August 20, 2018

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
P.O. Box 2319
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: EB-2018-0028 – Energy+ Inc. – 2019 Cost of Service Application

Please find, attached, interrogatories on behalf of the Consumers Council of Canada for Energy+ Inc. pursuant to the above-referenced proceeding.

Please feel free to contact me if you have questions.

Yours truly,

Julie E. Girvan

Julie E. Girvan

CC: All parties
John Vellone, BLG
Sarah Hughes, Energy+

INTERROGATORIES FROM THE CONSUMERS COUNCIL OF CANADA

FOR ENERGY+ Inc.

Re: 2019 COST OF SERVICE APPLICATION
EB-2018-0028

ADMINISTRATION:

CCC-1
Please provide all materials provided to the Board of Directors when seeking approval of this Application.

CCC-2
Re: Ex. I/p. 23
Please provide the actual 2017 Scorecard results.

CCC-3
Re: Ex. I/ p. 24
Please explain why there is a significant increase in the 2017 Total Cost Per Customer relative to 2016 ($23,739 vs. $28, 244)

CCC-4
RE: Ex. I/p. 25
Please provide the 2017 corporate Balanced Scorecard and Key Performance Indicator Report.

CCC-5
Please provide the actual ROE and Board approved ROE for each year 2013-2017. What is the projected ROE for 2018?

CCC-6
Re: Ex. I/p. 36
The evidence states that Energy+ recently completed new Collective Agreements with the IBEW for the Inside and Outside Bargaining Units. The Collective Agreements are for a six-year period (April 1, 2018 to March 31, 2024). Please confirm that the 2019 forecasts reflect those agreements.

CCC-7
Please provide the 2016 Customer Satisfaction Survey. Has Energy+ completed a Custom Satisfaction Survey for 2018? If so, please provide a copy of the results.

RATE BASE:

CCC-8
Re: Ex. 2/p. 53 of PDF
Please provide the number of primary underground cable failures in the Brant area compared to the Cambridge and North Dumfries area and for each of the years 2013 to 3017.

CCC-9
Re: Ex. 2/p. 56 of PDF
Preamble: Energy+ states "Statistically even a unit in "very good" condition has a chance to fail (though the failure rate is extremely low)."
Please discuss if Energy+ tracks the condition and age of each asset failure.

CCC-10
Re: Ex. 2/Table 2-31/p. 56 of PDF
For each of the Primary Drivers listed in Table 2-31, please provide the historical spending for each of the years 2013 to 2017 and forecast for 2019 to 2023.

CCC-11
Re: Ex. 2/Table 2-32/p. 57 of PDF
For each of the Project Types listed in Table 2-32, please provide the historical spending for each of the years 2013 to 2017 and forecast for 2019 to 2023.

CCC-12
Re: Ex. 2/Table 2-33/p. 58 of PDF
For each of the Primary Drivers listed in Table 2-33, please provide the historical spending for each of the years 2013 to 2017 and forecast for 2019 to 2023.

CCC-13
Re: Ex. 2/Table 2-34/p. 58 of PDF
For each of the Project Types listed in Table 2-34, please provide the historical spending for each of the years 2013 to 2017 and forecast for 2019 to 2023.

CCC-14
Re: Ex.2/p. 46 of PDF
Preamble: Energy+ states "The team relies on condition information, operational data, and maintenance records to determine the trade-off between investments in capital versus refurbishment of the distribution asset.
By example, please explain further how operational data and maintenance records are accessed and used to determine the trade-off between investments in capital versus refurbishment of the distribution asset.

CCC-15
Re: Ex. 2/2.9.1/p. 87 of 160
Preamble: The 2019 Test Year includes net capital costs in the amount of $4.4MM related to a capital lease with Brantford Power Inc. for a shared operations centre to

service the Brant service territory. The existing operations facility in Paris, Ontario will be sold in 2018. Please discuss when the existing operations facility will be sold and the expected sale price.

CCC-16
Re: Ex.2/App 2-1/DSP/p. 120 of 1497
Preamble: Energy+ uses the Kinectrics PROSORT tool for prioritization of investment across asset categories and investment portfolios based on Energy+'s Business Values and their attributes. Projects are ranked based on the ratios of the risks that are alleviated and the associated benefits resulting from the cost incurred. The tool serves as a guideline to provide a consistent approach to decision making and to optimize the overall risk to investment portfolio. This analysis will be performed annually.

a) Please confirm the first time this tool is being used by Energy+ is in the development of the 2018 capital plan.

b) Please provide the original PROSORT list of annual projects and spending compared to the final approved project list.

CCC-17
Re: Ex.2/App 2-1/DSP/p. 171 of 1497/Figure 3-3
a) Please explain why Evaluation of Alternatives is not an input to the ProSort Tool.

CCC-18
Re: Ex.2/App 2-1/DSP/p. 142 of 1497/Table 2-8
a) Please provide the number of Customer Interruptions for each Defective Equipment Type for each of the years 2013 to 2017.

b) Please provide the Customer Interruptions for each Defective Equipment Type for each of the years 2013 to 2017.

CCC-19
Re: Ex.2/App 2-1/4.2.3/p. 250 of 1497
Preamble: Energy+ states "If a given project has additional benefits, those can be captured by the tool to improve the overall risk to benefit score."
Please discuss the projects with additional benefits that were input into the tool resulting in an improved risk benefit score.

CCC-20
Re: Ex. 2/App 2-1/DSP/pp. 710-712 of 1497
a) For the Cambridge and North Dumfries area, please provide the forecast compared to actual customer hours of interruption due to Scheduled Outages for each of the years 2013 to 2017.

b) Please discuss the specific type of tree data collected for Customer Hours Lost and System Interruptions under Tree Contacts.

c) Please recast the following Cambridge and North Dumfries area tables excluding Loss of Supply and Major Event Days: Customer Hours Lost by Cause, System Interruptions by Cause and Customer Interruptions by Cause.

d) For the Cambridge and North Dumfries area, please provide the SAIDI, SAIFI and CAIDI results for each of the years 2013 to 2017 excluding all of the following: loss of supply, major event days and scheduled outages.

CCC-21
Re: Ex. 2/App 2-1/DSP/pp. 712-714 of 1497

a) For the Brant area, please explain the high customer hours lost due to Scheduled Outages in 2017.

b) Please recast the following Brant area tables excluding Loss of Supply and Major Event Days: Customer Hours Lost by Cause, System Interruptions by Cause and Customer Interruptions by Cause.

c) For the Brant area, please provide the SAIDI, SAIFI and CAIDI results for each of the years 2013 to 2017 excluding all of the following: loss of supply, major event days and scheduled outages.

CCC-22
Re: Appendix 2-AA

a) Please add three columns to the spreadsheet: 2017 Actuals, 2018 Actuals to date and 2018 forecast as of Aug 2018, and provide an updated excel spreadsheet of Appendix 2-AA.

b) Please provide spending on storms for the years 2014 to 2017 and the storm budget for the years 2018 to 2023.

c) Please provide the number of System Renewal projects and total spend under each of the following capital categories for each of the years 2014 to 2017 and forecast for 2018 to 2023: Rebuild and Convert Overhead Line, Underground Rebuild, Rebuild Existing Line, Rebuild and Convert Underground Line.

CCC-23
Re: Ex. 2/App 2-1/DSP/Appendix A/p. 360 of 1497

a) Please provide the total number of poles replaced under the Pole Replacement Program for each of the years 2014 to 2017 broken down by pole type and by service area (CND & Brant areas).

b) Please provide the percentage of poles replaced in each of the years 2014 to 2017 in poor or very poor condition.

c) Please provide the total number of poles replaced under programs/projects outside of the Pole Replacement Program for each of the years 2014 to 2017 broken down by pole type and by service area (CND & Brant areas).

CCC-24
Re: Ex. 2/App 2-1/DSP/Appendix A/p. 379 of 1497

a) Please provide the total number of Line Transformers replaced for each of the years 2014 to 2017.

CCC-25
Re: Ex. 2/App 2-1/DSP/Appendix A/p. 402 of 1497

Please provide the total number of Porcelain Insulator Replacements with Polymer for each of the years 2014 to 2017 by service area (CND & Brant areas).

CCC-26
Re: Appendix 2-AB

Please add three columns to the spreadsheet: 2017 Actuals, 2018 Actuals to date and 2018 forecast as of Aug 2018, and provide an updated excel spreadsheet of Appendix 2-AB.

CCC-27
Re: Ex. 2/App 2-1/DSP/Appendix J/p. 850

Please provide Kinectrics' rating of the data quality of Cambridge and North Dumfries and Brant areas before and after the ACA with respect to completeness, accuracy, accessibility, and consistency.

CCC-28
Re: Ex. 2/App 2-1/DSP/Appendix J/p. 852

Kinectrics makes the following recommendations. Please provide Energy+'s response to each recommendation.

V RECOMMENDATIONS

The following recommendations were made based on the study results:

a) In the future, historic records of asset removal need to be collected for all the asset groups, so as to improve the accuracy of asset degaradtion curves.

b) Inspection records at component level need to be collected for all the OH asset groups, all the UG asset groups, Capacitors and Voltage Regulators, so as to improve the input granularity for better assessment of component condition status.

c) Manufacturer Specification limits for contact resistance and operation cycles need to be collected for Station Breakers, so as to set up the thresholds for assessing breaker usage.

d) Operation cycle counts need to be collected for Station Breakers, for both the normal operation and fault interruption. This will help determine the degradation due to different usage.

e) It was noticed that for many years Energy+ had tracked Underground Cables failures by location in the outage database. Such information could indicate historic trend in cable degradation in the future when sufficient data have been collected. Efforts would be taken to sort such data by cable segments for statistical processing before being incorporated in ACA study.

OPERATING, MAINTENANCE AND ADMINISTRATION COSTS:

CCC-29
Re: Ex. 1/p. 47 and Ex. 4/26 Table 4-10
The evidence states that the acquisition of the former BCP and the subsequent amalgamation and integration of the operations, resulted in the achievement of approximately $1.2 million in sustained savings by the end of 2017. Please explain, in detail, how those amounts were calculated. Please include all assumptions.

CCC-30
Re: Ex. 1/p. 48 Ex. 4/p. 13
The evidence states that included in the 2019 OM&A Test Year is $390,000 in incremental annual costs as a result of the transition to monthly billing. Has Energy+ benchmarked these costs against the costs of monthly billing for like utilities? If not, why not? If so, please provide that comparison. Please provide a details regarding how that amount was derived.

CCC-31
Re: Ex. 1/p. 97
The evidence indicates that as part of the initial budget process, departmental budget requests for OM&A expenditures were approximately $292,000 higher in the 2019 Test Year than the proposed level of OM&A included in the Application. Please

identify where the reductions were made and what process was followed in terms of deciding what reductions were appropriate.

CCC-32
Re: Ex. 1/p. 9
The evidence indicates that reductions in the Test Year Capital Expenditures by $1 million. Please identify where the reductions were made and what process was followed in terms of deciding what reductions were appropriate.

CCC-33
Re: Ex. 4/p. 11 – Table 4-3
Please provide the 2017 actual amounts and the 2018 year-to-date OM&A amounts.

CCC-34
Re: Ex. 4/p. 16
Please explain why there is an increased allocation of Distribution Maintenance Costs to Capital Projects of $475,000. Where does this show up as an increase in the 2019 Capital Budget amounts?

CCC-35
Re: Ex. 4/p. 20 – Table 4-6 Summary of Recoverable OM&A Expenses
Please provide the actual 2017 amounts for each of the listed categories.

CCC-36
Re: Ex. 4/p. 22 – Table 4-7 Recoverable OM&A Per Customer and Per FTE
Please provide the actual 2017 amounts for each of the listed categories.

CCC-37
Re: Ex. 4/p. 26 Table 4-10 - Summary of Operating Synergies
Table 4-10 refers to Operation Synergies, but sets them out as cumulative. What are the ongoing annual OM&A savings resulting from the merger?

CCC-38
Re: Ex. 4/p. 29
How many customers does Energy+ expect to enroll in e-billing in 2019 and beyond? Are there any associated savings incorporated into the 2019 forecast?

CCC-39
Re: Ex. 4/p. 38
Has Energy+ adjusted its Bad Debt Expense at all as a result of the Fair Hydro Plan? If not, why not?

CCC-40
Re: Ex. 4/p. 41/ Table 4-16 OM&A Programs Table
Please provide the 2017 Actual Amount for all of the categories in Table 4-16

CCC-41
Re: Ex. 4
Does Energy+ expect further synergies related to the merger? If so, have these been incorporated into the 2019 OM&A forecast?

CCC-42
Re: Ex. 4/p. 70
Please provide a more detailed description of Grand River Energy Solutions Corp. Does it intend to expand its activities over the next 5 years? If so, will it be purchasing more services from Energy+ over that time period?

CCC-43
Re: Ex. 4/p. 75 – Table 4-36 Products and Services of Non Affiliates
Please explain why Energy + does not tender its purchases of poles? Please explain why Energy+ does not tender its purchases of Software/Support/Meter Maintenance services.

CCC-44
Re: Ex. 4/p. 82 – Table 4-38 – Cost of Service Application Costs
Please provide a detailed explanation as to how the Legal Cost and Consultants' Cost amounts were derived. Please include all assumptions.

CCC-45
Re: Ex. 4/p. 82 – Table 4-39 2014 Board Approved Proxy – Regulatory Expenses
Please provide the actual Regulatory Expenses incurred for the last Cost of Service proceeding. Please include all of the detailed amounts in the same format at Table 4-39

COST ALLOCATION

CCC-46
Re: Ex. 1/p. 55
Please explain the rationale for moving the Residential Revenue to Cost Ratio from 88.7% (as per the cost allocation study) to 92%.