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BY EMAIL and RESS

February 20, 2017
Our File: EB20150100

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

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2015-0100 – Rideau St. Lawrence Distribution Inc. – SEC Interrogatories

We are counsel to the School Energy Coalition (“SEC”). Enclosed, please 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)

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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 Rideau St. Lawrence Distribution Inc. Section 78 of the *Ontario Energy Board Act, 1998* an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of January 1, 2017.

INTERROGATORIES

ON BEHALF OF THE

SCHOOL ENERGY COALITION

1-SEC-1

[Ex.1] Please provide a copy of the Applicant's most recent business and/or strategic plan.

1-SEC-2

[Ex.1] Please explain why the Applicant only filed its application on October 21, 2017.

1-SEC-3

[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-4

[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-5

[Ex.1] Please provide a list of measurable outcomes that ratepayers achieved 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-6

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

1-SEC-7

Does the Applicant have a corporate scorecard? If so, please provide copies of each of the 2013 to 2017 versions. If not, please explain what metrics the management and Board of Directors uses to measure and monitor the Applicant's activities.

2-SEC-8

Please provide a version of Appendix 2-AB with the Applicant's internal budgeted numbers under the plan columns.

2-SEC-9

Please provide revised versions of the following appendices with 2016 year-end actuals. Please explain all material variances between 2016 forecast and actuals.

- a. 2-AA
- b. 2-AB
- c. 2-BA

2-SEC-10

[Ex. 2, Appendix 2.1, p.37] The Applicant states that it does not have sufficient data to calculate the Health Index for the transformer asset class. Please explain how the Applicant plans to obtain necessary data to reliability calculate its transformer asset class.

2-SEC-11

[Ex. 2, Appendix 2.1, p.40] For each year between 2012 and 2016, please provide how many poles the Applicant has replaced. How many does the Applicant plan to replace each year between 2017 and 2020.

2-SEC-12

[Ex. 2, Appendix 2.1, p.52] Please explain why the Applicant is not better pacing its capital expenditures over the Distribution Plan term (2016-2019).

2-SEC-13

[Ex. 2, Appendix 2.1, p.58] For each 2016 material capital project listed, please provide the actual amounts spent in 2016. Please also confirm that the projects went into-service/completed in 2016.

2-SEC-14

[Ex. 2, Appendix 2.1, p.58] Please provide the business case for the purchase of the new Digger Truck.

3-SEC-15

[Ex.3, p.18] Please provide the 2016 actual number of customer/connections for each rate class.

3-SEC-16

[Ex.3] Please update the following tables to include 2016 year-end actuals.

- a. Table 3.1
- b. Table 3.2
- c. Table 3.3
- d. Table 3.4
- e. Table 3.26

3-SEC-17

[Ex.3, p.49] Please provide revised version of Appendix 2-H with 2016 year-end actuals. Please explain all material variances between 2016 forecast and actuals.

4-SEC-18

[Ex.4] Please provide revised versions of the following appendices with 2016 year-end actuals. Please explain all material variances between 2016 forecast and actuals.

- a. 2-JA

- b. 2-JB
- c. 2-JC
- d. 2-K
- e. 2-CF

4-SEC-19

[Ex.4, p.6] The Applicant states that the labour costs have increased “largely due to negotiated pay rate changes included in the union contract”. Please provide details regarding the negotiated pay raise in each year since 2012.

4-SEC-20

[Ex.4, p.29] Does RSL have a management employee incentive or variable compensation program? If so, please provide details.

4-SEC-21

[Ex.4, p.29] The Applicant states “RSL is faced with a turnover of approximately 17% of its workforce within the next five years.” Please explain the basis for this statement.

4-SEC-22

[Ex.4, p.29] The Applicant states” “To avoid falling behind the market it is important the compensation be reviewed on an ongoing basis. With that in mind, each year any recommended compensation adjustments are based on industry experience and projections.” Please explain what specific information the Applicant reviewed to ensure that its compensation adjustments are based on industry experience and projections.

4-SEC-23

[Ex.4, p.37] Please provide a version of Appendix 2-K with an extra row showing for year the amount of compensation that is an OM&A expense.

4-SEC-24

[Ex.4, p.32] Please explain why the Regulatory Analyst discussed in the Applicant’s last application was only hired in 2014.

5-SEC-25

[Ex.5] Please provide an update to appendices 2-AO and 2-BO to incorporate the Board’s most recent cost of capital parameters.

6-SEC-26

[Ex.6, p.10] Please revise table 6.6 to show the revenue deficiency with distribution revenue and other operating revenues calculated using 2016 year-end actuals.

Respectfully submitted on behalf of the School Energy Coalition this February 20th, 2017.

Original signed by

Mark Rubenstein
Counsel for the School Energy
Coalition