Fogler, Rubinoff LLP
Lawyers

77 King Street West
Suite 3000, PO Box 95
TD Centre North Tower
Toronto, ON M5K 1G8
t: 416.864.9700 | f: 416.941.8852
foglers.com

Reply To: Thomas Brett
Direct Dial: 416.941.8861
E-mail: tbrett@foglers.com
Our File No. 183736

December 17, 2018

VIA RESS, EMAIL AND COURIER

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

Attention: Kirsten Walli,
Board Secretary

Dear Ms. Walli:

Re: EB-2018-0016: Alectra Utilities, 2019 EDR Application

Please find enclosed herewith BOMA's Submission.

Yours truly,

FOGLER, RUBINOFF LLP

Tom Brett per: DD.

Thomas Brett
TB/dd
Encls.
cc: All Parties *(via email)*

I:\F\Fraser & Company_F1588\183736_BOMA - EB-2018-0016_ Alectra Utilities,\Documents\L-Walli (Sub).docx

EB-2018-0016

ONTARIO ENERGY BOARD

Alectra Utilities Corporation

Application for electricity distribution rates beginning January 1, 2019

SUBMISSION OF

BUILDING OWNERS AND MANAGERS ASSOCIATION, GREATER TORONTO ("BOMA")

December 17, 2018

Tom Brett
Fogler, Rubinoff LLP
77 King Street West, Suite 3000
P.O. Box 95, TD Centre North Tower
Toronto, ON M5K 1G8

Counsel for BOMA

Incremental Cost Modules

Alectra Utilities Corporation ("Alectra") has proposed incremental capital funding for two investments in the Enersource Rate Zone, Rometown Area Overhead System Rebuild ($3.2M), and Replacement of Leaking Transformers ($7.5M). Alectra has proposed incremental capital funding for three investments in the PowerStream Rate Zone, York Region Rapid Transit ($13.3M), Barrie Upgrade Feeder and Wholesale Metering Relocation (Barrie) ($2.1M), and Bathurst Street Road Widening ($5.5M).

PowerStream Rate Zone

Bathurst Street Road Widening

BOMA supports this investment.

Barrie TS Upgrade Feeder Investment and Wholesale Metering Relocation

The details of the proposed investment are found at Attachment 31, ICM Business Cases, PowerStream Rate Zone.

The amount of the proposed investment is $2.1M, which represents less than one percent (1%) of Alectra's proposed 2019 capital budget. For additional perspective, Alectra's 2017 yearend assets were $4.6B, and its 2017 capital additions were $319.7M (2018 yearbook). The 2017 capital expenditure number does not appear to be in evidence.

In EB-2017-0024, the Board set out the tests that proposed investments must meet to qualify for ICM funding:

- the ICM is a funding mechanism for significant, incremental, and discrete capital projects for which a utility is granted rate recovery in advance of its next rebasing project (p20);

- there are two (2) materiality tests related to ICM application; an overall materiality threshold for each rate zone, including the principle that the investment clearly must have a significant influence on the operation of the utility (p21), and a project-specific materiality test. The Board stated that:

> *"The second (project-specific) is whether a specific project is significant in comparison to the overall capital budget for Alectra Utilities, not individual rate zones"* (our emphasis) (p23)

and that:

> *"The project-specific" materiality, per the ICM policy, is based on the capital budget"* (p24).

The relocation of Alectra's six (6) feeders that emanate for the Hydro One-owned Barrie Transmission Station, along with some upgrading to the wholesale meters at the terminus of each of the six (6) feeders, are in total an investment of $2.09M. That is not a significant amount when compared to Alectra's proposed 2019 capital budget of approximately $250M (2018 capital budget is forecast at about the same). This investment is approximately the same size as the projects that were not approved because they failed to meet the project-specific materiality test in EB-2017-0024.

The relocation feeders and updating of meter equipment are routine capital expenditures, part of the normal course of utility business when a TS station needs to be expanded. Alectra feeders

need to move a relatively short distance to ensure they match up with the breaker positions on the expanded TS, which is being expanded to the west of the existing station, on the same property. Hydro One is also adding another feeder to service Innisfil Hydro (there are currently seven (7) feeders; six (6) for Alectra and one (1) for Innisfil Hydro.

It is not clear from the evidence that Alectra should be paying the entire cost of the feeder relocations, as part of the reason for the relocation cost is to ensure the newly positioned six (6) Alectra feeders not conflict with the two (2) Innisfil feeders. The business case states that:

> *"The feeder integration will have the two other LDC circuits proceeding west from the station along Tiffin Street. Alectra will need to relocate feeders 13M3-13M8 to match the breaker line up for the upgraded station, while avoiding crossing the 13M1 and 13M2 circuits."* (Attachment 31, p 4 of 6) (our emphasis)

This statement suggests that Innisfil should be contributing to the relocation costs, since some of the work is being done to avoid conflicts with their circuits. There was no discussion of a contribution from Innisfil in the evidence.

Finally, it is not clear why the existing meters cannot continue to be used and simply moved from the TS bus to Alectra's own meter enclosures. The composition of the meter upgrade component of the total costs is not clear.

York Region Rapid Transit Project ("YRRT")

The details of the proposed YRRT investment are found at Attachment 31/ICM Business Cases – PowerStream RZ.

The applicant is requesting a further $13.5M to relocate overhead and underground distribution assets in support of the Bus Rapid Transit system ("BRT"), a transportation project undertaken by the York Region Rapid Transit Corporation, a subsidiary of the York Regional Government. The roads expansion project is being done pursuant to a revised York Region Transportation Master Plan ("TMP"), completed in 2016. Metrolinx provided the funding for the road widening projects. The transportation work consists of highway line expansion, rapidways for bus use, stations, and terminals.

The total investment for 2019 is estimated to be $13.27M.

Alectra provided the current figures for the project and the shifts in planned annual expenditures in Table 1, in PRZ-Staff-60. In EB-2017-0024, filed July 7, 2017, Alectra forecast the gross YRRT budget at $69M (of that amount, YRRT would contribute $37,197, leaving the net cost to Alectra of $30.8M, a difference of $7.4 million). YRRT contributed approximately fifty-seven percent (57%) of the total project cost, as originally forecast.

However, thirteen (13) months later, on August 31, 2018, the gross total project forecast cost had increased to $80.7M, an increase of $11.7M, about an eighteen percent (18%) increase.

In addition, in EB-2017-0024, Alectra had forecast the 2019 cost at $10.5M. By August 31, 2018, the 2019 cost was forecast at $47.2M, an increase of four hundred percent (400%).

Table 1 in PRZ-60 also shows the massive shifts in annual costs throughout the five (5) year project (assuming it is completed by December 31, 2019). The gross total costs (actual for 2016, 2017, 2018 and 2019) are shown below for the forecast done in EB-2017-0024, and as part of EB-2018-0016 on August 31, 2018 (the current case).

	2016 Actual	2017 Actual	2018 Forecast	2019 Forecast
EB-2017-0024	$5.4M	$27.7M	$25.4M	$10.5M
EB-2018-0016 August 31, 2018	$0	$5.8M	$28.2M	$47.0M

This schedule shows no correlation whatsoever between forecast and actuals in 2016 and 2017; only a small portion of the forecast work was actually done, and the forecast for 2019 has increased by four hundred percent (400%). Only in 2018 are the forecasts relatively constant over time.

Alectra's evidence was that YRRT made several scope changes and schedule changes over the project life, including changes in the sequencing of the components of the project, all of which added cost and delays to Alectra's budget and implementation of its work (PRZ-Staff-60, pp 3-4). Alectra estimates that these changes added $6.9M to the total project budget. Alectra did not break down that $6.9M into its component parts. However, the project budget increased by $11.7M, almost eighty percent (80%) more than Alectra attributed to the changes in scope, priorities and schedules. Alectra stated that it had to redo its estimates and schedules, including marshalling different crews than it had originally planned. It did the original work before the detailed designs were completed, in order to meet YRRT's aggressive schedule. Alectra did not have to accede to YRRT's demands to accelerate its work in that manner. It could have, and should have, resisted. The cost increase would then have been less. Alectra has declined to disclose the cost sharing arrangements it made on each change in scope, such as deeper depths for poles, different material for poles, scheduling changes that led to increased materials and labour costs, or additional undergrounding. It declined to produce any written documentation of the cost sharing agreements made for specific packages of work. For example, we do not know

whether YRRT agreed to pay one hundred percent (100%) of the cost of changes in material, greater installation depths of poles, or particular delays. Nor is it clear, where joint trenching with other utilities were necessary, what those other utilities' contribution to the costs were.

To the contrary, the share absorbed by YRRT per the August 1, 2018 forecast decreased from fifty-seven percent (57%) to fifty-three percent (53%) of gross project cost. This result is not consistent with an aggressive negotiating position by Alectra. No Master Agreement was negotiated at the outset; each cost sharing arrangement was negotiated on an ad hoc, specific measure basis.

Perhaps Alectra's ability to negotiate was compromised by the number of municipal officials on its board (much of its board was appointed by its various municipal shareholders), and many members of the YRRT board were appointed by York Region.

Moreover, Alectra stated that it was satisfied with obtaining the fifty-three percent (53%) contribution to gross project cost from YRRT. It did, therefore, not take advantage of Section 3 of the Public Service Works on Highways Act, which provides for a utility to appeal to the Ontario Municipal Board, or its successor agency, to set a higher contribution.

Section 3 provides:

> *"Where it is made to appear to the Ontario Municipal Board, upon application made to it, that the circumstances and conditions under which any of the appliances or works mentioned in section 2 have been placed on or under a highway, or that other special conditions render it unfair or unjust that the cost of taking up, removing or changing the location of the appliances or works should be apportioned and paid as provided in section 2, the Board, upon the application of the road authority or operating corporation, may apportion the cost of the taking up, removing or changing the works in such manner as appears to it to be equitable, and the decision of the Board is final and is not subject to appeal. R.S.O. 1990, c. P.49, s. 3."*

The Board has the right to adjust the ratio for the statutory framework (50/50 sharing of the labour cost). See, for example, City of Traverse vs. Ontario Hydro et al, 1984 Carswell 1828 17OMBR 198 at 203. Moreover, Section 3.4.1 of the Distribution System Code provides that:

> *"a fair and reasonable charge for relocation based on cost recovery principles"* (our emphasis).

It is not clear from the evidence that the agreed contribution-in-aid is consistent with cost recovery principles, given the increase in Alectra's costs that were driven by the abrupt shift in scope, schedules, and sequencing by YRRT and the apparent lack of good project management practices by YRRT. It appears good practices were sacrificed to the expediency of meeting deadlines driven by factors external to the project.

Based on this analysis, and Alectra's failure to keep, or provide if kept, any written records of the various negotiations, and the fact that their evidence does not disclose any attempt to push back with the YRRT managers or demonstration that less expensive materials and fewer delays and schedules could be made, BOMA suggests that Alectra's shareholders absorb the $6.9M increase in budget attributable to the changes made by YRRT over the course of the project.

Enersource ICM Projects

The Leaking Transformer Replacement Investment

BOMA does not support the $7.5M request for ICM funds for the proposed investment to replace transformers either leaking oil, or exhibiting signs of leaking oil, or show "an indication that they

could possibly leak oil into the environment" (Attachment 46, "business case" for Refurbishment of Leaking Transformers, p 1 of 6).

While Alectra has characterized this investment as part of a limited term emergency response to avoid further environmental damage and clean-up costs, the evidence reveals that capital expenditures to replace transformers that fit the above description, or contain PCBs, have run between $6M - $9M per year over the period 2014 to 2017, with 2018 expenditures forecast to exceed $8M (Ibid, Table 2, p6). This has become an ongoing capital program of the utility and should no longer be eligible for ICM funding. The program already exists to replace damaged and rusted transformers, as well as any transformers which have begun to leak oil after January 1, 2017. The utility is also investing capital every year. Moreover, in each year going forward, an additional number of transformers will be found to be leaking oil and will need to be replaced at some point before the leaks become material. One integrated program to deal with required transformer replacements on a prioritized and paced basis is required.

BOMA believes the Board indicated their preference for this course of action in its decision on a similar request in EB-2017-0024, in respect of the proposed ICM funding for 2018 investment to replace leaking transformers.

It stated:

> *"One of these (proposed ICM) projects deals with leaky transformers. Enersource has 25,000 transformers which are used to reduce the voltage of electricity as it moves from major transmission lines to the lines going into homes and businesses. Earlier this decade, Enersource identified a backlog of almost 4,000 transformers that show signs of leaking. By the end of this year, over 3,000 of these transformers will have been replaced. However, that will still leave over 600 needing replacement"* (p 45).

While the Board approved an expenditure of $8.45M in 2018, it noted that:

> *"Therefore, for 2018, the OEB has determined that while there is a transformer replacement program, it is not a typical ongoing capital program. The OEB expects that the project will evolve to be a typical ongoing capital program, and may not be eligible for any additional incremental funding in subsequent years".* (p 45)

Alectra suggests it should receive substantial ICM funding for one (1) more year (2019). BOMA believes it is more appropriate to move to regular program status in 2019.

Alectra has stated that the leaking transformer replacement investment is, as a mandatory project, and the first priority of its planned 2019 capital investments. Given this fact, Alectra should not be seeking ICM funding for the project, but rather deferring projects with a lesser priority. Proposed investments with a very high priority should be protected by being placed in the base budget, not left to the uncertainty of the ICM process.

BOMA believes that the highest priority transformer replacement projects are those transformers that are both leaking oil and which contain PCBs (the seven (7) described in Table 2, p 4 of 6). The second highest priority should be those non-PCB transformers that have material leaks (some percentage of the 1,129 transformers listed on Table 2, less the transformers replaced in 2018, plus those transformers that have commenced leaking in a material manner [Exhibit 2, Tab 4, Schedule 16, p6]) since January 1, 2017. These projects should be reflected in 2019 and in future years.

The remainder of the 684 transformers showing signs of leaking, or that could possibly leak, should be spread out over the next several years on a schedule such that annual expenditures do not exceed $2M - $3M per year, taking into account the fact that all transformers containing PCBs, leaking or not, need to be removed by January 1, 2025. (There are approximately one

hundred (100) such transformers remaining in Alectra's system). All new replacement transformers must not contain PCBs.

This $2M - $3M per annum pace should be sufficient to avoid significant "spills liability" under provincial law, and be a more cost-effective solution than spending another $7.5M in 2019, in addition to the $5.0M, $5.1M, $7.1M, and $7.8M, that Enersource/Alectra spent in 2014, 2015, 2016, and 2017, respectively (BOMA-51). The evidence suggests that over the four (4) year period, 2013-2016, Enersource spent $5.6M to remediate damage from transformer oil leaks in what is now the Enersource rate zone, an average cost of $56,000 per remediation, which resulted in an average annual remediation cost of $400,000. No numbers were provided for 2017 or 2018 to date. Nor has Alectra provided any evidence on the number of transformers have begun to leak, or begin to leak materially in 2017 or 2018. They must have that information, and should have provided it.

Moreover, the company's evidence suggests that it is replacing some transformers that are not leaking oil, or not leaking oil in a material way (and are not failing), as noted earlier in this submission. In fact, the company removed 387 transformers from its to-do list in order to reduce the "backlog" and complete its "emergency program" in 2019. The company needs to be clearer on what exactly constitutes a leak, and distinguish between a minor leak and a material leak.

Moreover, the company's evidence is incomplete on the federal/provincial legislative framework on oil leaks from transformers. The Ontario regulation requires Alectra to report to the Ministry of the Environment, and to immediately clean-up, any oil spill of 100 litres or more into the environment. It does not require that every transformer leaking oil must, however immaterial the amount of oil, be immediately replaced. The federal Environmental Protection Act requires that

all transformers which contain PCBs be replaced by PCB-free transformers by 2025, and the spills of one (1) gram or more be cleaned up and reported.

Finally, Alectra's Enersource evidence misrepresents the degree of customer support for the proposed 2019 leaking transformer replacement investment expressed during the May 2018 Customer Engagement.

For example, the prefiled evidence states that:

> *"The engagement shows that almost all customer groups support the ICM projects reflected in this application at the investment levels proposed or even higher"* (Exhibit 2, Tab 4, Schedule 11, p6).

However, in replying to BOMA-27, which questioned the above statement, Alectra conceded that:

> *"In the Enersource RZ, the two customer groups that did not support the ICM projects in the application at the levels proposed and even higher were GS > 50 kW and Large Customers."* (BOMA-27)

and that:

> *"The majority of the GS > 50 kW and large use customers felt that Alectra Utilities should replace leaking transformers as part of its existing renewal plan, rather than what is current been proposed."* (BOMA-27)

Those two (2) groups are substantial, important groups, which are sophisticated enough to make careful, informed judgments on the proposals, and their opposition was clearly stated. The GS > 50 kW includes many commercial, institutional, and industrial customers. The two (2) groups constitute two (2) of the four (4) customer groups surveyed. The company statement, quoted above, is therefore misleading, when it states that "almost all" customer groups support the project.

In a telephone survey, Innovative asked the mid-sized customer group the following question:

> *"Which of the following is closest to your point of view regarding Enersource's proposed transformer replacement program?"*
>
> *(1) "I am willing to have my bill increased by about $6.21 a month so Enersource can make an extra effort to clean up the backlog of leaky transformers".*
>
> *(2) "Enersource should replace leaky transformers as part of its existing renewal plan, even the backlog, even if that means it will take several years before they are all replaced".*

Fifty-eight percent (58%) of the respondents agreed with the second statement, suggesting the remaining backlog should be replaced as part of the ongoing transformer renewal program, even if it took several more years to replace them.

Only forty percent (40%) agree to the $6.21 monthly bill increases sufficient to finance proposed $7.5M expenditures in 2019.

Six (6) out of nine (9) very large customers consulted individually or in a group stated that the second statement affected their view, essentially the same response provided by the GS > 50 kW customer group.

It is worth noting that while forty-eight percent (48%) of the small business group were willing to pay an extra thirty-nine cents (39¢) per month for the accelerated program, forty-two percent (42%) did not approve the accelerated program, taking the same position as the GS > 50 kW, and the very large customers, while six percent (6%) were undecided, leaving only a narrow margin of six percent (6%).

Rometown Area Overhead System Rebuild $3.2M ("Rometown")

BOMA opposes ICM funding in an amount of $3.2M for the Rometown proposed investment for several reasons.

First, the proposed replacement of poles and other overhead equipment in the geographic area east of Dixie Road, south of the QEW, is much like other pole renewal and other overhead equipment renewal investments that are a normal part of a utility's base capital normal year to year programs. There is nothing special about it.

Moreover, the Credit Woodlands Wilshire Subdivision Rebuild was proposed for ICM funding in EB-2017-0024, but the Board found that the project was of a typical annual capital program and, therefore, not approved for ICM funding (EB-2017-0024, p50).

In EB-2017-0024, the Board found:

> *"...that a discrete project is not simply one that is distinguishable or defined at a new location, or all capital projects would be eligible. ICM projects do need to be different in kind from those that are carried out through typical base capital programs"* (p27).

In fact, in this case, Alectra has proposed a second OH Rebuild – The Credit Woodlands, which is similar to the Rometown project, and only slightly smaller than the Rometown project if that project were confined to those assets that are in poor condition (see below). Alectra will fund that investment as part of its base capital. Alectra has also proposed nine (9) subdivision rebuilds, to be funded from base capital, and all similar in concept to the Rometown and Credit Woodlands. Alectra funds ongoing pole replacement and overhead equipment programs from base capital (Attachment 48, 2019 Capital Expenditures by Project, Enersource Rate Zone).

Second, Alectra's evidence, both in Table 1 and Table 2 of the Business Case (Ibid, p 4 of 6) and in the response to Board Staff 89(b), Table 1, shows that there have been relatively few outages due to failure of poles or other overhead equipment in Rometown over the period 2010-2018, and in particular, in 2016, 2017, and 2018 (to date) where there were no outages (Board Staff-89, pp 3-4). The outage record has been reasonably good, and the outages that did occur cannot be said to have a significant impact on the operations of Alectra.

Third, as noted above, Alectra proposes to replace all of the overhead assets in the Rometown area and not just the poles and other overhead assets that were found to be in poor condition. Only 68 of 148 poles in Rometown were determined by advanced inspection techniques to be in poor condition. The investment to rebuild the entire Rometown system is labelled option 4 in the Business Case (Attachment 46, Rometown, p 5). The decision to rebuild the entire overhead system increases the cost from $1.85M, the cost of replacing only the equipment in poor condition, as labelled option 2 in the Business Case, to $3.2M, an increase of approximately $1.35M, or about eighty percent (80%).

Alectra states that its initial decision, which it made on cost-effectiveness grounds, was to replace only the assets in poor condition in order to align the cost with customers' preferences, to reduce costs, or reduce the rate of increase in costs, and that they decided to invest in a full area rebuild only when they saw the results of the customer engagement in which, Alectra claims, customers expressed a preference for a full rebuild (the $3.3M investment) (Ibid, p 5 of 6).

However, BOMA is of the view that Alectra has misstated the actual result from the engagement.

Alectra claims that "the May 2018 Customer Engagement, Alectra customers in the Enersource Rate Zone indicated a preference for the Overhead Rometown Rebuild Project".

Unfortunately, this statement does not fairly or accurately reflect the results of the consultation for the majority of the customer groups, including small business, mid-sized business, and large use customers (2 MW+), every material group except residential customers. As can be seen in the "Innovative Attachment", pages 47, 48, 49, 91, 93, and 94, the actual engagement responses were different from those claimed.

As with the consultation on the leaking transformer replacement investment, Innovative first provided a "preamble", which read:

> *"Another proposed project addresses the Rometown area Overhead system. There are 198 poles in this particular system. 68 out of 198 have been flagged as poor while another 56 are seen to be in fair condition. A total of 78 have been flagged for urgent replacement. This network of poles uses older technologies that will be replaced when the system is eventually rebuilt, but any repairs done today will have to use the older technology. It is more efficient to replace all the poles at once than to replace them one at a time but it costs less in the short run only to replace the poles most in need of repair".* (Innovative, p 47)

The preamble was the same for small and mid-sized customers.

Each of the three customer groups - small business, mid-sized business. and large use customers - were then asked which of the same four (4) statements provided to them was closest to their point of view regarding Enersource's proposed Rometown Overhead system rebuild investment.

The four statements for which small business and medium business customers were identical, read as follows:

> *"Enersource should continue to operate the Rometown overhead system, and replace equipment reactively as it fails*
>
> *Enersource should proceed now to replace 78 of the 198 poles in the most pressing need resulting in a monthly increase of 9 cents for the average small business customer*
>
> *Enersource should proceed now to replace all 198 poles at a cost of 3.2 million dollars, resulting in a monthly increase of 16 cents for the average small business customer*

> *Enersource should proceed now to replace the Rometown overhead system with an underground system at a cost of between $12 and 18 million dollars, resulting in a monthly increase of between $0.61 and $0.92 for the average customer".*

For the small business customer group, the largest plurality of customers chose the first statement, coloured red on p 48 of the Innovative Report. Twenty-nine percent (29%) said that:

> *"Enersource should continue to operate the Rometown overhead system, and replace equipment reactively as it fails" (Innovative, p 47).*

Another nineteen percent (19%) agreed with the second (green) statement that:

> *"Enersource should proceed now to replace 78 of the 198 poles in the most pressing need resulting in a monthly increase of 9 cents for the average small business customer".*

In other words, forty-eight percent (48%) of the small business customers suggested either no asset replacement program for Rometown, or the replacement of only the assets in poor condition (option 2 in the Business Case) at a cost of $1.85M.

Only eighteen percent (18%) of the small business customers agreed with that proposition (blue) that:

> *"Enersource should proceed now to replace all 198 poles at a cost of 3.2 million dollars, resulting in a monthly increase of 16 cents for the average small business customer".*

Finally, twenty-six percent (26%) of the customers are reported to have agreed with the fourth statement (black):

> *"Enersource should proceed now to replace the Rometown overhead system with an underground system at a cost of between $12 to 18 million dollars, resulting in a monthly increase of between $0.61 and $0.92 for the average customer".*

BOMA questions the validity of that fourth result above. One would expect it to be less than the other three, and to continue the descending order of support because of its much higher cost, given customer stated preferences for cost reduction. It is clearly an outlier. Perhaps that cadre

of small businesses did not understand the question, or the question was not sufficiently clear. Moreover, the preamble did not talk about an underground system being an option at all; the question "came out of left field".

Moreover, in the mid-sized business segment, which one would expect would reflect more sophisticated understanding and responses, and probably less language issues, the fourth (underground) group only accounted for twenty percent (20%) of the answers, the lowest of the four statements.

For the mid-sized business customers, the responses were similar to the small business responses in that the first two statements:

> *"Enersource should continue to operate the Rometown overhead system, and replace equipment reactively as it fails"*

and

> *"Enersource should proceed now to replace 78 of the 198 poles in the most pressing need resulting in a monthly increase of 9 cents for the average small business customer"* (Innovative, p 71)

reflected the views of forty-nine percent (49%) of the respondents who wanted either no Rometown investment or one that addressed only the equipment in poor condition.

Twenty-eight percent (28%) of the responses supported the statement:

> *"Enersource should proceed now to replace all 198 poles at a cost of 3.2 million dollars, resulting in a monthly increase of 16 cents for the average small business customer"* (Innovative, p 71)

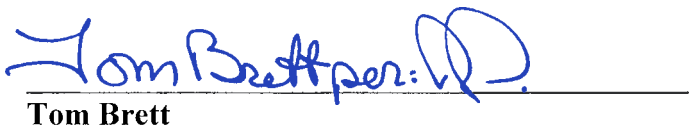
and only twenty percent (20%) supported the "underground" option.

Four (4) of nine (9) large customer respondents wanted no incremental expenditure, three (3) would support the $3.2M and one (1) did not know.

To summarize, for Rometown, pluralities of all the surveyed business groups preferred to maintain the status quo or to replace only the poles in poor condition ($1.85M).

Finally, a $1.85M investment should be able to be done without requiring ICM funding, given its size relative to Alectra's capital budget.

All of which is respectfully submitted, December 17, 2018.



Tom Brett
Counsel for BOMA