



BY EMAIL and RESS

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Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
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August 20, 2018
Our File: EB20180028

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2018-0028 – Energy+ Inc. – 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);

AND IN THE MATTER OF an application to the Ontario Energy Board by Energy+ Inc. pursuant to Section 78 of the *Ontario Energy Board Act* for approval of its proposed distribution rates and other charges, effective January 1, 2019.

INTERROGATORIES

ON BEHALF OF THE

SCHOOL ENERGY COALITION

1-SEC-1

[Ex.1, 20] Please provide copies of all benchmarking studies, reports, and analysis that the Applicant has undertaken or participated in since 2014, that are not already included in the application.

1-SEC-2

[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-3

[Ex.1, p.34] Please provide a step-by-step explanation of the Applicant's budgeting process.

1-SEC-4

[Ex.1] Please provide details of all productivity and efficiency measures the Applicant has taken since 2014 that are not a direct result of the amalgamation between CND and BCP. Please quantify the savings achieved.

1-SEC-5

[Ex.1] Please provide details of all productivity and efficiency measures the Applicant plans to take in the test year. Please quantify the forecast savings.

1-SEC-6

[Ex.1, p.25] With respect to scorecards:

- a. Please provide a copy of the Applicant's balanced scorecard for each year between 2014 and 2018.
- b. Please provide the most recent 3 Key Performance Indicator Reports.

1-SEC-7

[Ex.1, p.97] The Applicant states that as a result of its augmented customer engagement it reduced the 2019 OM&A budget by \$292,000. Please provide details of what aspects of the budget were reduced.

1-SEC-8

[Ex.1, p.97] The Applicant states that as a result of its augmented customer engagement it reduced the 2019 capital budget by \$1M. Please provide details of what aspects of the budget were reduced.

1-SEC-9

[Ex.1, p.19] The Applicant states that the 2014 Board Approved Proxy was calculated, in part, by including “Former BCP Board Approved figures for 2011, as approved in EB-2010-0125, as inflated for 2012, 2013, and 2014 utilizing the Board Incentive Rate-making Mechanism (“IRM”) inflation factors for each of those years for the former BCP”. Please provide the 2011 BCP Board approved figures as well as the IRM factors used for 2012, 2013 and 2014.

1-SEC-10

[Ex.1, p.96] Please provide a copy of the results of the referenced EDA customer panel survey.

1-SEC-11

[Ex.1, p.123] The Applicant states that a total of 11 full-time positions were eliminated by way of three different categories. Please provide a list of those positions and an explanation of how each was eliminated. Please also indicate if the position was vacant at the time of the amalgamation.

1-SEC-12

[Ex.1, p.129] Table 1-37 provides a completion status of main action items included in the 2013 to 2017 Business Plan. Please provide further details on each of the main action items and the metric or measure used to determine the achievement status.

1-SEC-13

[Ex.1, p.133] With respect to the 2018-2022 Business Plan:

- a. Has the Applicant completed its review of the organization structure to date? If so, please provide details on the outcome.
- b. Has the Applicant completed its refreshed Succession Plan and/or updated its Workforce Renewal Strategy yet? If yes, please provide a copy.
- c. Please also provide a copy of each of the existing/former Succession Plan and Workforce Renewal Strategy.

2-SEC-14

[EB-2013-0416, Exhibit 2, Appendix 2-8A DSP, p.99-100 and Appendix K] Please complete a table that shows for each material capital project proposed to be undertaken between 2014 and 2018 as set out in the CND 2014 DSP, the following information:

2014 CND DSP Forecast					Actual		Variance	
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount	Priority	Year Completed	Actual Costs	Explanation of Cost Variance (if >5%)	Explanation if project not completed change

2-SEC-15

[Appendix 2-AB] What is the basis for the ‘plan’ amount for years 2014 to 2017?

2-SEC-16

[Appendix 2-AB] Please confirm the 2020 capital expenditure information in Appendix 2-AB does not include the proposed 2020 ACM expenditures.

2-SEC-17

[Ex.2, p.181] For each asset class, please provide the number of assets replaced for each between 2014 and 2017, and the forecast number to be replaced each year between 2018 and 2023.

2-SEC-18

[Ex.4, Appendix 2-AA] Please add a column showing 2018 year-to-date actuals.

2-SEC-19

[Ex.2] Please describe how the Applicant forecasts the cost of individual capital projects. Please provide the status of all material 2018 capital projects and their forecast in-service date.

2-SEC-20

[Ex.2, p.87] The Applicant states: “In 2022, Energy+ has included an additional \$2M in the DSP as an estimate of costs for the renovation of the existing Bishop Street operations facility that was originally built in the early 1980’s. At this time, the estimated cost for these renovations is too preliminary and therefore has not been included as part of the ACM.” Is it the intent of the Applicant to seek an ICM for the renovation of the Bishop Street facility?

2-SEC-21

[Ex.2, p.118] The evidence states that the Applicant forecasts to achieve \$1,197M in cumulative savings from the acquisition and amalgamation. SEC understands Table 2-3 to show a breakdown of the various components of the calculation. Please provide a further breakdown, showing for each category of synergy, the actual amount and the baseline amount used to calculate the savings. Please provide the basis for the baseline calculation.

2-SEC-22

[Ex. 2, p.249] Please provide the risk analysis for each 2018 and 2019 material capital project that is proposed, and that was considered.

2-SEC-23

[Ex.2, p.250] With respect to the PROSORT tool:

- a. Does the Applicant set budget and/or risk constraints to create a prioritized project list? If so, please provide details on what constraints were used.
- b. Did the Applicant make any adjustments to the project prioritization after the initial results were determined? If so, please explain.
- c. Does the tool set the level of asset replacements within a program? For example, does the tool determine the optimal level of pole replacements to undertake in a given year?
- d. Please confirm the tool is not used for general plant projects. If confirmed, please explain how the Applicant prioritizes general plant projects against system renewal/service projects.

2-SEC-24

Please explain how the Applicant adjusted its capital plan to take into account the ACM request in 2020.

2-SEC-25

[Ex.2, p.272] For each asset category, please explain how the Applicant determined the level of budgeted replacement as compared to the FFA recommendation.

2-SEC-26

[Ex.2, Appendix K, p.viii] Does the Applicant accept the data collection recommendations made by Kinectrics in its Asset Condition Assessment? If so, please provide details regarding the plan for implementation of those recommends.

2-SEC-27

[Ex.2, Appendix N] With respect the facilities plan:

- a. Please confirm the Facilities Business Plan was created after the decision to undertake the elements of the plan had already been made.
- b. Please provide a copy of any business case/plan that was presented to the Board of Directors to seek their approval to undertake the facilities plan.
- c. [p.1029] Please explain how the separation of administrative offices from operations facilities provides greater efficacy.
- d. Please provide a detailed project schedule for the implementation of the facilities plan, including a detailed plan regarding renovation and occupation of the Southworks facility.

3-SEC-28

[Ex.3, Appendix 2-H] Please add a column showing the 2018 year-to-date actuals.

3-SEC-29

[Ex.3, Appendix 2-H] For each USoA, please explain how the Applicant has forecasted the 2018 and 2019 other revenue amounts.

3-SEC-30

[Ex.3, Appendix 2-H] Please update the revenues from the wireline pole attachments forecast for the test year for the updated rate as set out in the Report of the Ontario Energy Board: Wireline Pole Attachment Charge (EB-2015-0304), March 22 2018.

4-SEC-31

[Ex.4] With respect to Appendix 2-JC, please add an additional column providing year-to-date actuals.

4-SEC-32

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

4-SEC-33

[Ex.4, Appendix 2-K] Please add a column showing 2018 year-to-date actuals.

4-SEC-34

[Ex.4, p.24, 78, 2M] With respect to Applicant costs:

- a. [p.78] Please confirm that the Applicant is seeking approval to recover the regulatory costs associated with this application (\$850,000) to be recovered over a 5-year period.
- b. If not, please explain the proposal.
- c. [p.78] Please confirm that while the applicant states 1/5th of \$850,000 is \$190,000, the correct amount is \$170,000.
- d. [p.24] If part (a) is correct, please confirm that the Applicant has included some or all of these costs as part of its historic and bridge year OM&A amounts in appendices 2-JA, JB, and JC.
- e. If part (d) is confirmed, please provide revised appendices, removing the portion of the \$850,000 incurred in the historic or bridge year.
- f. [Appendix 2-M] Please provide a breakdown of application consultant costs.

4-SEC-35

[Ex.4, p.24] Please provide a revised version of Appendix 2-JB, which includes in all previous years amounts related to incremental monthly billing costs and the increase in OEB fees that were previously recorded in deferral accounts.

4-SEC-36

[Ex.4, p.32] With respect to the Garden Ave facility:

- a. Please provide a copy of the Shared Services Agreement with BPI.
- b. The table provided shows that the proposed share facility will have a significantly higher operating cost (even excluding the shared mechanic position) than the current facility. Please explain why this is beneficial to customers.

5-SEC-37

[Ex.5] Please provide the Applicant's actual or forecast regulated ROE for each year between 2014 and 2018.

5-SEC-38

[Ex.5, p.7] Please explain the how the Applicant and its ratepayers benefit from the \$3,665,000 intercompany debt arrangement.

7-SEC-39

[Ex.7, p.13-14] With respect to the proposed capacity/standby charge, the Applicant states: "On an annual basis Energy+ will review the monthly peak loads and after a discussion with the customer possibly adjust the contracted capacity reserve value."

- a. What factors will the Applicant consider in determining if it will lower the contracted capacity?
- b. What happens if the Applicant and the customer disagree? How will the disagreement be resolved?
- c. Will the Applicant require the customer to enter into any contract or agreement regarding the contracted capacity? If so, please provide a copy of the proposed agreement.

7-SEC-40

[Ex.7, p.14-15] The Applicant states: "Energy+ also proposes to apply this same approach to the General Service > 50 to 999 26 kW and General Service > 1000 to 4999 kW rate classes when a customer in these classes would have load displacement generation. In this case, Energy+ would consult with the customer and determine that power will be needed when the generation is not running."

- a. How will the Applicant determine the appropriate contracted capacity?
- b. What happens if the Applicant and the customer disagree on the appropriate contracted capacity? How will the disagreement be resolved?
- c. Does the customer have an ability to adjust the contracted capacity over time? If so, please provide details.
- d. Will the Applicant require the customer to enter into any contract or agreement regarding the contracted capacity? If so, please provide a copy of the proposed agreement.

7-SEC-41

[Ex.7, p.14] The Applicant states: "Energy+ understands the proposed approach to a standby rate is similar to the approach used by Alectra Utilities Corporation (Horizon Utilities Rate Zone) and Entegrus Powerlines Inc. Energy+ also understands that at the time of filing, this approach is somewhat similar to Board staff's position on how to address standby rates going forward." Please explain how the Applicant's proposal is different than that of Alectra, Entegrus, and Board Staff.

9-SEC-42

[Ex.9, p.28] Please calculate the working capital savings from moving to monthly billing for each of 2016 and 2017.

9-SEC-43

[Ex.9, p.36] What is the status of the sale of the 65 Dundas E. property?

Respectfully submitted on behalf of the School Energy Coalition this August 20th, 2018.

Original signed by

Mark Rubenstein
Counsel for the School Energy Coalition