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BY EMAIL and RESS

April 15, 2016
Our File: EB20150072

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2015-0072 – Grimsby Power Inc. – SEC Interrogatories

We are counsel to the School Energy Coalition (“SEC”). Enclosed, please find interrogatories on behalf of SEC.

Yours very truly,
Jay Shepherd P.C.

Original signed by

Mark Rubenstein

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

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by Grimsby Power Inc. for an Order approving rates and other service charges for the distribution of electricity as of May 1, 2016.

INTERROGATORIES

ON BEHALF OF THE

SCHOOL ENERGY COALITION

1-SEC-1

Please provide a copy of the Applicant's most recent Business Plan.

1-SEC-2

[Ex.1] Please provide copies of all benchmarking studies, reports, and analysis that the Applicant has undertaken or participated in since 2012, and are not already included in the application.

1-SEC-3

[Ex.1] Please provide a step-by-step explanation of the Applicant's budgeting process. Please provide any internal budget guidance documents that were issued.

1-SEC-4

Please update the following tables for 2015 year-end audited actuals:

- a. 2-AA
- b. 2-AB
- c. 2-BA (2015 and 2016)
- d. 2-JA
- e. 2-JB
- f. 2-JC

1-SEC-5

[Ex.1, p.46] Did the Applicant's customer engagement activities directly affect any expenditure sought in this Application? If so, please provide details.

1-SEC-6

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-7

[Ex.1, p.56] Please explain , and provide specifics, how the Application will result in the following for customers.

- a. Improve long-term reliability
- b. Reduce the time to restore power
- c. Better information about outages
- d. Receive energy conservation education

1-SEC-8

[Ex.1, p.76-77] Please provide details of what *incremental* productivity initiatives the Applicant plans to undertake in the Test Year.

1-SEC-9

[Ex.1, App 1-A, p.12] Please provide a copy of the ‘succession planning strategy’. Please provide the updated strategy dated June 26, 2015 (App 1-B, p.13).

1-SEC-10

[Ex.1, App 1-B, p.14) Please provide a copy of the redacted section of this page.

2-SEC-11

[Ex.2, p.36] Please complete Appendix 2-AB by including under the ‘plan’ column for 2011-2015, the internally budgeted amount.

2-SEC-12

[Ex.2, App 2-A, p.65] With respect to the Asset Condition Assessment methodology:

- a. For each asset listed in the Distribution System Plan, please explain what condition information is utilized.
- b. Please provide further details regarding how the Applicant’s asset condition is combined with age data to establish an adjusted age. Please provide the formula used if any. Please provide numerical examples.

2-SEC-13

[Ex.2, App 2-A] Is the information contained in certain charts (example being figure 37, 41 and 44) based on the adjusted age or actual age?

2-SEC-14

[Ex. 2, App 2-A; Ex. 2, p.36] Please explain the drivers of the significant increase in capital spending per year over the 2016-2020 period, from the previous 5 year period.

2-SEC-15

[Ex.2, App 2-A, p.95] Please provide a version of figure 35 for years 2011-2014.

2-SEC-16

[Ex.2, App-2-A, p.157] Please explain how the Applicant classifies the Cost Benefit into ‘low’, ‘below low’, ‘average’, ‘above average’ and ‘very high’ project or action cost benefit.

2-SEC-17

[Ex.2, App 2-A] Please provide the in-service date for each 2016 material capital project.

3-SEC-18

[Ex.3, p.14] Please explain the significant increase of GS>50 customers in 2011.

4-SEC-19

[Ex.4, p.5] Please confirm that the Applicant's proposed 2016 OM&A expense of \$3,925,393 is 260.03% higher than its actual OM&A expense in 2006 of \$1,509,565. Please explain why such a large increase is reasonable.

4-SEC-20

[Ex.4, p.13] Please provide the budgeted OM&A expense for each year between 2012 and 2015.

4-SEC-21

[Ex.4, p.16] Please explain all the affinities gained by the Applicant due its merger with Niagara West Transformation Corporation. Please quantify those efficiencies as it relates to the 2016 Test Year budget.

4-SEC-22

[Ex.4, p.41] Please provide the number of FTEs the Applicant plans to add each year between 2017 and 2020. Please provide the total FTEs the applicant plans to have each year between 2017 and 2020.

4-SEC-23

[Ex.4, p.41] Please provide two additional rows to Appendix 2-K to show, for each year, the amount of compensation costs allocated to OM&A and capital.

4-SEC-24

[Ex.4, p.66] Please provide the results of the 'corporate performance measures and metrics' for 2015. Please provide the similar document used, and the results, for each year between 2011 and 2014.

4-SEC-25

[Ex.4, p.69] With respect to shared services:

- a. Does the Applicant have shared services agreements with its affiliates? If so, please provide copies.
- b. How often is the 'market based rate (\$/hour)' reviewed?

5-SEC-26

[Ex.5, App 5-A] What terms of the Promissory Note were amended in December 2012? Please explain how these changes benefit customers. Please provide a copy of the previous Promissory Note, dated December 18, 2007.

5-SEC-27

[Ex.5] Please provide the Applicant's actual Return on Equity for each of the past 5 years.

8-SEC-28

[Ex.8] Please explain why the Applicant believes it is appropriate to maintain the fixed/variable split for GS<50 and GS>50, when doing so would result in a Monthly Service Charge above the Minimum System with PLCC Adjustment (Celling Fixed Change from Cost Allocation Model).

Respectfully submitted on behalf of the School Energy Coalition this 15th day of April, 2016

Original signed by

Mark Rubenstein
Counsel for the School Energy
Coalition