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 Alectra Utilities Corporation for an order approving just and reasonable rates and other charges for electricity distribution to be effective January 1, 2019.

INTERROGATORIES ON BEHALF OF THE

SCHOOL ENERGY COALITION

SEC-1
[Ex. 2/1/2, p. 4] Please estimate the amount of credit to customers that will accrue in the proposed pole attachment revenue variance account between now and the next rebasing of the Applicant, and provide the calculation supporting that estimate.

SEC-2
[Ex. 2/1/2, p. 13] Please confirm that the Applicant is not seeking a determination by the Board of the prudence of the 2017 capital expenditures of Horizon Utilities or the 2017 capital expenditures of any of the Alectra rate zones.

SEC-3
[Ex. 2/1/6, p. 4] Please confirm that the regulatory net income before interest and taxes of Alectra for the 11 months ending December 31, 2017 was $152,433,427. Please provide the audited financial statements of Alectra for that period, and reconcile those statements with that regulatory net income figure and with the net income allocated to Horizon RZ in Table 20.

SEC-4
[Ex. 2/1/6, p. 8] Please provide the full allocation of 2017 rate base between the four rate zones and reconcile the resulting figures to:

a) The amounts for Distribution Assets, General Plant, and Net Fixed Assets allocated to Horizon RZ as per Table 24;
b) The 2017 audited financial statements of Alectra as requested in the previous question.

SEC-5
[Ex. 2/1/6, p. 12] Please explain in more detail the rate zone specific allocations of OM&A totaling $3,556,000.

SEC-6
[Ex. 2/1/6, p. 14] Please provide the full form T2S1 calculation of taxable income of Alectra for 2017, and the calculation of overall tax payable including details of all credits and adjustments, and reconcile those calculations and results with Table 31.

SEC-7
[Ex. 2/1/6, p. 15] Capital expenditures for Horizon and in the Horizon RZ have been consistently higher than those forecast in the EB-2014-0002 proceeding and approved by the Board. Please provide details of all customer engagement by Horizon or Alectra that demonstrates that customers want increases in capital spending and would be willing to pay for that in increased rate base on rebasing.

SEC-8
[Ex. 2/2/7, p. 2] With respect to the change in capitalization policy for Brampton RZ:

a) Rate base will be $1,807,650 lower as a result of the capitalization change, comprising lower capitalization of costs of $1,830,532, offset by $22,882 reduction in depreciation expense.
b) Return on capital will be lower by $130,252 as a result of the decrease in rate base.
c) Grossed- up PILs expense related to return on capital will be lower by $24,245 ($67,245/(1-26.5%)-$67,245)) as a result of the decrease in rate base.
d) OM&A expenses will be $1,830,532 higher and Depreciation will be $22,882 lower as a result of reduced capitalization.
e) Please explain why income tax on the higher OM&A is added back, and income tax on the lower return on equity is not deducted.
f) Please confirm that, had the capitalization policy applied in 2017 been in place at the time of rebasing, the effect would be that revenue requirement would be higher as follows:
    a. Increase by $1,830,532 due to higher OM&A
    b. Decrease by $22,882 due to lower depreciation
    c. Decrease by $130,252 due to lower cost of capital, and
    d. Decrease by $$24,245 due to lower grossed-up PILs,
    e. For a net impact of $1,653,153 higher revenue requirement.

SEC-9
[Ex. 2/3/10, p. 12, 21] Please confirm that, in obtaining customer feedback on the Bathurst Road widening, the Applicant gave two alternatives: one that was not legally allowed, because the project is mandatory, and one that is five times as expensive, and thus determined by the Applicant to be "uneconomical". Please confirm that, with that context, most customers selected the Applicant's preferred option.

SEC-10
[Ex. 2/4/7, p. 2] With respect to the change in capitalization policy for Enersource RZ:

a) Rate base will be $1,842,072 higher as a result of the capitalization change, comprising higher capitalization of costs of $1,866,041, offset by $23,968 increase in depreciation expense.
b) Return on capital will be higher by $119,852 as a result of the increase in rate base.
c) Grossed- up PILs expense related to return on capital will be higher by $23,723 ($65,799/(1-26.5%)-$65,799)) as a result of the increase in rate base.
d) OM&A expenses will be $1,866,041 lower and Depreciation will be $23,968 higher as a result of increased capitalization.
e) Please explain why income tax on the lower OM&A is deducted, and income tax on the higher return on equity is not added back.
f) Please confirm that, had the capitalization policy applied in 2017 been in place at the time of rebasing, the effect would be that revenue requirement in 2017 would be lower as follows:
    a. Decrease by $1,866,041 due to lower OM&A
    b. Increase by $23,968 due to higher depreciation
    c. Increase by $119,852 due to higher cost of capital, and
    d. Increase by $$23,723 due to higher grossed-up PILs,

e. For a net impact of $1,698,498 lower revenue requirement.

SEC-11
[Ex. 2/4/11, p. 13, 14] Please provide a list of all subdivision or neighbourhood rebuilds carried out in the period 2013-2018, together with a list of such rebuilds planned for the period 2019 to 2024, together with the actual or forecast cost, as the case may be, of each one.

SEC-12
[Attachment 29, Bathurst St. Business Case (not numbered)] Please provide a list of all road widening projects carried out in the period 2013-2018, together with a list of such projects planned or expected for the period 2019 to 2024, together with the actual or forecast cost, as the case may be, of each one.

Respectfully submitted on behalf of the School Energy Coalition this August 24th , 2018.

Jay Shepherd
Counsel for the School Energy Coalition