

**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 Erie Thames Powerlines Limited for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2018.

**INTERROGATORIES ON BEHALF OF THE  
SCHOOL ENERGY COALITION**

**SEC-1**

[General] The following table lists annual general service distribution bills for 2017 for LDCs with 10,000 to 30,000 customers.

**Annual Distribution Bill Comparison - 2017 General Service  
(monthly charge and volumetric rate)**

	<i>Utility</i>	<i>Residential</i>		<i>GS&lt;50</i>		<i>GS&gt;50</i>		<i>Overall</i>	<i>Number of</i>
		<i>750 kwh</i>	<i>% of Avg</i>	<i>2000 kwh</i>	<i>% of Avg</i>	<i>250 KW</i>	<i>% of Avg</i>	<i>Ranking</i>	<i>Customers</i>
<b>1</b>	E.L.K.	\$219.84	67.1%	\$314.16	49.0%	\$7,083.90	61.6%	59.23%	12,398
<b>2</b>	Kingston	\$296.28	90.4%	\$537.48	83.9%	\$10,592.88	92.1%	88.79%	27,356
<b>3</b>	Westario	\$314.52	96.0%	\$572.88	89.4%	\$9,324.54	81.0%	88.82%	22,822
<b>4</b>	Orangeville	\$314.10	95.8%	\$632.52	98.8%	\$8,763.78	76.2%	90.25%	11,685
<b>5</b>	Ottawa River	\$286.74	87.5%	\$573.24	89.5%	\$11,469.66	99.7%	92.22%	10,820
<b>6</b>	COLLUS (Applied)	\$304.74	93.0%	\$588.60	91.9%	\$11,073.12	96.2%	93.71%	16,426
<b>7</b>	Essex	\$313.92	95.8%	\$709.56	110.8%	\$9,422.58	81.9%	96.15%	28,640
<b>8</b>	Halton Hills	\$304.56	92.9%	\$578.76	90.4%	\$12,466.50	108.3%	97.21%	21,534
<b>9</b>	Erie Thames	\$363.24	110.8%	\$615.48	96.1%	\$10,842.12	94.2%	100.38%	18,265
<b>10</b>	Welland	\$333.72	101.8%	\$589.32	92.0%	\$12,480.54	108.5%	100.77%	22,470
<b>11</b>	St.Thomas	\$323.04	98.6%	\$681.60	106.4%	\$11,638.38	101.2%	102.04%	16,918
<b>12</b>	Wasaga	\$283.62	86.5%	\$545.28	85.1%	\$15,990.24	139.0%	103.55%	12,985
<b>13</b>	Festival	\$342.00	104.3%	\$756.24	118.1%	\$10,416.24	90.5%	104.32%	20,362
<b>14</b>	North Bay	\$331.74	101.2%	\$732.84	114.4%	\$11,263.50	97.9%	104.51%	23,975
<b>15</b>	Grimsby	\$329.70	100.6%	\$753.00	117.6%	\$11,544.66	100.3%	106.17%	11,038
<b>16</b>	Lakeland	\$394.20	120.3%	\$764.64	119.4%	\$12,441.18	108.1%	115.93%	13,264
<b>17</b>	Orillia	\$329.34	100.5%	\$845.04	131.9%	\$14,834.70	128.9%	120.45%	13,340
<b>18</b>	Innpower	\$514.08	156.9%	\$738.36	115.3%	\$15,460.26	134.4%	135.50%	15,790
	<b>AVERAGE</b>	\$327.74		\$640.50		\$11,506.04			

With respect to this comparison:

- a) Please confirm that the calculations are accurate. (The full Excel spreadsheet is also attached.)
- b) Please confirm that the Applicant's existing rates result in:
  - 1) Distribution bills for residential customers that are 10.8% higher than the average for similar sized LDCs.
  - 2) Distribution bills for GS<50 customers that are 3.9% lower than the average for similar sized LDCs.
  - 3) Distribution bills for GS>50 customers that are 5.8% lower than the average for similar sized LDCs.
  - 4) Distribution bills that are on average almost identical similar sized LDCs.
  - 5) Distribution bills that are on average higher than two of the other comparable southwestern LDCs, E.L.K and Essex but lower than the other two, St. Thomas and Festival.
- c) Please confirm that, compared with all of the LDCs in the province, the Applicant's overall distribution bills are 7.43% lower than the provincial average.
- d) Please describe what actions the Applicant has taken, or plans to take, to benchmark its rates to other LDCs that are of a similar size and/or similar geographic area. In particular, please describe the extent, if any, to which the Applicant's management reports rate comparisons to its Board of Directors, and if so which comparator LDCs are used, and what comparison basis is used.

## SEC-2

[General] With respect to management and governance of the Applicant:

- a) Please provide the Shareholders Agreement or Shareholders Declaration with respect to the Applicant, and any Shareholders Agreement or Declaration with respect to its parent company, EARTH Corporation.
- b) Please describe in detail the reporting relationships between management and boards of directors. In particular, and without limiting the generality of the foregoing:
  - 1) Please describe which decisions affecting the Applicant are made by the EARTH Corporation Board vs. the Applicant's Board vs. the Boards of the other affiliates. Where decisions are made by the Applicant's Board, please describe in detail the involvement if any of the parent company board members in discussions about those decisions, either before, during, or after the decision by the Applicant's Board.
  - 2) Please describe the formal and informal reporting structure for management, with particular attention to reporting by management to their direct employer, and the Board of their employer, vs. reporting to their services customer, the Applicant, to the Board of the Applicant, to the Board of the Applicant's parent, and to the shareholders or employees of the shareholders.
  - 3) Please provide any legal opinions or other legal analyses, of the fiduciary duties of those individuals that have management or decision-making roles with respect to the Applicant, and those individuals who sit on the Board of the Applicant and related entities. In addition, if

there are any codes of conduct, conflict of interest protocols, or other policies or documents intended to ensure that the Board and management of the Applicant act in the best interests of the Applicant, please provide those documents.

**SEC-3**

[General] For each of the productivity initiatives for which the Applicant prepared, or caused to be prepared, a cost-benefit analysis, either before or after the fact, or an alternative form of analysis of the success of the initiative, please provide that analysis document.

**SEC-4**

[Ex. 1/3, p. 1] Please confirm that, in seeking “approval of the DSP”, the Applicant is not seeking direct or indirect approval by the Board of the cost consequences of the DSP, except to the extent that those cost consequences relate to the Test Year and are detailed in the Application.

**SEC-5**

[Ex. 1/3, p. 8] Please provide the most recent financial statements for each of the listed affiliates that provides goods or services to, or receives goods or services from, or participates in shared services with, the Applicant.

**SEC-6**

[Ex. 1/5/1, p. 2] Please provide the current operating and capital budgets approved by the Applicant’s Board of Directors for 2018, together with the materials provided to the Board of Directors in support of that approval, and any variance, tracking, or similar reports on operating and capital results in 2018 to date.

**SEC-7**

[Ex. 1/6/1, p. 2] Please provide an update of the current percentage of customers enrolled in MyAccount.

**SEC-8**

[Ex. 1/6/1] Please provide details – including timing and dollar amounts – of the changes to the DSP resulting from feedback from customers. Please quantify the impact of those changes on rates in the Test Year. Please also provide details on reductions, if any, to the Test Year OM&A budget from the initial budget prepared by management, to the final budget proposed in the Application, arising out of feedback from customers. Please identify those changes that are permanent changes, vs. those that defer but do not reduce spending.

**SEC-9**

[Ex. 1/7/1] Please provide the 2017 Scorecard or draft, if it is not finalized.

**SEC-10**

[Ex. 1/11/1] Please provide the 2017 financial statements for the Applicant, and those of its parent company ERTH Corporation.

**SEC-11**

[Ex. 1/11/1] Please provide the 2018 Business Plan for the Applicant, and the most recent Business Plan or Strategic Plan, as the case may be, of ERTH Corporation, and the resolutions of the respective Boards of Directors approving those business plans.

**SEC-12**

[Ex. 8/1/3] Please reconcile the fixed and variable rates proposed for 2018 as set forth in Table 8-7 with the rates set forth in Section 1.5.7 of the Application.

**SEC-13**

[Ex. 9/1/5, p. 2] Please provide details of the \$205,000 of Financial Consulting Services in Table 9-8.

Respectfully submitted on behalf of the School Energy Coalition this August 15<sup>th</sup>, 2018.

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Jay Shepherd  
Counsel for the School Energy Coalition