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Sept 20, 2017

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-2016-0024 Alectra Utilities Corporation
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)**

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

Yours truly,

Mark Garner

Consultant for VECC

Indy J. Butany-DeSouza, Vice President, Regulatory Affairs, Alectra Utilities Corporation
Email: indy.butany@alecrautilities.com

REQUESTOR NAME	VECC
TO:	Alectra Utilities Corporation
DATE:	September 20, 2017
CASE NO:	EB-2017-0024
APPLICATION NAME	2018 EDR-ICM Application

1.0 HORIZON RATES ZONE (EXHIBIT 2, TAB 1)

1.0-VECC-1

Reference: E2/T1/S7/pg. 7

- a) Please provide the customer group rate riders as indicated in Table 35 at the above reference.

1.0-VECC-2

Reference: E2/T1/S2/pg. 13

Pre-amble: In the Board approved settlement agreement EB-2014-0002 it states:

“Horizon Utilities agrees to undertake a Service Charge Cost Recovery Study that focuses on determining the appropriate level of service charges and impacts (e.g. a determination of who may be subsidizing whom). The purpose of the study is to consider the extent which the service charges are reflective of the costs of providing the services. Horizon Utilities agrees to collaborate with intervenor representatives on the terms of reference for this study. Horizon Utilities has agreed to file this study as part of its 2020 rebasing application. Horizon Utilities agrees to explore opportunities to collaborate with other utilities on the study including the sharing of costs.”

- a) Alectra states that no such study has yet begun. Please provide an update on Alectra’s intentions with respect to the agreed upon study.

1.0-VECC-3

Reference: E2/T1/S9, page 5 & LRAMVA Work Form, Tab 2

Please provide references for the LRAMVA Thresholds set for the years 2012-2015 by customer class.

- a) What was the last year of actual data used in developing the load forecast for EB-2010-0131 when the threshold for 2011-2014 was established?
- b) What was the last year of actual data used in developing the load forecast

for EB-2014-0002 when the threshold for 2015 was established?

- c) Are the threshold values based on annualized savings consistent with the manner in which the IESO reports verified results?

1.0-VECC-4

Reference: E2/T1/S9, page 4
LRAMVA Work Form, Tab 1- LRAMVA Summary

- a) According to the LRAMVA Summary Tab, Alectra is claiming savings for impact of Horizon's 2011 CDM programs persisting in 2012 (see cell D56). However, in Schedule 9 (page 4) Alectra indicates that it is only seeking lost revenues from the persistence of 2011 programs in 2013 and 2014. Please reconcile.

1.0-VECC-5

Reference: E2/T1/S9, page 3
Attachments 12 and 13

- a) Please provide the excel versions of Attachments 12 and 13 as these are much easier to read/review.

1.0-VECC-6

Reference: E2/T1/S9, page 4
LRAMVA Work Form, Tab 7- Persistence Data

- a) If not already provided, please provide an excel version of the IESO report regarding the persistence of 2011-2014 CDM program savings through to and including 2015.

2.0 BRAMPTON (EXHIBIT 2, TAB 2)

2.0-VECC-7

Reference: Exhibit 2/T2/S10/pg.12 Brampton ICM

- a) Is Alectra aware of any Board precedent which allowed a CCRA obligation to be included as an ICM project? If so please provide a reference to that precedent(s) and an extract of the relevant decision.
- b) What if any forecast risk does Alectra take with respect to similar projects (i.e. with potential CCRA payments to Hydro One)?

2.0-VECC-8

Reference: Attachment 21/pg.3 Brampton ICM

- c) Please amend Figure 1 to include the forecast peak demand for the Pleasant TS at the time of the signing of the first Hydro One agreement.

2.0-VECC-9

Reference: Exhibit 2/Tab 2/Schedule 10

The following extracts are provided from EB-2014-0083 and (2nd table) the current application.

CATEGORY	2015	2016	2017	2018	2019
	Test Year				
System Access	17,605,940	14,998,570	14,444,690	14,878,370	15,080,960
System	8,803,080	9,310,580	10,329,890	10,120,900	9,006,760
System Service	1,472,290	599,560	530,230	623,630	676,870
General Plant	9,741,020	9,288,690	3,966,470	3,981,820	3,740,710
TOTAL	37,622,330	34,197,400	29,271,280	29,604,720	28,505,300

Source: Appendix 2-AB Exhibit 2, Tab 5, Schedule 1 EB-2014-0083

Category	Actual 2015	Actual 2016	Forecast 2017	Forecast 2018	Forecast 2019	Forecast 2020
System Access	\$21,333	\$20,792	\$15,378	\$20,751	\$13,560	\$20,333
System Renewal	\$15,674	\$8,144	\$11,980	\$12,855	\$9,677	\$10,960
System Service	\$1,779	\$826	\$1,812	\$529	\$575	\$682
General Plant	\$3,785	\$996	\$11,048	\$3,934	\$16,332	\$11,098
Total	\$42,571	\$30,757	\$40,218	\$38,069	\$40,144	\$43,073

Source Table 60, Exhibit 2, Tab 2, Schedule 10 EB-2017-0024

- a) Please provide an explanation as to the variance between the capital expenditures in the four reporting areas (System Access, System Renewal, System Service, and General Plant) shown in Table 60 and the forecast capital expenditures amounts shown in Appendix 2-AB provided as evidence to the Board in EB-2014-0083.

- b) Specifically, please explain why the projected expenditures provided to the Board in late 2014 for 2017 capital expenditures of \$29.271M were significantly less than the current project in 2017 of \$40.218M.
- c) In EB-2014-0083 Brampton Hydro filed a detailed capital expenditure plan, distribution system plan and an Asset Condition Assessment report by an expert independent consulting firm (Kinectrics Inc.). Brampton provided over 1000 pages of evidence supporting capital expenditures between 2017 and 2018 of approximately \$87.4M. In this application the Brampton RZ now expects to require \$118.3M in capital expenditures over the same period. Please explain the significant change in the Brampton RZ needs since 2015 which argue for this 35% increase in capital expenditures over the stated period.
- d) Please recalculate the revenue requirement impact of the ICM based on the original project capital expenditures in the Brampton RZ of 2017 of \$29.271 million.

2.0-VECC-10

Reference Exhibit 2/Tab 2/Schedule 10/Table 60 Brampton ICM

- a) Please clarify whether the system access category of capita spending shown in Table 60 is net of capital contributions.
- b) Please provide the actual and forecast contributions for system access projects for the 2013-2019 period.

2.0-VECC-11

Reference: Exhibit 2/Tab 2/Schedule 10

- a) Please provide the actual 2017 capital expenditures to date.

3.0 POWERSTREAM (EXHIBIT 2, TAB 3)

3.0-VECC-12

Reference: E2/T3/S5/pg.9

- a) Please provide the customer group rate riders as indicated in Table 80 at the above reference.

3.0-VECC-13

Reference: E2/T3/S7 (Deferral & Variance Accounts)

- a) Are the Metrolinx Crossing Remediation Project expenditures subject to contributions from Metrolinx?
- b) If yes, please explain how the contributions will be accounted for in the proposed new deferral account.

3.0-VECC-14

Reference: E2/T3/S10

Pre-amble: The following table is reproduced from EB-2015-0003 (Exhibit G, Tab 2, page 3)

	2015	2016	2017	2018	2019	2020	
	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Total
General Plant	\$24,544,709	\$17,631,419	\$19,557,978	\$13,966,910	\$16,840,554	\$18,205,522	\$110,747,091
System Access	\$24,145,118	\$28,232,154	\$28,469,723	\$29,560,667	\$28,726,052	\$31,866,709	\$171,000,423
System Renewal	\$42,388,194	\$48,714,625	\$51,500,169	\$52,051,933	\$52,970,854	\$52,405,780	\$300,031,555
System Service	\$27,321,977	\$38,321,819	\$32,071,882	\$29,920,325	\$26,963,080	\$23,022,061	\$177,621,144
Grand Total	\$118,399,998	\$132,900,017	\$131,599,752	\$125,499,835	\$125,500,540	\$125,500,071	\$759,400,213

- a) Please explain the significant (\$31 million shortfall) in actual 2016 capital expenditures as compared to that provided to the Board in EB-2015-0003. Specifically identify which projects were delayed or removed in order to make these savings.

3.0-VECC-15

Reference: E2/T3/S10

Pre-amble: Alectra notes that in EB-2015-0003 the Board that it was up to-
“PowerStream to determine the appropriate way to allocate the capital budget within the limits of the total capital budget for the year”. In that same Decision the Board also stated:

PowerStream has proposed a total capital budget of \$131.6 million for 2017. The OEB considers that the capital budget should be decreased, and approves a total capital budget of \$115.8 million in 2017 representing a 12% cut from the proposed level. In arriving at this

amount, the OEB took into account a number of elements of the proposed capital budget that it considers should reasonably be reduced. Where a specific expenditure is not discussed, this means that the OEB did not have concerns with it. **The elements of the capital budget that the OEB considers should reasonably be reduced are discussed below.** (emphasis added)

The Board included this summary table of those items:

2017 Capital Budget proposed by PowerStream:	131,600
OEB Reductions	
<i>System Renewal</i>	
Underground Cable Replacement/Injection Program	-5,120
Pole Replacement Program	-1,380
Rear Lot Supply Remediation Program	-2,200
Mini-Rupter Switch Replacement Program	-405
Unscheduled Replacements of Distribution Equipment	-190
<i>General Plant</i>	
Customer Information System (CIS) Modifications	-6,700
<i>General</i>	
Internal/External Resource Mix For Capital Projects	-240
Total Reductions	-16,235
2017 Revised Capital Budget	115,365

(Source EB-2015-0003 Decision and Order page 15.)

- a) Please compare and contrast the Board's list of exclusions and the proposed ICM projects shown in Table 103. For any projects that overlap (i.e. Rear Lot Remediation) please explain how Alectra has addressed the Board's specific concerns as articulated at pages 14-21 of the Decision EB-2015-0003.
- b) Specifically address how the Alectra addressed in this application the following concern of the Board:
"However PowerStream has not provided evidence that it took advantage of the

opportunities it did have to obtain customer views on the specifics of its proposals before those proposals were decided on. Some examples of this are discussed below under the proposed capital budgets for rear lot relocation and PowerStream's new Customer Information System."

3.0-VECC-16

Reference

Pre-amble. In EB-2015-0003 the Board made the following statement in consideration of the PowerStream Capital Plans:

In the absence of internal benchmarking to confirm and measure continuous improvement, the OEB has conducted a detailed review of PowerStream's spending plans. The OEB does not consider that PowerStream has provided sufficient evidence of what its capital investment will accomplish in terms of outcomes for customers, and why they are appropriate, to justify approving its capital investment beyond 2017. Although the case record of this proceeding contains a large volume of evidence, it does not contain sufficient evidence on this issue.

- a) Please explain what benchmarking and measures of continuous improvement have been made to address the Board's concern.
- b) In the absence of significant initiatives to address the Board's concern why does Alectra believe the Board should allow for an overall capital budget above the dollar value last Board approved by the Board.

3.0-VECC-17

Reference: E2/T3/S10/pg. 21 – York Region Rapid Transit VIVA Bus Rapid Transit and H2 projects

- a) Please explain the capital contribution policy that applies to the YRRT/BRT projects.
- b) Is the \$11.24 million noted for this project net of contributions?
- c) Given the level of uncertainty described in the evidence and similarities with the proposed Metrolinx Crossing Remediation and Go Rail Network deferral (variance) accounts-has Alectra considered a specific variance accounting for this project? If not, please explain why and what difference the project(s) is expected in comparison to the other two identified by Alectra for Deferral/Variance account treatment.

3.0-VECC-18

Reference E2/T3/S10/pgs. 20-33

- a) Were all of the projects described at the above reference identified in the Distribution System Plan filed with the Board in EB-2015-0003?
- b) If not, please identify the incremental projects and explain why these projects were not identified the last DSP five year plan.
- c) For all projects that were identified and for which project estimates were provided in the DSP please compare and contrast the prior \$ estimates with the current projections.

3.0-VECC-19

Reference: E2/T3/S9, page 5
LRAMVA Work Form, Tab 2

- a) Please provide references for the LRAMVA Thresholds set for the years 2014-2015 by customer class.
- b) What was the last year of actual data used in developing the load forecast for EB-2012-0161 when the threshold for 2013-2015 was established?
- c) Are the threshold values based on annualized savings consistent with the manner in which the IESO reports verified results?

3.0-VECC-20

Reference: E2/T3/S9, page 4
Attachments 29 and 30

- a) Please provide the excel versions of Attachments 29 and 30 as these are much easier to read/review.

3.0-VECC-21

Reference: E2/T3/S9, page 4
LRAMVA Work Form, Tab 7- Persistence Data

- a) If not already provided, please provide an excel version of the IESO report regarding the persistence of 2011-2014 CDM program savings through to and including 2015.

3.0-VECC-22

Reference: E2/T3/S9, page 4

LRAMVA Work Form, Tab 1- LRAMVA Summary

- a) Please explain why for PowerStream the Application includes for the 2015 claim, the persisting impacts from 2011-2014 programs whereas in Horizon's case it does not.

4.0 ENERSOURCE (EXHIBIT 2/TAB 4)

4.0-VECC-23

Reference: E2/T4/S11/pg.4

- a) Please provide the 2015 and 2016 budget and actual capital expenditures in the form of Table 129.
- b) Please provide the 2017 actual spending to date in the same form.

4.0-VECC-24

Reference: E2/T4/S11/Table 129 & 2-Staff-3 EB-2015-0065 (attached)

- a) In Enersource's last ICM application it presented forecast capital expenditures for the period 2016 through 2012. Please compare and contrast the projections for 2017 through 2021 shown in the prior table (attached) with those shown in Table 129.
- b) Please provide an updated table similar to that filed at 2-Staff-3 which shows the CIAC amounts for the capital categories (including LRT/transit if applicable).
- c) Please describe any significant change in capital planning that has occurred subsequent to the DSP and Asset Condition Assessment. That is, please highlight **material or significant** investments that are being made in light of the new plan and explain how these needs were identified only as part of the recent DSP/Asset Management exercise. For example, were the two new substations identified for the downtown core first identified as part of the DSP? Or were they contemplated in Enersource's last capital budget project presented to the Board? Similarly were the transformer remediation's described at pages 14-15 identified in EB-2015-0065 or only as part of the new DSP?

4.0-VECC-25

Reference: E2/T4/S11/Figure 2

- a) Please explain the trend correlation between years 2014-2016 of zero or near zero cable failures in the months through January –March with the geometrical progression in the June through December months.

4.0-VECC –26

Reference: E2/T4/S11/pg.7

Pre-amble: At the above reference it states “[D]ue to the high-density layout and emphasis on pedestrian-friendliness, Alectra Utilities is required to adopt underground designs for all downtown core electrical infrastructure.”

- a) Please clarify – are the underground requirements mandated by legislation or municipal by-laws. If yes please specify.

4.0-VECC-27

Reference E2/T4/S11/pg.22/Table 135

- a) Please explain the significant increase in Grounds and Buildings spending in the 2017-2022 period.

4.0-VECC-28

Reference E2/T4/S11/pg.22

Pre-amble: In EB-2015-0065 Enersource provided the following vehicle replacement policy:

- Light vehicles are replaced after three - five years, or 170,000 km
- Service trucks are replaced after five - eight years or 200,000 km
- Heavy equipment trucks are replaced after eight - 12 years, or after 230,000 km
- Work equipment is replaced on a condition based assessment.
(Source Supp-Staff-15/EB-2015-0065)

- a) Do all of the vehicles being targeted for replacement meet (or are expected to meet) this policy?

4.0-VECC-29

Reference: E2/T4/S11/Table 144

- a) For each incremental eligible capital project shown in Table 144 please provide the expected capital contribution. Please also clarify whether the amounts shown in Table 144 are net of contributions.

4.0-VECC-30

Reference: E2/T4/S9, page 6
LRAMVA Work Form, Tab 2

- a) Please provide references for the LRAMVA Thresholds set for the years 2014-2015 by customer class.
- b) What was the last year of actual data used in developing the load forecast for EB-2012-0033 when the threshold for 2013-2015 was established?
- c) Are the threshold values based on annualized savings consistent with the manner in which the IESO reports verified results?

4.0-VECC-31

Reference: E2/T4/S9, page 4
Attachments 43 and 44

- a) Please provide the excel versions of Attachments 29 and 30 as these are much easier to read/review.

4.0-VECC-32

Reference: E2/T4/S9, page 4
LRAMVA Work Form, Tab 7- Persistence Data

- a) If not already provided, please provide an excel version of the IESO report regarding the persistence of 2011-2014 CDM program savings through to and including 2015.

3.0-VECC-33

Reference: E2/T3/S9, page 4
LRAMVA Work Form, Tab 1- LRAMVA Summary

- a) Please explain why for Enersource the Application includes for the 2015 claim, the persisting impacts from 2011-2014 programs whereas in Horizon's case it does not.

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