



BY EMAIL and RESS

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Ontario Energy Board
2300 Yonge Street
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Toronto, Ontario
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October 24, 2017
Our File: EB20170032

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2017-0032 – Centre Wellington 2018 – SEC Interrogatories

We are counsel to the School Energy Coalition (“SEC”). Pursuant to Procedural Order No. 1, please find SEC’s interrogatories.

Yours very truly,
Shepherd Rubenstein P.C.

Original signed by

Mark Rubenstein

cc: Wayne McNally, SEC (by email)
Applicant and interested parties (by email)

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by Centre Wellington Hydro Ltd. for an Order or Orders approving or fixing just and reasonable distribution rates effective January 1, 2018.

INTERROGATORIES

ON BEHALF OF THE

SCHOOL ENERGY COALITION

1-SEC-1

[Ex.1] Please provide a copy of all documents provided to the Applicant's Board of Directors for the purposes of approving the application and the underlying budget.

1-SEC-2

[Ex.1] Please provide copies of all benchmarking studies, reports, and analysis that the Applicant has undertaken or participated in since 2014, and are not already included in the application.

1-SEC-3

[Ex.1] Please provide a list of measurable outcomes that ratepayers can expect the Applicant to achieve during the test year. Please explain how those outcomes are incremental and commensurate with the rate increase the Applicant is seeking in this application.

1-SEC-4

[Ex.1, p.35] Please provide a step-by-step explanation of the Applicant's capital planning process.

1-SEC-5

Does the Applicant have a corporate scorecard? If so, please provide copies of each of the 2014 to 2017 versions. If not, please explain what metrics the management and Board of Directors use to measure and monitor the Applicant's activities.

1-SEC-6

[Ex.1, p.62] Please explain what activities or investments the Applicant is undertaking, or not undertaking, based on its customer engagement activities.

2-SEC-7

[Ex.2 p.48] Please revise table 2-AB to remove the impact of the costs associated with the Smart Meter deployment from account 1555-Smart Meter Capital and Recovery Offset variance account into capital in 2013.

2-SEC-8

[Ex.2, p.48] Please explain the basis/source of the 'plan' amounts in Appendix 2-AB.

2-SEC-9

[Ex.2, p.57] Please provide for each year between 2013 and 2018:

- a. The number of poles replaced or forecast to be replaced
- b. The number of transformers replaced or forecast to be replaced

2-SEC-10

[Ex.2, DSP] For each 2017 material capital project, please provide the status of the project, and their expected in-service date.

2-SEC-11

[Ex.2, DSP] For each 2018 material capital project, please provide the forecast in-service month.

2-SEC-12

[Ex.2, DSP, Appendix B] With respect to the Asset Management Plan undertaken by METSCO:

- a. [p.9] METSCO states it took site visits to confirm data provided by the Applicant in its records. In METSCO's opinion what is the quality of the Applicant's data?
- b. [p.11] For each asset type included in the asset management plan, please provide the number of assets that fall within each of the final Health Index scores of 'very good', 'good', 'fair', 'poor' and 'very poor'.
- c. [p.45] The report provides a capital investment plan based on the condition assessment of the Applicant's major asset types. The spending on assets is based on the "quantities of asset requiring replacement during the next six years". For each major asset type, please explain how METSCO determined the number of assets that would need to be replaced in the next 6 years based on the condition information.
- d. [p.47] Please explain the basis for the differences from the METSCO estimate of annual capital expenditures, and the amounts the Applicant spent or forecasts to spend during the DSP term.

2-SEC-13

[Ex.2, DSP, CP9] The Applicant forecasts to spend \$80,000 in each of 2017 and the Test Year for transformers.

- a. The Applicant states that the "exact number can't [sic] not be determined at this point". For the purposes of setting the \$80,000 budget, how many transformers is the Applicant planning to purchase and what is the basis for that forecast?
- b. How many transformers have been purchased to date and at what is the total cost?
- c. How many are expected to be used for planned versus unplanned replacements?
- d. The Applicant references a new large subdivision therefore there will need to be an increase in the transformer stock. Which project is the Applicant referring to and when is its in-service date?
- e. Is the Test Year budget of \$80,000 for transformers determined on the same basis as 2017?

3-SEC-14

[Ex.3, p.9] Please provide the most recent 2017 customer/connection count by rate class.

3-SEC-15

[Ex.3, p.9] The Applicant states that it has used the simple 9-year geometric mean function to determine the forecasts for 2017 and 2018 for each rate class. Please provide all other information the Applicant has about expected customer count in 2017 and 2018 that may differ from the results of its forecast methodology. For example, information from potential new customers seeking to connect, new home builds, and/or information from the towns or villages it serves.

4-SEC-16

[Ex.4, p.35] The Applicant states that the decrease in costs in Account 5005 in 2015 is a result of the new job costing process. Was the more accurate allocation in the supervisor’s costs primarily to other OM&A accounts, or was it capitalised?

4-SEC-17

[Ex.4, p.21] Please provide Appendix 2-JB on a program, not USoA basis.

4-SEC-18

[Ex.4, p.75] Please provide further details regarding the internal policies and procedures that the ‘Special Project Manager’ was contracted to update.

4-SEC-19

[Ex.4, p.83] For each year between 2013 and 2018, please provide the number of management and non-management FTEs the Applicant has or has forecasted to have.

4-SEC-20

[Ex.4, p.83] Please provide a list of the titles of all of the Applicant’s employees.

4-SEC-21

[Ex.4, p.82] With respect to union compensation:

- a. Please provide an update regarding the negotiations between the Applicant and IBEW Local 636.
- b. For the purposes of the Test Year budget, what has the applicant assumed would be the negotiated wage change as a result of those negotiations?
- c. Who is responsible for negotiating the collective agreement on behalf of the Applicant (the employer) and who provides them with instructions?
- d. Please provide the Applicant’s analysis it stated it would be undertaking by reviewing “the agreements of the LDCs within its geographic service area to ensure that the amount being required is reasonable for the industry and does not exceed the oing rate but remains competitive so that employee retention is not jeopardized”.

4-SEC-22

[Ex.4, p.82, 87] Why does the Applicant believe it is appropriate to match non-Union employees wage increases on the results of the contract negotiated with the IBEW?

4-SEC-23

[Ex.4, p.95] Please provide a copy of the Applicant’s agreement that sets out the terms of the water and sewer billing arrangement with the Township of Centre Wellington.

4-SEC-24

[Ex.4, p.95] With respect to the water sewer billing services, please explain why costs have increased since 2015, yet revenues have stayed flat.

4-SEC-25

[Ex.4, p.99] Please provide a similar Table showing the products and services from non-affiliates for 2014, 2015 and 2017.

4-SEC-26

[Ex.4, p.103, Table 35] Please provide a breakdown of 2017 regulatory expert witness and consultant costs.

5-SEC-27

[Ex.5, p.13] Please revise Appendix 2-OB to show the proposed debt rate for regulatory purposes the Applicant is seeking for each instrument in the Test Year,

5-SEC-28

[Ex.5, p.13] Does the Applicant actually pay a rate of 7.25% to the Township of Centre Wellington on its Promissory Note.

Respectfully submitted on behalf of the School Energy Coalition this October 24th, 2017

Original signed by

Mark Rubenstein
Counsel for the School Energy Coalition