



PUBLIC INTEREST ADVOCACY CENTRE
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January 8, 2018

VIA E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli:

**Re: EB-2017-0051 Hydro One Remote Communities Inc.
2018 Cost of Service Electricity Rate Application
Interrogatories of Vulnerable Energy Consumers Coalition (VECC)**

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

Yours truly,

A handwritten signature in black ink, appearing to read 'Cynthia Khoo', written in a cursive style.

Cynthia Khoo
Counsel for VECC

Cc: regulatory@hydroone.com

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EXHIBIT A

A-VECC-1

Ref: A-3-1 Page 8 Performance Management

- a) With respect to improved project management, please explain the changes made over the past five years to improve productivity.

A-VECC-2

Ref: A-3-2 Revenue Deficiency

- a) Please confirm the 2018 revenue deficiency.
- b) Please provide the key drivers that make up the revenue deficiency.

A-VECC-3

Ref: A-4-1 Attachment 3 Page 4

Preamble: Remotes' evidence regarding Electricity Rebates & Programs indicates most Hydro One Remotes customers were not aware of various electricity-related rebates and programs available to them.

- a) Please describe the step Remotes has undertaken or plans to undertake to improve the awareness of its customers of electricity-related rebates and programs including LEAP and OSEP.

A-VECC-4

Ref: A-5-1 Performance Management

- a) Page 3 Band/Tribal Council Meetings: The target for this initiative is to meet with the Band or Tribal Council at least eight times per year. In 2016 and 2017, 13 and 17 meetings, respectively, were achieved. Please explain the need for additional meetings in these years compared to the three previous years.
- b) Page 5 Environmental Management System ("EMS") Objectives and Achievements: The target for acceptable performance is the completion of 80% of planned deliverables. Please explain how the 80% was derived.
- c) Page 5 Reducing Residential Arrears: Please provide the results for 2017 and the current target. Please discuss if Remotes will be tracking this metric for the years 2018 to 2022. If not, please

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explain.

- d) Page 7 Health & Safety Mandatory Training: Please provide the data for 2017. Given the trend for the metric is declining since 2013 please explain the rationale to drop this metric.

A-VECC-5

Ref: A-5-1 Page 9 Operational Excellence

- a) Please explain how Remotes sets annual targets for its reliability performance.
- b) Please provide the SAIDI and SAIFI targets for 2018 to 2022.
- e) Remotes indicates that SAIDI performance in 2016 and 2017 reflects adjustments for major events. Please provide the adjustments made for major events in 2016 and 2017.

A-VECC-6

Ref: A-5-1 Page 13 Major Project Milestones

Preamble: Remotes identifies the milestones of one major project a year and sets the timelines and budget for the project accordingly. Remotes then monitors how well the project stays on track according to these milestones and documents any deficiencies.

- a) For each of the projects listed in Table 1, please provide the cost and schedule for each milestone; budget versus actual to show how each project tracked to each milestone.
- b) Please explain the nature of the efficiencies that have been introduced and realized in subsequent projects and the resulting savings.

A-VECC-7

Ref: A-5-1 Attachment 1 Page 5

- a) Please provide the updated scorecard for 2017 to reflect year end results.

A-VECC-8

Ref: A-5-2 Page 5 Reliability Performance

- a) Please provide the SAIDI and SAIFI results for 2017.

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- b) Please provide CAIDI results for the years 2012 to 2017.
- c) Please provide the SAIDI and SAIFI results for the years 2013 to 2017 excluding Major Event Days, Loss of Supply and Scheduled Outages.

A-VECC-9

Ref: A-5-2 Reliability Performance Pages 9 to 19

- a) For each of the years 2012 to 2017, please provide a breakdown of defective equipment by sub-cause (equipment type) and show the contribution to number of customers interrupted and customer hours of interruption for each defective equipment sub-cause.
- b) Please confirm storm interruptions are recorded under the adverse weather cause code.
- c) Please define the Adverse Environment cause code.
- d) Please provide the total number of outages for each of the years 2012 to 2017.
- e) Please confirm that every outage results in a customer interruption. If not, please explain and provide the number of outages in part (d) that resulted in a customer interruption.

A-VECC-10

Ref: A-7-2 Page 5

- a) Please provide a list and description of all audits undertaken since 2013 related to Remotes.
- b) Please provide a list and description of planned audits related to Remotes.

A-VECC-11

Ref: A-7-4 Page 3

- a) Please provide the number of Interim Review of Variance (IROV) prepared for each of the years 2013 to 2017.
- b) Please provide the total cost variance and schedule variance associated with the all of IROVs (amended business cases) for each of the years 2013 to 2017.
- c) Please provide the number of projects cancelled per year for each of the years 2013 to 2017.

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EXHIBIT B

B-VECC-12

Ref: B1-1-1 Page 11

- a) Please explain the steps Remotes undertook to respond to limited interest in each of the following CDM programs and how the decision to discontinue the program was made: Community Conservation Pilot Program, Energy Conservation Youth Camps, Community Conservation Competitions, Commercial Lighting Retrofit and Rebate-Fridge Round-up.

B-VECC-13

Ref: B-1-1 Page 12

- a) Figure 1-7 shows the CDM savings for the years 2012 to 2015. Please explain the higher CDM savings in 2014. Please provide the CDM savings in 2016 and 2017.

B-VECC-14

Ref: B1-1-1

- a) Page 20 Table 2-4: The cost savings commence in 2013 for four initiatives and 2015 for the fifth initiative. Are there any new cost saving initiatives in 2018?
- b) Page 24 Resource Availability: Please provide the percentage of the capital plan undertaken by internal resources versus external resources for each of the years 2013 to 2017 and the forecast for 2018.
- c) Please discuss if there are costs savings associated with utilizing external resources compared to internal resources and provide the percentage savings.
- d) Page 24: Please provide the percentage of the capital budget that was executed as planned for each of the years 2013 to 2017.
- a) Page 67 Figure 3-5 Asset Condition Assessment: Please provide a schedule that quantifies the number of assets in very poor, poor, fair, good, and very good condition by asset type.
- b) Please provide a schedule that sets out the asset categories, the population of each asset category and the quantity of each asset type proposed for replacement for each of the years 2018 to 2022.

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- e) Page 70 Table 3-7 Forecast Engine Hours: For each of the generation units listed, please provide the threshold/limit of the number of hours that each unit is expected to operate.
- f) Page 102: From Remotes perspective, please explain why 32% of customers are unsure about ways to improve service to customers.

B-VECC-15

Ref: B1-1-1 Appendix A

- a) Please provide a priority ranking for each material investment in 2018.

EXHIBIT C

C-VECC-16

Ref: C1-1-1 Page 3 Table 2

- a) Please provide the budget versus actual in-service additions for the years 2016 to 2017.

EXHIBIT D

D-VECC-17

Ref: D1-1-2 Generation OM&A

- a) Table 1: Please provide a breakdown of Generation Maintenance between planned and unplanned maintenance.
- b) Please provide the number of trouble reports for the years 2013 to 2017 and forecast for 2018.
- c) Please provide the number and type of equipment or component failures for the years 2013 to 2017 and forecast for 2018.
- d) Please explain the maintenance cycles of diesel engines, plant and auxiliary systems, buildings and tank farms and renewable energy and provide the number of units maintained under each category.
- e) Please explain why higher maintenance of engines, auxiliary and plant systems and renewable energy maintenance is required in 2018 compared to other years.

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Ref: D1-1-2 Page 11 Table 5 Total Cost of Fuel

- a) Please provide Table 5 for the years 2013 to 2017.

D-VECC-19

Ref: D1-1-3 Distribution OM&A

- a) Table 1: Please provide a further breakdown of Distribution Maintenance costs (2013 to 2018) that includes but is not limited to the following categories: planned maintenance, unplanned maintenance, trouble calls and metering.
- b) Please explain the increase in Distribution Maintenance costs in 2018 compared to 2016.
- c) Please provide the number of trouble calls for each of the years 2013 to 2017 and the forecast for 2018.
- d) Please provide the forestry and right-of-way maintenance budget versus actual costs for the years 2013 to 2017 and provide the unit accomplishments per year.
- e) Please provide the forestry and right-of-way maintenance budget for 2018 and the forecast unit accomplishments.
- f) Please provide a summary of the planned maintenance activities, units maintained and the corresponding cycles.
- g) Please provide the type and number of equipment failures for each of the years 2013 to 2017.
- h) Please explain the increase in higher planned forestry activities in 2017.

D-VECC-20

Ref: D1-1-3 Page 2

Preamble: Remotes indicates that unplanned maintenance is reactive due to external factors such as storms, variability in equipment deterioration and random equipment failures.

- a) Please confirm the cost to repair equipment/component failures is part of the capital budget.
- b) Does Remotes track when unplanned maintenance is undertaken on each asset within its data management systems?

D-VECC-21

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Ref: D1-1-4 Customer Care OM&A

- a) Please explain the increase in Customer Care costs in 2018.

D-VECC-22

Ref: D1-5-1 Page 3

- a) With respect to payroll obligations, please explain how the overtime component within payroll obligations is derived.
- b) In the Technician example provided, please provide the \$ amount of overtime included and show how it is derived.
- c) Please explain how Remotes determines its annual overtime budget and how actuals are tracked.

D-VECC-23

Ref: D1-5-1 Page 4

- a) Please show the calculation of the 2018 Non-Labour Administration Costs (\$13) that is based on historical trends and other factors.
- b) Please show the calculation of the 2018 Non-Project, Administration and Support Services Labour (\$81) that is based on historical trends and current company initiatives.

D-VECC-24

Ref: Ex D1-3-1

- a) Page 1: Please provide the percentage of work performed by regular resources.
- b) Page 2: Please provide the number of eligible retirements and actual retirements for the years 2013 to 2017 and the forecast for 2018.

D-VECC-25

Ref: Ex D2-3-2

- a) Please add a column to the table to show Last Rebasing Year 2013 Board Approved.

D-VECC-26

Ref: Ex D2-5-2 Appendix 2-K

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- a) What does the category temporary staff include?
- b) Are part-time staff and casual staff included under temporary staff? If not please explain.
- c) Which category do co-op students and summer students fall under?
- d) Please recast Appendix 2-K to show executive, management, non-union, union, and temporary FTEs and overtime and incentive pay.
- e) Please provide the number of work hours by year for the years 2013 to 2018.
- f) Please provide a list of the new positions added since 2013 by year and include the function and rationale for the position.
- g) Please provide the allocation of employee costs between OM&A and Capital for the years 2013 to 2017 and forecast for 2018.