



October 31, 2018

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Re: Alectra Utilities Corporation 2019 Electricity Rates
AMPCO Submissions on Issues for Written versus Oral Hearing
Board File No. EB-2018-0016

Dear Ms. Walli:

Alectra Utilities Corporation (Alectra) filed an application with the Ontario Energy Board (OEB) on June 7, 2018 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Alectra charges for electricity distribution, to be effective January 1, 2019. In accordance with Procedural Order No. 2, AMPCO provides the following comments on the draft issues list.

In accordance with Procedural Order No. 2 issued September 24, 2018, below are AMPCO's submissions on which issues should be addressed in writing and which issues require an oral hearing.

These issues include:

- the increment capital modules (ICM) for each of the Enersource and PowerStream rate zones
- the balances and disposition of the deferral accounts related to the change in capitalization policy for each of the Brampton and Enersource rate zones
- the earnings sharing mechanism (ESM) for the Horizon rate zone, including the effect on it from the change in capitalization policy

Incremental Capital Modules (ICM)

Enersource Rate Zone

Alectra proposes incremental capital funding for two projects in the Enersource Rate Zone: Rometown Area Overhead System Rebuild (\$3.2 M) and Replacement of Leaking Transformers (\$7.5 M). AMPCO recommends written submissions on these two projects.

PowerStream Rate Zone

Alectra proposes incremental capital funding for three projects in the PowerStream Rate Zone: York Region Rapid Transit (\$13.272 M), Barrie TS Upgrade Feeder (\$2.098 M) and Bathurst Street Road Widening (\$5.5 M). AMPCO recommends written submissions on these three projects.

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Capitalization Policy

Alectra proposes to recover the net impact of the capitalization policy change in the Enersource Rate Zone and Brampton Rate Zone. In the Enersource Rate Zone, Alectra proposes to refund an increase in revenue requirement of \$1.2 million. In the Brampton Rate Zone, Alectra proposes to recover a reduction in revenue requirement of \$1.2 million. The effect on ESM from the change in capitalization policy in the HRZ is dealt with through the ESM as directed by the Board in EB-2017-0024.

SEC has identified another approach to calculate the net impact of the capitalization policy change and submits the Board would likely benefit from oral evidence on this issue. AMPCO agrees an oral hearing would be beneficial given the complexities identified. AMPCO supports SEC's position that Alectra provide a table in evidence that sets out the agreed difference between the two methodologies to calculate the net impact of the change in capitalization policy.

Earnings Sharing Mechanism (ESM)

Alectra's ESM calculation for the Horizon Rate Zone reflects an amount of \$814,820 payable to customers. AMPCO supports SEC's position that further discovery related to the ESM calculation is necessary, thereby requiring an oral hearing.

General

If the Board determines that issues suggested by AMPCO to be dealt with by a written hearing, are to be dealt with in an oral hearing, AMPCO reserves the right to cross-examine on such issues.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Colin Anderson', with a long horizontal flourish extending to the right.

Colin Anderson
President
Association of Major Power Consumers in Ontario