in its previous rates proceeding, EB-2005-0511. The implementation of the final block rate remains an implementation matter from its previous rates proceeding.

Remotes discussed, but did not file evidence to suggest that the changes to the block structure have had a positive effect on energy conservation.

Has Remotes prepared studies or collected data which indicates the conservation effects of the changes to block rate structure? If so, please provide a copy of these materials. If such studies have not been prepared please explain why not.

38. Ref:: Ex G1/T2/S1/P4-5

Preamble: Remotes has provided the average impact to customers in each of the classes affected by changes to the inclining block rate. The increase to the final block rate, discussed above, results in bill impacts that range from 9.5% to 12.7% increases for certain customer profiles in G1 and G3 classes, as provided by Remotes.

a. Please indicate the rate impacts on and number of Residential Year Round (R2) customers, and other accounts, where the bill increases are greater than the 12.7% increase discussed above. Please indicate the percentage, and total number of R2 customers affected by increases to their rates in excess of 15%, year-over-year from 2008 to 2009.
b. Does Remotes believe that the R2 customers affected by this increase are able to make further conservation gains? Please explain.

DEFERRAL AND VARIANCE ACCOUNTS

39. Ref: EB-2005-0511/Decision/P4

Preamble: In its Decision setting rates for 2006 (the “2006 Decision), Remotes was allowed a stabilization fund as part of the Rural and Remote Rate Protection Variance Account (“RRRP”) variance account for the mitigation of certain “ongoing risks”. The two risks discussed were increased diesel fuel costs, and the potential inclusion of new communities in its service territory.

a. Please provide a complete list of items that the Board has explicitly indicated can be recorded in the RRRP variance account for future rebate or recovery.
b. Please indicate what regulatory precedent Remotes relies upon for recording a provision for bad debt in a variance account.
c. Please indicate the regulatory precedent that Remotes relies upon for provision of bad debt in the RRRP variance account, in light of the Board’s findings in the 2006 Decision.
d. What is Remotes approved policy on Bad Debt Expense? In what manner does this policy find applicability to the RRRP account?

40. <u>Ref: Ex C1/T2/S4/P1-3</u>

Preamble: Further details around Remotes practices for recording bad debt could be clarified. Please answer the following:

a. Please provide a continuity schedule from 2005-2009 which provides the following:
   - Bad debt expense
   - Allowances for doubtful accounts
   - Accounts receivable
   - RRRP variance account

   The continuity schedule should indicate the opening and closing balances, additions, subtractions, and any interest accrued for each category listed above, and any other major category not listed here.
b. For the line item in part (a), "RRRP variance account" (Account 2320), please provide a specific breakdown outlining the main drivers which compose the balance in this account, i.e. fuel costs, bad debt, expansion of service territory, etc. If there are other major contributing categories, please add them to the table and make use of relevant descriptors.
c. Please provide the journal entries for bad debts recorded in the RRRP variance account from 2006 to present, clearly indicating the matching credit and debit accounts for each entry, and including how the bad debt variances were calculated.
d. Remotes cites in its application at ExC1/T2/S4/P3 that there was a "change in understanding" with INAC regarding backstopping of bad debts. Please provide a copy of the agreement with INAC regarding backstopping of bad debts. Please comment on how this agreement gave rise to "higher than plan[ned]" bad debt costs totalling $2.758M specifically explaining in detail any changes to Management's policy to recognize bad debts.

41. <u>Ref: Ex F1/T1/S1/P1; Ex A-9-1/Attachment 3</u>

In Ex F1/T1/S1/P1, for 2007, Hydro One Remote Communities reports the following amounts:

-$1,464,000 for RRRP Variance Account (USoA 2320) and this agrees to Note 7 of the 2007 Audited Financial Statements (Ex A-9-1/Attachment 3, Note 7)

For this account please provide the following:

a. State the amount reported to the Board for the account in Hydro One Remote Communities' 2007 annual filing pursuant to RRR 2.1.7.

b. Identify the components of any difference between the amount in a) and the amount reported in ExF1/T1/S1/P1.
c. Explain each component of any difference identified in b). Please include an explanation of which other accounts now contain any such difference by component.
d. State where the amount in a) above has been reflected in Hydro One Remote Communities' 2007 audited financial statements and identify the line item in the audited financial statements.
e. State which value should be relied upon in this proceeding, and, if different from the value reported in the 2007 audited financial statements, explain why the Board should rely on such different value

42. Ref: ExC1/T2/S4/P1/Table 1

Preamble: Remotes provided an overview of Remotes' historical bad debt expense. That table is reproduced below for ease of reference.

Table 1
Customer Care OM&A
($ Thousands)

Category	Historic			Bridge	Test
	2005	2006	2007	2008	2009
Customer Care	1,201	1,187	1,002	1,147	1,230
Bad Debt	2,193	3,207	872	525	575
Total	3,394	4,394	1,874	1,672	1,805

a. Board staff notes at Ex C1/T2/S4/P1/Table 1 that bad debt is $3.207M and $0.872M for 2006 and 2007 respectively. Please explain whether these amounts were reduced by the bad debt amounts recorded in the RRRP variance account. If not, please explain.
b. Bad debt expenses are $0.525M and $0.575M for 2008 and 2009, respectively. Please explain the reasons for the bad debt reductions in these years as compared to 2006 and 2007, noted in (a) above, reduced significantly from the 2006 level (Table 1, Customer Care OM&A).
c. Usual practice in the electricity sector is to use audited numbers for the last fiscal years as the basis for balances in the deferral and variance accounts for disposition, with interest forecasted up to the start of the new rate year.
    I. Please provide the regulatory precedent for principal transactions being forecasted beyond December 31, 2007 for accounts requested for disposition.

II. Please recalculate the amount requested for recovery through revenue requirement on the basis of the usual practice outlined above.

43. Ref: Ex G1/T1/S2/P6; Ex C/T2/S4/P4/Table 1

Preamble: Remotes has requested clearance of the RRRP variance account, which is forecast to be in a deficit position of $4.013M by the end of 2008. Remotes has requested recovery from the RRRP variance account be added to the amount to be recovered through RRRP rates, and in turn revenue requirement.

a. Please indicate why Remotes has chosen to request recovery through revenue requirement rather than disposition through a rate rider.
b. Please provide a table of rate classes and the accompanying rate riders that would result if the Board were to authorize the recovery of the requested accounts over a period of one, two, or three years;

DEFERRAL AND VARIANCE ACCOUNTS: RRRP AND DIESEL FUEL COSTS

44. Ref: ExF1/T1/S1/P1; ExC1/T2/S4/P1/Table 1; ExA/T3/S1/P6; ExC1/T2/S2/P8 (updated evidence)

Remotes has updated the table at ExF1/T1/S1/P1 indicating that the deficit position for the 2008 bridge year had increased from $2.577M to $4.013M, an increase of $1.436M. Remotes provided no update to the passage, "due primarily to increases in the cost of diesel fuel ($5M) and the need to create an adequate provision for bad debts ($4M)."

The table at ExC1/T2/S4/P1/Table 1, Customer Care OM&A, indicates that bad debt expense remained unchanged in the application.

a. Please provide an update to the 'passage' above, indicating the individual contributions of diesel fuel and of bad debt costs to the RRRP variance account.
b. At ExA/T3/S1/P4, Remotes indicates that it typically consumes between 14 and 17 million litres of diesel fuel per year in its operations. Please indicate what figure Remotes has used for its diesel usage forecast for 2008 and for 2009, the corresponding price for both the original and updated application evidence, used to determine the RRRP balance attributable to increased diesel fuel costs.
c. Please provide the underlying data for the table in the section "Challenges and Opportunities Facing Remotes" presented at ExA/T3/S1/P6, for both the original and updated application.

d. Please indicate why Remotes believes the level of its diesel fuel usage forecast is appropriate, especially in light of conservation initiatives and efficiency capital projects that Remotes cites in evidence.
e. What input data did Remotes consider in preparation of its original “cost of diesel fuel” forecast? (Filed August 29, 2008)
f. What input data did Remotes consider in preparation of its updated “cost of diesel fuel” forecast? (Filed November 28, 2008)
g. Retail diesel prices reached approximately 4.70USD/gallon in July 2008, and are now at approximately 2.60USD/gallon.[1] The price of diesel fuel is now at price levels comparable to 2005 levels. If the price of diesel fuel stays at current price levels, does Remotes foresee a significant credit contribution from diesel fuel prices to the balance in RRRP variance for 2009, 2010, and for 2011? How would Remotes propose to dispose of a credit balance in the RRRP account?

SPECIFIC SERVICE CHARGES (SSC)

45. Ref: Ex E3/T1/S1/P2

Preamble: In the application Remotes discusses negotiated payment plans in certain communities.

With respect to reduction of arrears please provide the following:

a. A list of the communities where negotiated payment plans have been arranged and the parties to the agreements; and
b. A copy of the agreement for one of Remotes’ representative service territories.

LOSS FACTORS

Preamble: Remotes included no discussion of loss factors in its application. Remotes did indicate that it has sets of isolated distribution and transformation assets which it owns and operates. The following questions seek to gain an understanding of Remotes current operating situation, and guidance for future years with respect to system losses.

46. Ref: Loss Factors

[1] Energy Information Administration. On-Highway diesel fuel prices. www.eia.doe.gov

Does Remotes have an estimate of its losses separated into technical losses (i.e. line and transformer) versus non-technical losses (i.e. theft, metering inaccuracies) for energy?

a. If so, what is the percentage difference in these quantities?
b. If not, does Remotes intend to measure the output from its generation in order to make this comparison in the future?
c. If the answer to b. is no, why not?

47. Ref: Loss Factors

Does Remotes have an estimate of its losses separated into line losses versus "unaccounted for" energy?

a. If so, what are the percentage amounts for Remotes as a whole, or for typical locations?
b. If not, does Remotes intend to implement metering or other monitoring that would enable it to make such estimates in the future?

INAC

48. Ref: Ex D1/T2/S1/P1

Remotes' refers to the "Electrification Agreements" it has with INAC. Please file a copy of the current "Electrification Agreement".