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Our File No. 174515

September 20, 2017

VIA RESS, EMAIL AND COURIER

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

Attention: Kirsten Walli,
Board Secretary

Dear Ms. Walli:

Re: EB-2017-0024: Alectra Utilities Corporation – BOMA Interrogatories

Pursuant to Procedural Order No. 1, please find enclosed herewith BOMA's Interrogatories.

If any questions are unclear to you, please feel free to contact me for clarification.

Yours truly,

FOGLER, RUBINOFF LLP

Thomas Brett

TB/dd
Encls.
cc: All Parties *(via email)*

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EB-2017-0024

ONTARIO ENERGY BOARD

Alectra Utilities Corporation

Application for electricity distribution rates effective January 1, 2018

Interrogatories of

Building Owners and Managers Association, Greater Toronto ("BOMA")

September 20, 2017

Tom Brett
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Counsel for BOMA

Interrogatories of BOMA

Enersource

1. ***Ref: Exhibit 1, Tab 1, Schedule 1, p19***

Why have you not asked the Board to approve the five year DSP for the Enersource rate zone/division? Do you agree that the Board must approve the DSP prior to approving the ICM module for the first year covered by that DSP? Please discuss fully.

2. ***Ref: DSP***

When was the initial draft of the Enersource DSP completed? When was the final draft approved by Enersource management, Alectra's management, Alectra's Board of Directors?

3. ***Ref: DSP, p31***

Alectra's evidence is that Enersource submitted a draft DSP in 2015 (EB-2015-0065) for the 2011 bridge year and the 2017-2021 test period. Please provide a copy of that DSP, or a link where it can be found. Please summarize the principal difference between the two plans, with particular reference to the projects included in the proposed capital module.

4. ***Ref: DSP, p22***

Please provide a copy of the Enersource customer engagement process completed in 2016.

5. ***Ref: DSP, p30***

Please provide a copy of the most recent Enersource customer satisfaction survey.

6. ***Ref: DSP, p36***

Please provide a copy of the workbooks for the residential and small commercial customers consultation.

7. ***Ref: DSP, p37***

Please confirm that the group of small business customers that completed the online questionnaire are too small to be statistically significant.

8. ***Ref: Distributed Generation (General)***

(a) Please provide the following information on Distributed Generation in your service area, the total capacity in kW, and the total production in kWh in the last three years, up to and including 2016. Please provide the information broken down into the following categories:

(i) renewable energy (solar);

(ii) gas-fired cogeneration (engine or turbine);

(iii) demand response;

(iv) microgrid;

(v) storage/solar;

(vi) storage plus cogeneration;

(vii) storage plus demand response;

(viii) other.

(b) Please provide the number of customers, by rate class, that are purchasing electricity (kW) from a party other than the distributor, in each of the last three years, ending in 2016.

9. ***Ref: Enersource DSP***

Please confirm that the following excerpt from the Enersource DSP accurately states the reduction and project deferrals undertaken to pace the proposed $367,890,000 over the same period:

> *"The total net impact of such pacing and deferral adjustments is a $6.81MM reduction in capital expenditures over the 2017 to 2022 period."*

10. ***Ref: Energy Conservation***

Given that one of the four required RRFE outcomes for electricity distributors is responsiveness to policy directives and initiatives, and given that the Filing Requirements for Consolidated Distribution System Plan Filing Requirements dated March 28, 2013, at 5.04, require that:

> "A distributor's DSP must explain how the expenditure process has been integrated and rationalized so as to permit timely and appropriate expenditure in relation to a distributor's government-mandated obligation".

and that

"non-distribution system alternatives to relieving system capacity or operational constraints are considered".

5.4.5.2.B, pp21, 22 and 25; impact on conservation

"(ii) the proposed project also considered other technically feasible options to the proposed project that meet the same objectives".

Please describe any non-demand side options that were considered for each of the projects proposed to be funded by the incremental/advanced capital modules. Please discuss each project separately.

11. ***Ref: Enersource Distribution Licence***

Licence ED-2016-0360, s. 21.2 – Given the obligation to do the Conservation First Project and the customer survey results that show that assistance with CDM is third most important customer need, why does the utility not address CDM and DR alternatives to the requested distribution capital projects in this application?

12. ***Ref: DSP, Appendix F, Customer Engagement Report***

(a) Please confirm that:

(i) The Innovative Customer Engagement Report (the "Report") was filed on June 23, 2017.

(ii) Innovative Research Group telephone survey activity commenced May 8, 2017 and ended May 26, 2017 (Appendix 1 to Report).

(iii) The Large Use Customer Online Survey was filed between May 26, 2017 and June 9, 2017.

(b) When was Innovative Research Group retained by Alectra? When did it commence work? Please provide a copy of the engagement letter (contract) and the RFP used to solicit bids to conduct the work.

13. ***Ref: DSP; Appendix F; Appendix 1.0, Enersource Ratepayer Telephone Survey, p31***

Please confirm that on p18, the "be wise with spending" is not translated into a maximum rate increase, rather than using the comment, which is open to many different interpretations. Why was a more precise answer sought?

14. ***Ref: Ibid, pp8-9***

BOMA is unable to understand the presentation on pp8 and 9. On p8, please explain:

(a) "Well-served by the system" – Agree 85%, Disagree 83%, and on p9, please explain the same module "well-served by the system" – Agree 82%, Disagree 64%.

(b) Please compare those numbers to the responses to "well-served by the system" – Agree 40%, Disagree 46%, on p7.

(c) See p10 and p17 for same discrepancy in answers. Please explain.

15. ***Ref: Ibid***

Please confirm that the first and second questions on rate increase do not specify the annual rate increase in each of 2017, 2018, 2019, 2020, and 2021. Why was this not done, rather than simply selecting a rate increase to 2022?

16. ***Ref: Ibid***

Is the increase of 1.7% in the Enersource distribution rate in 2018 incremental to the 3.99% and 1.40% increases, referred to on pp 22 and 23? If yes, why is that not stated?

17. ***Ref: Ibid***

The response demonstrates the very high concern customers have with the existing level of rates/bills. What are the current monthly distribution service charges (total amount, not the unit distribution rate) for each of the four residential customer consumption categories, and the amount of the total bill amount for the same four consumption categories.

18. ***Ref: Ibid***

Please confirm that the more engaged customers, that is the ones which would like more information on the breakdown of the forty-two cent ICM-related rate increase, are less willing to pay higher rates to maintain reliability (thirty-three percent) than the group which does not want more information (less engaged). Confirm similar results with respect to underground cable and overhead power line replacement. Please clarify the tables at the bottom of pp30, 33, and 36.

19. ***Ref: Ibid, p33***

Why is the posited increase ten cents here, down from sixteen cents in the previous table?

20. ***Ref: Ibid, p33***

How are the "totals" column calculated in the tables at the bottom of pp31 and 33?

21. ***Ref: Ibid, p39***

(a) Do you agree that Enersource customers who answer positively to the general question are well-served, or not well-served by the electrical system in Ontario, would not necessarily answer in the same manner if the question used "Enersource", rather than "Ontario"?

(b) Why is Ontario used, rather than Enersource in this question?

22. ***Ref: Ibid, p43***

What step is Enersource taking to respond to requests for clearer bills?

23. ***Ref: Ibid, p52***

Do you agree that the use of the word "eventually" in this question makes it easier to agree to the option?

24. ***Ref: Ibid, p53***

Please confirm that the words "improve reliability" should be replaced by the words "maintain reliability", unless Alectra's is forecasting an increase in reliability for Enersource rate zone customers in 2018. If Alectra is making such a commitment, where is that found in the evidence, and what is the magnitude of the increase (in SAIDI, SAIFI, and CAIDI)?

25. ***Ref: Ibid, p38***

Please provide the average annual kW energy consumption in 2016, 2015, 2014, for each quartile of the small business, residential, and medium business.

26. ***Ref: Ibid, p65***

Do you agree that the two headlines on p65 on customer acceptance of increased spending for underground cable refurbishment, which state that a "plurality (32%) agree to spend an extra forty-six cents on their monthly bill to maintain reliability without also indicating that a larger plurality (39%) will not accept any additional charges, even while knowing that the level of reliability could decline significantly", and that a majority would either accept no increase or accept an increase of only half that proposed by the company (39% plus 13% or 52%), are misleading? Please answer fully.

27. ***Ref: Ibid, p59***

Please confirm that a larger plurality (43%) than the one noted in the headline do not accept the increase of $1.17 per month to finance the requested ICM projects.

28. ***Ref: Ibid, p68***

Please confirm that a majority of customers surveyed would not pay more than eighteen cents per month, which is one-half of the amount proposed by Enersource to fix leaking transformers.

29. ***Ref: Ibid, p73***

Why, in your view, has such a high percentage of customers not heard of Alectra Utilities?

30. ***Ref: Ibid, p87***

(a) Please confirm that the headline "1 in 3 would be willing to pay more in order to maintain current reliability" is misleading, as it does not say how much the one-third would be willing to pay, nor does it say that an equal number of customers would pay only one-third the proposed amount, even knowing that reliability could eventually go down and a larger number (40%) would spend zero, even knowing the level of reliability may decline significantly.

(b) Please explain why so many of the headlines, when dealing with cost/willingness to spend systematically highlight positive responses (for example, see pp81 and 65).

31. ***Ref: Ibid, p92***

The headline states "ICM Rate Impact; a plurality that proposed increase is reasonable". Please confirm that the headline does not disclose that the plurality is only thirty-seven percent, and a majority (63%) are either unwilling to pay more (29%) or say they would like to hear more about how the money would be invested prior to accepting it.

32. ***Ref: Ibid, p98***

What increase was in fact used?

33. ***Ref: Ibid, p95***

Please confirm that the headline, in that it states that a plurality (44%) would pay an additional $5.82 to maintain current reliability without also noting that a larger plurality (49%) would either accept only half that proposed monthly increase (17%) or no increase whatsoever (32%) knowing that the level of reliability could decline significantly, is misleading.

34. ***Ref: Ibid, p101***

(a) Please confirm that thirty-nine percent would only accept half the proposed investment in transformers ($3.21 or $6.42 per month), while forty-two percent would accept the full amount, yet the headline makes no mention of the initial 50-50 split in customer preferences, thereby rendering it misleading.

(b) For each of the proposed increase to rates proposed for leaking transformers, pole replacement, underground transformers, and stations, in which a majority of customers accepted only a lesser (one-half to one-third) of the proposed or refused to accept any increases, what was the increase for that category of customers used in the Enersource 2018 proposal? Was it the proposed amount, or the lesser amount? Please discuss.

35. ***Ref: Ibid, Appendix 3, p8***

Was the survey done online, in person, or over telephone? Please confirm that there were seven large customers in the consultation.

36. ***Ref: Ibid, p10***

Please explain why the seven day delay in receiving real time internal data for Enersource web portal. Why is there a delay, and when will the delay be reduced to zero?

37. ***Ref: Ibid, p18***

If you were to meet the five-year plan request, do you view that as a service paid for by all ratepayers, the large customer class, or by the requesting customer? Please discuss.

38. ***Ref: Ibid, p20***

The headline states that most large users are willing to pay more for reliability or don't know. Do you agree that the customer responses are that two of seven would pay "a bit more" on distribution rates to maintain the existing level of reliability, one of the seven would pay no more (wants to pay less), and three don't know? Do you agree that the headline, as stated, does not fairly reflect the actual responses?

39. ***Ref: Ibid, p21***

Please confirm that the headline, discussed in paragraph 38, above, would be more accurate if it added the phrase "two of seven would not pay any more, or the full amount requested, to maintain reliability, and".

40. ***Ref: Ibid, Appendix 4, p3***

(a) How many of each category of customers answered all of the questions on the portal?

(b) Please confirm the number of small businesses in each of the four zones is too small to be statistically significant.

41. ***Ref: Ibid, p13***

Why would only sixty-nine percent of Enersource customers who participated pronounce themselves satisfied with their customer service, while Brampton and Horizon were seventy-eight percent and seventy-six percent, respectively? What lessons are available to Alectra (Enersource) from the two other divisions with significantly higher satisfaction ratings?

42. ***Ref: Ibid, p16***

Given reasonable distribution rates are a higher priority for customers than ensuring reliable electrical service, by two times (49% vs. 23%), why is Enersource proposing significant rate increases?

43. ***Ref: Ibid, p22***

Please explain why the headline on restoration times after outages was not divided into very satisfied and somewhat satisfied, rather than single word "satisfied", which in the circumstances is misleading.

44. ***Ref: Ibid, p26***

(a) Fifty-eight percent (Enersource) and fifty-seven percent (PowerStream) average satisfaction rating on customer services is not impressive. What is being done to improve these ratings? Please discuss.

(b) Brampton has the best rating on customer service by a significant margin, followed by Horizon. What is Alectra doing to transfer learnings from Brampton to the three other divisions, especially Enersource and PowerStream?

45. ***Ref: Ibid, p29***

What was the cost of PowerStream's proposed system access investment?

46. ***Ref: Ibid, p30***

Why would the headline not also include the statement that a larger plurality (40%) would either pay only half the proposed increased amount ($0.06 vs. $0.13) (8%), while thirty-four percent would not accept any increase, even knowing that reliability could decline significantly as a result?

47. ***Ref: Ibid, p31***

Why does the headline also include the fact that forty-one percent of surveyed customers would pay only half the proposed rate increase, and that seventy-five percent of that forty-one percent would pay no increase even if reliability could decline significantly?

48. ***Ref: Ibid, p32***

Why does the headline not also mention that a larger plurality (43% vs. 32%) would either not pay more than half the amount proposed (17%) while thirty-six percent would not be willing to pay any more, knowing that reliability could decline eventually and significantly, respectively?

49. ***Ref: Ibid, p37***

Would you agree that this question would be improved if:

(a) it noted that the rate increase would be to provide the tools and equipment the staff requires?

(b) define what is meant by "wise in its spending" in quantitative terms;

(c) pose the two options in less extreme fashion, eg "no new tools" vs. carte blanche for new tools.

Please discuss.

50. ***Ref: Ibid, p39***

Please indicate the increase in residential customer rates per month in each of 2018, 2019, 2020, 2021, and 2022, corresponding to the $3.99 and $1.40 numbers in 2022.

51. ***Ref: Ibid, p40***

Would not the headline be more accurate if it noted that fifty percent of the respondents agreed to pay no more than half the proposed $11.19 per month in 2022 to ensure current reliability would be maintained, and of that fifty percent, twenty-four percent would be willing to pay no increased rate in 2022 (or presumably, in any intervening year, 2018, 2019, 2020, 2021), even if it meant reliability could eventually decline significantly?

52. ***Ref: Ibid, p38***

What does Enersource plan to do to disabuse customers of the idea that increasing investments will result in increased reliability, when customers seem to believe that more spending means increases in reliability levels?

53. ***Ref: Ibid, pp41, 42***

Why was the nature of the "system service" investments not explained in these questions?

Enersource DSP

54. ***Ref: Enersource DSP, p285***

Please provide the details of each deferred or cancelled project, which make up the $6.8 million in pacing of the capital investments over the plan period, and why they were chosen for "pacing":

(a) as described on this page;

(b) on the deferral of the expansion investment related to LRT "deferral and adjusted" (lower 2018 expenditures and higher 2022 expenditures) is as a result of deferral of the LRT project by the relevant agency, for the reason(s). Please explain fully.

55. ***Ref: Ibid, p285***

(a) Please explain in more detail the use of CDM in high growth parts of the Mississauga during the DSP planning period.

(b) Leaking Transformer – What does the $0.17 monthly increase become if you delay replacement of some of them (2,000 transfer showing "signs of oil leaking")?

56. ***Ref: Ibid, p45, and throughout the Innovative Reports/Appendices***

What is meant by the oft repeated statement that the level of reliability would eventually decline? What percentage increase in SAIDI or SAIFI is likely, over what period of time?

57. ***Ref: DSP/General***

What percentage of underground cable in Enersource's service territory are currently installed in ducts?

58. ***Ref: Ibid, p8, line 28***

What is the budget status (actual vs. approved) for each phase of the refurbishment of Martin Avenue pole line?

59. ***Ref: Ibid, p44***

Has Enersource investigated the use of injection to stabilize the performance of underground cables? If not, why not?

60. ***Ref: Ibid, p53***

Please provide information on Electrical Safety Authority annual or biennial audits. Please provide copies or a link where they can be obtained.

61. ***Ref: Ibid, p55***

"Interruption categories such as defective equipment and adverse weather-related outages have been progressively trending upward".

Please define defective equipment vs. normal wear and tear. To what extent can the company recover damages, etc. from suppliers of such equipment?

62. ***Ref: Ibid, p56 et seq***

(a) Do Tables 3 through 6 include scheduled outages? What percentage are scheduled? See Table 7. Please provide the Tables 3 through 6 without scheduled outages plan, but including MED and LOS. Please explain, in detail, the contribution of scheduled outages to SAIFI and SAIDI.

(b) Do you agree that Table 7 shows improvement in SAIFI over 2014, 2015 and 2016?

63. ***Ref: Ibid, p59***

Can trend lines in Tables 8, 9, and 10 be drawn back to 2010 to match the tables?

64. ***Ref: Ibid, pp 58-60***

(a) (i) Please show table with scheduled outages excluded.

(ii) Please quantify how much of the SAIDI and SAIFI readings are due to scheduled outages.

(iii) Please provide a table showing the number and time period of scheduled outages from 2010 to 2016 and partial year 2017. Please describe the

major categories of scheduled outages, the degree to which they contribute to the outage totals.

(iv) Please also show similar schedule for unscheduled outages that cause service interruptions over same period.

(v) What projects were deferred as a result of the merger?

(b) What percentage (in km) of underground feeders have back-up feeders?

65. ***Ref: Ibid, p61***

Were projects selectively deferred or were they not done because people didn't have the time to do them? Please provide particulars leading to the "underspends".

66. ***Ref: Ibid, p62***

Are those costs OM&A costs? Were they capitalized?

67. ***Ref: Ibid, p64***

Why were there large increases in scheduled outages in 2015 and 2016, up twenty percent, and fifteen percent, respectively?

68. ***Ref: Ibid, p66, Table 9***

What accounts for the decrease in customer interruption minutes driven by defective overhead equipment? Please discuss.

69. ***Ref: Ibid, p68***

Please define "sustained interruptions" (Table 10). Please explain why the largest single component, and approximately fifty percent of sustained customer interruptions in 2016, is due to scheduled outages. What is that figure in each year from 2010 to 2016? What is forecast for the next three to four years?

70. ***Ref: Ibid, p72***

Please confirm that eighty-five percent of underground main feeders are judged to be in very good, good, or fair condition, and eighty percent of distribution feeders are judged to be in very good, good, or fair condition. Please advise how many underground feeder lengths that are in very good; good; fair; conditions are being replaced as a result of the zonal approach. What alternatives exist? Please discuss.

71. ***Ref: Ibid***

(a) How many distribution transformers have been identified as:

(i) leaking oil and have PCBs over threshold;

(ii) leaking oil, but no PCBs;

(iii) have PCBs over threshold, but are not leaking oil.

(b) How many of each category of transformer have been replaced?

(c) By what date must the remaining 2,200 transformers be replaced:

(i) under provincial law;

(ii) under federal law.

(d) What does GIS do to identify assets that need to be replaced? How was this done before GIS was used? What has changed under GIS?

72. ***Ref: Ibid, p80***

Given that Alectra has stated that it wishes to rationalize general plant investments, will there be any investments in General Plant for 2018? What are they, in detail? Why are they going ahead before their evaluation, prioritization, and execution by Alectra Utilities, as part of Alectra's proposed 2019 DSP?

73. ***Ref: Ibid, p82***

Please provide more detail on these "supplemental quantitative and qualitative analyses". Is the replacement decision made on the basis of age alone, or age and conditions, as determined by the H1 index?

74. ***Ref: Ibid, p88***

(a) What percentage of overhead motorized switches and pole mounted switches do the 127 and 133 represent? Please discuss.

(b) Please provide copies of the ACA Reports from 2011 to 2016, inclusive.

75. ***Ref: Ibid, p90***

"Underground cables are one of the major distribution assets with a poor or very poor H1".

Please confirm that eighty-five percent and eighty percent, respectively, of underground main feeders and secondary feeders are in very good, good, or fair condition.

76. ***Ref: Ibid, p91, Table 12***

(a) How many air-insulated switches does Enersource have? Are all forty switchgears to be replaced air-driven?

(b) How many air-insulated switchgears have been replaced in each of the last five years?

(c) What has been air-insulated switchgear failure rate in each of the last five years?

(d) How many of the switchgears replaced in the last five years and to be replaced in 2018, are in poor or very poor condition, or were in poor or very poor condition in the year in which they were replaced?

(e) What is the age of each of the thirty-three switchgears that will be replaced in 2018? What is the expected life for each of them?

(f) Please distinguish between underground rebuilds and replacements, and explain why directional drilling is used only for replacement with no "rebuild" component.

77. ***Ref: Ibid, p95***

Does Alectra plan to have one IT asset management plan, and one IT system for each of its four divisions or have one IT asset management program with one IT system? If not, how does Alectra achieve compatibility for formulating, assessing, tracking and reporting asset management across its four divisions? Please discuss fully.

78. ***Ref: Ibid, p98***

(a) Please discuss the changes in ways in which customers engage with their utility in the last few years. Please discuss each change separately and for each change, outline the implication for the utilities' IT program/services.

(b) How many spare transformers of each type does Enersource maintain? What is the current book value, and forecast 2018 depreciation? Has Enersource considered reducing the number and configuration of spares in light of the merger?

79. ***Ref: Ibid, p103***

> *"The OEB requires that every LDC maintains reliability performance within its own historical three-year range."*

Aside from the OEB's rather forgiving standard, why does Alectra not try to improve reliability? Please provide a copy of the CEA's Electric Power System Reliability Assessment Program.

80. ***Ref: Ibid, p103, Table 19***

(a) Do these numbers include scheduled outages?

(b) Please explain the substantial drop in customers affected by outages in 2014, 2015, and 2016, relative to 2011, 2012, and 2013.

81. ***Ref: Ibid, p108***

(a) Please break down the "Foreign Interference" number (214) into components and discuss.

(b) Given that scheduled outages constitute more than fifty percent of sustained customer interruptions:

(i) Please provide numbers for each of the last five years.

(ii) What is Alectra's plan to rationalize scheduled outages?

(iii) What is forecast for 2017, 2018, and the remaining years of the DSP?

82. ***Ref: Ibid, p111***

Please explain the phrase "spot cable replacement".

83. ***Ref: Ibid, p113***

Please provide a copy of the ESQR metrics for each of the last five years. Please explain the box "Improves customer experience (a large user or 1,000 residential customers)".

84. ***Ref: Ibid, p125-131***

(a) Please explain the history, rationale, and current use for the number of HONI Transmission stations and the municipal substations for each of the three or four areas of Enersource zones.

(b) Please explain the influence of the location of the HONI substations on the build-up of the Enersource system and the converse.

(c) Please confirm that deduction from the Enersource capital budget (for pacing and other reasons) were made before the size of the necessary ICM was determined.

85. ***Ref: Exhibit 2, Tab 4, Schedule 11, p42; ICM Projects***

(a) Please explain the meaning of "1980s open bus secondary configuration", perhaps using text plus a diagram. Please indicate what pieces are often stolen or vandalized.

(b) Please describe how the use of porcelain insulation leads to pole fires and provide data on how many such fires have occurred in each of the last three years, for this, and (separately) other reasons.

86. ***Ref: Ibid, p44 – Transformer Replacement Program***

Please describe in more detail the difference between "transformers indicating signs of leaking" as compared with "transformers indicating leaking oil" in columns 4 and 2, respectively, of the graph. Please discuss.

87. ***Ref:*** ***Ibid, p46 – York MS Upgrade***

(a) Is it necessary to install a 20 MVA power transformer at this time? What would be the reduction in cost, if it were not built at this time?

(b) What would the cost savings be from installing a smaller transformer; say 12 or 15 MVA?

88. ***Ref:*** ***Ibid, Schedule 12, p1 of 2 - See also Table 150***

(a) Please provide an additional Table showing the 2018 percentage rate impact of the proposed rate rider over the 2018 IRM price cap driven rate.

(b) Please explain why, in Table 149, the impact of the rate rider is stated to be an 11.86% increase (2018 over 2017) in the GS-50-499 kW rate class and in Table 150, the impact of the Distribution Bill and All Rate Riders (including the ICM driven rate rider) is minus 1.38% for the same rate class. What would be the impact of:

(i) the ICM rate rider only; and

(ii) the distribution bill plus the ICM rate rider, without the other rate riders.

89. ***Ref:*** ***Attachment 47***

(a) Are any of the ICM projects now likely to be completed in 2019 instead of the fourth quarter of 2018?

(b) By what date does Enersource require a Board decision in order to have each ICM project in service in 2018? Please answer for each of the eleven projects separately.

90. ***Ref: Attachment 47, 2018-COS31-1***

(a) What is the reason for the deferral of the start date on the project?

(b) Please confirm that the start date is determined by the MTO. When will the true-up of any overspend/underspend on the project occur? Please explain fully with reference to the Board's ICM policy. Will any underspend be refunded or credited to ratepayers in 2019? Which approach will be used?

(c) Can you provide a diagram which explains the project's before/after configuration?

91. ***Ref: 2018-COS05-1 – Glen Erin/Montevideo***

Please elaborate on the decision not to attempt to rehabilitate the cable with cable injection, given the success that some other utilities have had with this technique.

92. ***Ref: Ibid, p10***

Please provide a justification for the statement that replacement of underground cable in emergency conditions is more expensive than a planned replacement of the same cable. Please explain on average, and for the replacement proposal, how much more expensive emergency replacement would be. Please show the calculation of the cost in both contexts.

93. ***Ref:*** ***Ibid, pp 7, 10***

(a) Is the intent of the project to replace all of the underground cable and pole-mounted transformers in the area, outlined in red on Figure 1, and replace the 6 km of cable, with 4.5 km of new cable at a cost of $2.06 million?

(b) How much of the 6 km of cable and how many of the pole mounded transformers are in poor or very poor condition? How much of the total cost would be spent on these cables and transformers?

(c) Please provide a before/after diagram, showing the new 4.5 km configuration vs. existing 6 km configuration.

(d) Please provide a detailed breakdown of the $2.09 million budget for the project.

(e) Please identify any reduced maintenance costs arising from implementation of the project, or increased OM&A costs that the project would generate.

(f) Please reconcile the statements of impact on customers of a past and future failure in the area, at pp 7 and 10, respectively.

(g) How was the area initially identified as a "rebuild area", in relation to the other potential "rebuild areas", and the other parts of the franchise? How many potential rebuild areas are there?

(h) How did Enersource determine the condition of the 6 km of cable and the transformers, through visual inspection of a sample length(s) or otherwise? Please discuss fully.

(i) Does Enersource have data from the ACM or otherwise an asset condition based on type of cable installed?

(j) How was the area originally identified, and delineated from adjacent areas, and more distant areas? In other words, how did Enersource determine where to draw the red line on Figure 1.

(k) What is meant by the phrase "as well as other renewal needs related to transformers and service configurations"?

(l) How does the "overlay system", referred to at p6, identify "specific system areas", which have experienced multiple failures? Does it simply provide a map over areas where a concentration of previous interruption can be noted?

(m) What would the approximate cost be to replace the underground system in the defined area with an overhead system? Did Enersource consider this option? If not, why not?

(n) Has Enersource prioritized the nine specific system areas requiring rebuilds? If no, please provide a prioritized list. How many other specific system areas will require rebuilds in each of the years of the DSP, and what is their priority? What are the key factors underlying the stated priority?

94. ***Ref: DSP, Table 32, p133***

(a) Please confirm that the Average Age column is an arithmetic unweighted average age of the equipment units in question, eg. for Substation Transformer, it is the

aggregate number of years of each of the 108 transformers divided by 108. If not, please discuss.

(b) Please explain how cohorts were defined and determined from very good to very poor. For example, is the very good cohort simply the best performing fifteen percent of the equipment?

(c) How is the Average Health Index calculated? Please explain fully with Figure 42 on p138 as an example. In other words, what is the methodology used to assign transformers or other assets, or in the term used in evidence the "H1 computation methodology" (p138)?

(d) Why is there no category for overhead cables?

(e) What are the average term and supplier performance guarantees for each type of equipment in Table 32? Do the guarantees of performance differ much from supplier to supplier? Please provide examples of the supplier guarantees from lines, transformers and switchgear.

(f) Is the role of spares to replace defective transformers or to temporarily provide the service while repairs are being done or before the replacement is installed? Please show quantitatively, if possible, how spares are deployed.

(g) When will the company have inspection data on one hundred percent of the transformers? How was the Health Index determined for the fifteen percent of transformers which had not been inspected? How often are each of the transformers inspected, including the spares?

(h) Please explain the meaning of the internal faults.

95. ***Ref: Ibid, p140***

(a) What is the breakdown between high voltage circuit breakers and low voltage circuit breakers? Please discuss their respective functions and criticality.

(b) What was the average replacement cost for each type of breaker?

(c) Why is the H1 of circuit breaker so high? Why is the H1 index for high voltage fifteen percent higher than for low voltage breakers?

(d) How many of the switchgear are in each station?

(e) Please explain the difference between circuit breakers and switchgear, using diagrams and reasonably detailed description of function, average life, cost, number of suppliers.

(f) Most of your switches are "load-break". What other types of switches are there, and how is each type used?

(g) Please describe motorized switches. How do they differ from non-motorized switches?

96. ***Ref: Ibid, p147***

What is the purpose of an infrared thermal scan for overhead switches?

97. ***Ref: Ibid, p148, Table 133, Figure 53 / 44 kW switchgear***

(a) Table 32 and the average 44 kW load switches of eighty-nine percent (also stated on p148). Figure 53 shows seventy-nine percent of 44 kW switches in very good condition. Please explain how the calculation is made.

(b) Please answer the same question for Figure 54 (27.6 kW load break switches and Figure 55.

98. ***Ref: p154***

The evidence is that Enersource has 6,415 km of underground circuits of polymer conductor. Typically, the conductor is of the cross-linked polyethylene type.

(a) Of the total km, how many km are XCPE type cable? What type are the remaining cables, if any? How many km of cable are:

(i) installed in concrete encased duct;

(ii) installed in buried duct (please describe the difference between (i) and (ii));

(iii) direct buried (no duct);

(iv) how many of the 4,076 km of 200 amp distribution circuit are installed in (i), (ii), and (iii) above;

(v) how many km of 600 amp main feeder cables are installed in (i), (ii), and (iii) above;

(vi) when did the practice of installing all underground cables in duct (which type of duct) begin? Are all Enersource new underground cables or repaired cables installed in ducts?

99. ***Ref: p155***

The evidence is that the failure rate of its underground direct buried cables is seven times the industry average. Is that the industry average for underground cables, or underground and overhead cables? What is the failure rate for each of the 600 amp feeder cables, and the 200 amp distribution circuits?

100. ***Ref: p156***

"Rebuild areas are then identified and ranked according to operational risk, impact to customers, financial consequences, which considering labour availability and other contracts".

(a) Please apply that ranking method to the proposed underground projects in the DSP for 2018 construction. Please rank the Enersource underground projects against similar projects from the other three divisions.

(b) Please provide a copy of the internal cable study, cited at p155.

101. ***Ref: p160, Figures 62 and 63***

Why is the health index of the main feeder cables much better than the lower amperage distribution cables (poor and very poor of twelve percent and twenty-one percent, respectively)? Some calculations of H1 distribution – seventy percent very good in graph vs. average all of eighty-two percent; same for Figure 63, fifty-seven percent vs. (p161 vs. seventy-five percent (p134) average.

Pole Mounted Transformers

102. ***Ref:*** ***Ibid, p162***

(a) How many of the pole mounted transformers contain PCB mineral insulating oil? Does Enersource know which ones they are and where they are located? Is there a map showing the location of all of them?

(b) Of the four percent of pole mounted transformers in poor or very poor condition, how many:

(i) contained PCB oil and exhibited sign of leaking;

(ii) contained PCB oil, but do not show signs of leaking;

(iii) exhibited sign of leaking but do not contain PCB oil?

103. ***Ref:*** ***Ibid***

(a) How are the units inspected? How often? Are all units inspected every year? Please discuss.

(b) What is the significance of thermal overloading data? How many transformers are loaded in excess of standard or regulation? How is the loading standard expressed, and how is it tested?

(c) Please explain how the ninety-two percent average H1 number was calculated.

(d) What is actual average life of the units, based on what amount of data. Please show historical data and forecast trend.

104. ***Ref: Ibid, pp 163-164; Single Phase Pad Mounted Transformer (5,363 units)***

The evidence states:

"The average H1 for the fleet of single phase pad mounted transformers as 86%".

(a) How was average H1 of eighty-six percent calculated, given the data on Figure 67? Please show calculations.

(b) Of the two percent (351) and four percent (581) in very poor or poor condition, respectively, how many of them contained PCB mineral insulating oil and showed signs of leakage?

105. ***Ref: p165; Three Phase Pad Mounted Transformers (1,860 units)***

(a) Please explain "percentage impedance" and how that affects the health index or is otherwise significant.

(b) Please show the sizes of the transformers in ranges.

(c) How many of them are operating at above standard ratings? Please discuss. What are the standard ratings?

(d) How is the H1 index number of ninety-three percent determined (see p165)?

(e) Please describe the restrictions the city plans to place on pad mounted transformers on downtown boulevards. Are existing transformers grandfathered? Does the city plan to pay for the relocation costs? Has Alectra insisted the city pay the cost? What legislation, if any, applies?

(f) Please explain DA1. When did Enersource acquire infrared screening equipment?

(g) What is the average installed cost of a vault transformer vs. equal size pad mounted transformer? Has Enersource attempted to negotiate easements to install pad transformers on private land? Would this be more cost-effective than increasing and improving the vaults?

(h) How was sixty-seven percent HI index calculated?

106. ***Ref:*** ***Ibid***

(a) Which of the capital budget projects (general plant investments, previously planned by Enersource) by Enersource have been removed by Alectra from the Enersource DSP? Please describe the type and amount of their investment according to the categories on p168?

(b) (i) Was the current 2018 capital budget for general plant of $6,672,000 (see Exhibit 2, Tab 4, Schedule 11, p4) calculated after the removal of the items discussed in (a)?

(ii) How does the 2018 overall capital budget compare to what had previously been planned (in the 2015 draft DSP)? Please discuss.

(c) Please provide the Alectra evaluation, which have led to the proposed centralization of certain parts of general plant budget.

107. ***Ref:*** ***Ibid, p72 et seq***

(a) Please provide the year in which the warranty expires for each of the equipment makes/models in Tables 36, 37, 38 and 41.

(b) To what extend does Enersource negotiate warranty extensions?

(c) What are best practices in this area?

(d) What is the book value of each category of its current equipment?

(e) What is depreciation rate, CCA category, and amortization rate?

(f) Much of the equipment shown in the above table is IBM. Does the company's near exclusive use of IBM inhibit Enersource from getting the most effective service, including warranties? Did the company use an RFP driven competitive billing process for each IT contract? If not, why not? Please discuss for each major contract.

108. ***Ref:*** ***Ibid, p182***

Please provide a map showing the configuration of Hydro One TSS, Enersource MS, and the three voltage areas, as described at pp 182-183. Please provide the different system in different colours.

Power Demand

109. ***Ref:*** ***Ibid, p184***

(a) How is "most recent peak demand" defined, over how many years does Enersource go back to deliver it?

(b) Is the "most recent peak demand" used to forecast loading? What other factors are considered?

(c) What is forecast for peak demand in 2017, 2018?

(d) What has been forecast vs. actual in each year since 2006?

(e) What has been peak demand to date in 2017?

(f) What has been kW/h energy consumption forecast/actual each year since 2006?

(g) What month has peak occurred in each year since 2006?

(h) What are forecast and actual peak demand by Enersource's three utility zones for each year since 2006? What is each zone forecast for 2017, 2018?

(i) Is the downtown core a separate "system area"? What has been forecast peak demand for [defined] downtown core for each of last five years to 2016, 2017 actual to date, and forecast for 2018?

(j) To what extent are the feeder utilizations in the system areas and more generally consistent over time?

(k) To what extent can load from an overloaded feeder be directed from one feeder to another if one feeder fails? Please discuss. What is the redundancy of the Enersource system, in layman's terms?

(l) What was the duration of the excess utilization for each category of feeder in Table 42 in 2011, both 350 and 450?

110. ***Ref: Ibid, p186***

When will additional capacity be required in the South (16/27.6 kV) system, given that it currently has 100 MW of spare capacity?

111. ***Ref: Attachment 48***

Please provide the 2018 forecast addition to rate base as a result of the ten ICM-funded capital projects listed on p1. Please show the calculations necessary to arrive at the incremental revenue requirement of $1,962,111.

112. ***Ref: Attachment 49***

Background

(a) Please see list of Enersource's material 2018 capital projects. The list contains forty-eight material projects, divided into the four traditional categories of System Access, System Renewal, System Service, and General Plant. Of the forty-eight projects, the ten listed on Attachment 48 are proposed to be funded by the proposed 2018 ICM. Please provide the following information:

(i) Why were the ten projects listed in Attachment 48 chosen for ICM funding, as opposed to others among the forty-eight projects? Please explain fully for each of the ten projects.

(ii) Please provide a priority listing of the forty-eight projects from 1 to 48, regardless of which traditional category they fall.

(iii) For the projects in each of the four categories, please provide a priority listing within the category.

(iv) Please explain the derivation (the reason) for the priority listing in each category and in the overall (1 to 48) list.

(b) For each of the forty-eight projects, please indicate whether, and to what extent, they are parts of projects that commenced in 2017, or prior to 2017.

(c) Please indicate which, if any, of the projects will, per the DSP, involve capital expenditures in 2019 (or in subsequent years of the DSP).

(d) Has each of the forty-eight projects, and the ten projects, been included in the 2018-2022 DSP? If any are not, please explain fully.

(e) Is it Alectra's intent to apply for ICMs to fund parts of its proposed capital expenditures, as disclosed in the DSP for Enersource's division:

(i) in 2019, along with the approval of the Alectra DSP;

(ii) in the remaining years covered under the Enersource division DSP;

(iii) in years beyond the end of the DSP.

(f) Will the Enersource division's DSP continue to be valid when Alectra's planned 2019 DSP is released? Please discuss.

113. ***Ref: Attachment 45, pp 10, 11***

Does the company propose a return on ICM capital expenditures in 2018, in addition to depreciation, CCA, and taxes? Please discuss.

114. ***Ref: Exhibit 2, Tab 4, Schedule 11, pp 46-48***

(a) Is the proposed rate rider only in place for 2018, or does it extend beyond December 31, 2018, and, if so, for how long? Please show calculations of the revenue generated by the rate rider each year it is in effect until rebasing, and how that amount is reconciled with the 2018 ICM driven capex that needs to be funded.

(b) Please advise whether the amount of the rider would remain constant for the duration of its existence, or change from one year to the next.

115. ***Ref: DSP, Appendix E – Business Cases Project 2018 – C0504-1 [York MS]***

(a) Please explain the derivation of the claim that the project would prevent 100,000 customer minutes of outages. How was the amount calculated?

(b) The York Project creates additional ongoing costs of $36,000 per annum. What are the costs for? Are these costs offset by any reduced maintenance costs? Please specify.

(c) Are the ongoing OM&A costs embedded in the rate rider designed to fund the ICM?

(d) Why do the Appendix E (coloured) sheets contain information not included in "Attachment 47 – ICM Business Cases Enersource"?

116. ***Ref: General***

Is it Alectra's understanding that the Enersource division will continue under price cap IR for the next ten years, according to Board Guidelines, and that Alectra will be entitled to bring forward an ICM in any of those years? Please discuss.

117. ***Ref: Exhibit 2, Tab 4, Schedule 11, p18, Table 131***

(a) Generally, the planned expenditures in the DSP year do not reflect a quantum increase from historical levels, eg. levels in 2015, 2016, 2017, and one would expect that, as Dr. Kaufman pointed out, in such circumstances, the price cap formula and growth would yield revenues sufficient to finance the capital expenditure program. In the circumstances, why is the ICM for 2018 justified?

(b) Please reconcile the 2018 capex forecast of $72.6 million, including general plant, shown on Table 129, Exhibit 2, Tab 4, Schedule 1, p4, and the $83.1 million at Table 136 of the same exhibit. Please reconcile the table on Attachment 49 with the number and comments at pp 27-28.

118. ***Ref: "ACM Report", p6***

> *"Any incremental capital amounts approved for recovery must fit within the total eligible incremental capital amount (as defined in this ACM Report) and must clearly have a significant influence on the operation of*

the distributor; otherwise they should be dealt with at rebasing" (our emphasis).

(a) What does Alectra interpret the phrase "must clearly have a significant influence on the operation of the distributor" to mean? What type of projects would not meet this test?

(b) Given that Alectra is allowed under the MAADs decision to defer rebasing for ten years, and to retain savings derived from the merger for that period to, inter alia, offset transaction costs, to what extent will Alectra use savings achieved to date to offset capex costs prior to seeking an ICM? To what extent does it intend to do so in the future? Please discuss.

(c) Please explain why the "ICM proposal" is an ICM, rather than as an ACM. Please explain fully.

(d) Does Alectra intend to ask for ICM modules for its Enersource division in each or some of the next nine years? Please discuss.

(e) Why has Enersource not included any general plant capital expenditures in its list of ICM funded projects? Please explain fully.

119. ***Ref: Exhibit 2, Tab 3, Schedule 10, p15, Tables 79 and 100***

Do the two tables distinguish between those that support one hundred percent of the requested increase, and fifty percent of the proposed increase, or are both groups included in the percentage of Respondents Supporting Incremental Capital Funding for system service and system renewal projects?

120. ***Ref: Ibid***

Please confirm that the ICM model and the proposed rate increases are modified to reflect the removal of the Queen/Goreway project.

121. ***Ref: Ibid, p15 of 36***

On which pages of the Innovative PowerStream Survey does Alectra rely in constructing Tables 99 and 100? Please specify the pages and describe how the data from those pages (responses) was used to produce the tables. See, for example, at p18 of Appendix 1 to the Innovative Report, when asked about the proposed residential rate increase of twenty-six cents per month to fund the incremental capital, only twenty-nine percent agreed the rate increase was reasonable. Forty percent thought the proposed increase was unreasonable and unaffordable, and twenty-five percent said they wanted to know how the increase was going to be invested, before they could accept it (p22).

122. ***Ref: Attachment 51***

Why did Innovative not ask a question about the acceptability of the total monthly incremental charge (for each class) rather than only on the disaggregated basis?

123. ***Ref: Ibid, p21***

Please explain why the customers were asked whether they would pay an additional five cents or three cents per month, for different levels of reliability, when the discussion at the top of the page talks about total of fifty-six cents per month, in incremental funding, and eleven cents for the York Transit project.

124. ***Ref: Ibid, p46***

Like in many parts of the case of Enersource surveys, the headline on this page of the PowerStream telephone survey does not appear to clearly reflect the actual results of the survey question. For example, the headline states:

"Majority are willing to accept some rate increase".

Would it not be more accurate to say that while thirty-seven percent support the proposed increase as reasonable, fifty-eight percent either would support only half the requested amount (twenty percent) knowing that reliability would "eventually decline", or are not willing to accept any increase (thirty-eight percent) even knowing that the level of reliability could decline significantly?

125. ***Ref: p15 of 36***

Aside from the removal of the Queen/Goreway project, $1,457,932, which reduces the 2018 capital forecast from $109,773,500 to $108,315,568, a reduction of approximately one and one-half percent, is PowerStream proposing a further reduction to its 2018 capital spend. Did it seriously consider any further reductions? Please discuss.

126. ***Ref: Exhibit 2, Tab 3, Schedule 10, York Region Rapid Transit, p22***

(a) In suggesting that cost variance be addressed through the ICM true-up mechanism, does the company agree that 2018 project costs remain subject to review for prudency?

(b) How were the 97,000 customer outage minutes calculated?

127. ***Ref: Ibid, p22, BC 102750***

Please provide a breakdown in costs between replacing the switchgear and the ancillary work and a breakdown of the various components of the ancillary work.

128. ***Ref: Ibid, p23***

(a) What would the cost be if the overhead front lot service were installed, compared to the $4.84 million of the current proposal?

(b) What is the health index of the length of rear lot overhead cable?

(c) What has been the outage experience of the length of cable and poles, transformers, proposed to be replaced?

(d) What is the current standard of service being referred to? It is illegal to install front lot overhead. Please discuss.

(e) Does the project represent one of the thirty-seven areas currently served by a rear lot overhead system? Does the company intend to continue the program in future years, until all thirty-seven areas have been addressed?

129. ***Ref: Ibid, BC 150141, 150142***

What does PowerStream intend to spend on underground cable replacement each year over the term of the current IRM regime? Was such a program outlined in the recent DSP?

130. ***Ref: Attachment 34***

Please provide the 2018 forecast addition to rate base as a result of the ICM-funded capital projects listed on p1. Please show the calculations necessary to arrive at the incremental revenue requirement of $1,962,111.

131. ***Ref: Attachment 35***

Background

(a) Please see list of material 2018 capital projects. The list contains thirty-six material projects, costing $80,437,263, divided into the four traditional categories of System Access, System Renewal, System Service, and General Plant. Of the thirty-six projects, the ten listed on Attachment 34 are proposed to be funded by the proposed 2018 ICM. Please provide the following:

(i) Why were the ten projects listed in Attachment 34 chosen for ICM funding, as opposed to others among the thirty-six projects? Please explain fully for each project.

(ii) Please provide a priority listing of the thirty-six projects from 1 to 36, regardless of which traditional category they fall.

(iii) For the projects in each of the four categories, please provide a priority listing within the category.

(iv) Please explain the derivation (the reason) for the priority listing in each category and in the overall (1 to 36) list.

(b) For each of the thirty-six projects, please indicate whether, and to what extent, they are parts of projects that commenced in 2017, or prior to 2017.

(c) Please indicate which, if any, of the projects will involve capital expenditures in 2019 and/or subsequent years.

(d) Has each of the thirty-six projects, and the ten projects, been included in PowerStream's most recent 2018-2022 DSP? If any are not, please explain fully.

(e) Is it Alectra's intent to apply for ICMs to fund parts of its proposed capital expenditures:

(i) in 2019, along with the approval of the Alectra DSP;

(ii) in the remaining years covered under the current PowerStream DSP;

(iii) in years beyond the end of the DSP, until the end of the ten year period prior to rebasing.

(f) Will the PowerStream division's DSP continue to be valid when Alectra's planned 2019 DSP is released?

132. ***Ref: Attachment 34***

Does the company propose a return on ICM capital expenditures in 2018, in addition to depreciation, CCA, and taxes? Please discuss.

133. ***Ref: Exhibit 2, Tab 3, Schedule 10, p36***

(a) Is the proposed rate rider only in place for 2018, or does it extend beyond December 31, 2018, and, if so, for how long? Please show calculations that show the revenue generated by the rate rider each year it is in effect until rebasing, and how that amount is reconciled with the 2018 ICM driven capex that needs to be funded.

(b) Please advise whether the amount of the rider would remain constant for the duration of its existence, or change from one year to the next.

134. ***Ref: General***

Is it Alectra's understanding that the PowerStream division will continue under price cap IR for the next ten years, according to Board Guidelines, and that Alectra will be entitled to bring forward an ICM for PowerStream division in any year during that period? Please discuss.

135. ***Ref: Exhibit 2, Tab 3, Schedule 10, p14, Table 91***

Reference

(a) Generally, the planned expenditures over the year 2018 do not reflect a significant increase from historical levels, levels in 2014, 2015, 2016, 2017, and one would expect that, as Dr. Kaufman has pointed out, in such circumstances, the price cap formula and growth would yield revenues sufficient to finance such a capital expenditure program. In the circumstances, why is the ICM for 2018 justified?

(b) Please describe your interpretation of this passage at p6 of the "ACM Report":

> *"Any incremental capital amounts approved for recovery must fit within the total eligible incremental capital amount (as defined in this ACM Report) and must clearly have a significant influence on the operation of the distributor; otherwise they should be dealt with at rebasing"* (our emphasis).

What does Alectra interpret the phrase "must clearly have a significant influence on the operation of the distributor" to mean? What type of projects would not meet this test?

(c) Given that Alectra is allowed under the MAADs decision to defer rebasing for ten years, and to retain savings derived from the merger for that period to, inter alia, offset transaction costs, to what extent will Alectra use savings achieved to date to offset capex costs prior to seeking an ICM? To what extent does it intend to do so in the future?

(d) Please explain why the "ICM proposal" is an ICM, rather than as an ACM. Please explain fully.

(e) Does Alectra intend to ask for ICM modules for its PowerStream division each of the next nine years? Please explain fully.

(f) Why has PowerStream not included any general plant capital expenditures in its list of ICM funded projects? Please explain fully.

(g) PowerStream proposes approximately $28.8 million of miscellaneous projects (under materiality threshold). Please provide a list of each of the projects forecast to exceed $50,000 in 2018.

(h) Please prioritize the projects listed in part (g) into four quartiles (a list for each quartile).

136. ***Ref: Exhibit 2, Tab 3, Schedule 11, p1***

Please provide a table which shows the percentage impact on each rate class of only the ICM rate rider. In other words, a Table 107 with the final column "percentage increase vs. current rate". Please explain any difference in these percentages from those shown in Tables 107, 108, and 109.

137. ***Ref: Exhibit 2, Tab 2, Schedule 10, p3 (Brampton)***

Please describe how ratepayers will be protected in the event Brampton underspends on ICM capital relative to its budget. Does Brampton intend to adjust the rider in the following year to hold ratepayers harmless?

138. ***Ref: Ibid, p4***

(a) Please provide a copy of the HONI model (methodology) used to determine the $6.8 million due HONI in 2018. Please provide the calculation.

(b) Please provide the actual energy consumption and demand amounts for Brampton in 2014, 2015, 2016, 2017, 2018, relative to HONI's forecasts for those years.

(c) Please provide a copy of the CCRA between HONI and Brampton.

139. ***Ref: Ibid, p9***

Background

At line 22, Brampton states that to be an eligible capital project, a project must be "distinct, unrelated to a recurring annual capital project, and has been evaluated in the asset management and capital planning processes, as required in 2018" (our emphasis). The same statement is found in the Enersource evidence, but not in PowerStream's.

(a) Was the failure to maintain the underlined criteria in the PowerStream evidence an oversight? If not, please discuss why it was omitted.

(b) What is Alectra's interpretation of the requirement that an eligible project (for ICM/ACM funding) be unrelated to a "recurring annual project". If possible, please provide examples of capital projects that would not meet the criteria.

140. ***Ref: Ibid, p11***

Why is the ten year true-up date only three years after 2015, the year the five year true-up payment was made? What was the original cost of the transformer station?

141. ***Ref: Ibid, p14***

(a) Please provide a table in the form of Table 69, except that the final column on the right side of the Table shows percentage increase vs. current distribution charge of the ICM rate rider, but not any other rate riders.

(b) For Table 71, please state the various rate riders, the impacts from which are included in the final column, and their respective contributions to the percentages impacts shown in the final column.

142. ***Ref:*** ***Attachment 22***

Background

(a) Please see list of material 2018 capital projects. The list contains twenty-seven material projects, divided into the four traditional categories of System Access, System Renewal, System Service, and General Plant. Of the twenty-seven projects, the ten year true-up contribution to HONI, relevant to the Pleasant Transformer Station ("HONI's Contribution") is proposed to be funded by the proposed 2018 ICM. Please provide the following:

(i) Why was the HONI Contribution chosen for ICM funding, as opposed to others among the twenty-seven projects? Please explain fully.

(ii) Please provide a priority listing of the twenty-seven projects from 1 to 27, regardless of the traditional category in which they fall.

(iii) For the projects in each of the four categories, please provide a priority listing within the category.

(iv) Please explain the derivation (the reason) for the priority listing in each category and in the overall (1 to 27) list.

(b) For each of the twenty-seven projects, please indicate whether, and to what extent, they are parts of projects that commenced in 2017, or prior to 2017.

(c) Please indicate which, if any, of the projects will involve capital expenditures in 2019 (or in subsequent years of the DSP).

(d) Has each of the twenty-seven projects, and the Pleasant Transformer project, been included in the most recent DSP? If any are not, please explain fully.

(e) Is it Alectra's intent to apply for ICMs to fund parts of its proposed capital expenditures:

(i) in 2019, along with the approval of the Alectra DSP;

(ii) in the remaining years covered under its DSP;

(iii) in years beyond the end of the DSP.

(f) Will Brampton's division's DSP continue to be valid when Alectra's planned 2019 DSP is released?

143. ***Ref:*** ***Exhibit 2, Tab 2, Schedule 10, pp 13***

(a) Is the proposed rate rider only in place for 2018, or does it extend beyond December 31, 2018, and, if so, for how long? Please show calculations that show the revenue generated by the rate rider each year it is in effect until rebasing, and how that amount is reconciled with the 2018 ICM driven capex that needs to be funded.

(b) Please advise whether the amount of the rider would remain constant for the duration of its existence, or change from one year to the next.

144. ***Ref: General***

Is it Alectra's understanding that the Brampton division will continue under price cap IR for the next ten years, according to Board Guidelines, and that Alectra will be entitled to bring forward an ICM at any time during that period? Please discuss.

145. ***Ref: Exhibit 2, Tab 2, Schedule 10, p2, Table 60***

Reference

(a) Generally, the planned expenditures in 2018, 2019, and 2020 do not reflect a quantum increase from historical levels, eg. levels in 2015, 2016, 2017, and one would expect that, as Dr. Kaufman pointed out, in such circumstances, the price cap formula and growth would yield revenues sufficient to finance the capital expenditure program. In the circumstances, why is the ICM for 2018 justified?

(b) Please describe your interpretation of this passage at p6 of the "ACM Report":

> *"Any incremental capital amounts approved for recovery must fit within the total eligible incremental capital amount (as defined in this ACM Report) and must clearly have a significant influence on the operation of the distributor; otherwise they should be dealt with at rebasing"* (our emphasis).

What does Alectra interpret the phrase "must clearly have a significant influence on the operation of the distributor" to mean? What type of projects would not meet this test?

(c) Given that Alectra is allowed under the MAADs decision to defer rebasing for ten years, and to retain savings derived from the merger for that period to, inter alia, offset transaction costs, to what extent will Alectra use savings achieved to date to offset capex costs prior to seeking an ICM? To what extent does it intend to do so in the future?

(d) Please explain why the "ICM proposal" is an ICM, rather than as an ACM. Please explain fully.

(e) Does Alectra intend to ask for ICM modules for its Brampton division in each of the next nine years? Please explain fully.

146. ***Ref: Attachment 51; Alectra Utilities Customer Engagement Report, prepared by Innovative Research Group Inc., p15***

The evidence contains a half page summary of "general comments" from customers in the Brampton rate zone.

Did Innovative carry out a consultation program with Brampton division ratepayers, comparable with the consultation with Enersource and PowerStream ratepayers? Please provide the results of the consultation. If there was no consultation, or very little consultation, please explain why.