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December 19, 2018

Reply To: Thomas Brett
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Our File No. 184158

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-2018-0165: Toronto Hydro-Electric System Limited, Application for Electricity
Distribution Rates beginning January 1, 2020 until December 31, 2024**

Please find enclosed herewith our short addendum to BOMA's IR submission yesterday. The addendum contains questions that were erroneously omitted from BOMA's IRs, filed yesterday.

BOMA apologizes to the Board, the applicant, and parties for the oversight.

Yours truly,

FOGLER, RUBINOFF LLP

Thomas Brett

TB/dd

Encls.

cc: All Parties (*via email*)

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ONTARIO ENERGY BOARD

Toronto Hydro-Electric System Limited

**Application for Electricity Distribution Rates beginning
January 1, 2020 until December 31, 2024**

**ADDENDUM TO
INTERROGATORIES OF
BUILDING OWNERS AND MANAGERS ASSOCIATION, GREATER TORONTO
("BOMA")**

December 19, 2018

Tom Brett
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Addendum to Interrogatories of BOMA

BOMA-116

Performance Measurement and Management

Toronto Hydro is an efficient organization that strives to continue its history of performance, productivity, and customer cost savings, including its commitment to a strong performance management culture. Inherent in its focus on outputs and value is an emphasis on measuring and tracking performance, using internal and external benchmarking. (Reference: Section 5.2"

Interrogatory: Please describe how the measurement and tracking of performance is applied in the assessments and compensation of executives and management staff at Toronto Hydro.

BOMA-117

Remote Connection, Disconnection and Reconnection

Similarly, through the introduction of meters with remote disconnection capabilities, Toronto Hydro can decrease the number of physical visits to a customer's property. (Reference: EB-2018-0165 Exhibit 1B Tab 2 Schedule 1 ORIGINAL Page 17 of 29)

*Toronto Hydro has made investments to its metering system to allow remote reconnection for certain customers. This was part of a pilot project started in 2017 to improve the efficiency and timeliness of the reconnection process. Toronto Hydro is gradually upgrading its meters to have remote-control capabilities and as of the end of 2017 had over 48,000 meters with such capabilities in service. These new meters can be remotely disconnected, reconnected, or operated intermittently to interrupt load on a pre-set schedule, without the need for a site visit. As these meters become more commonplace, performance under this measure is expected to further improve, as the utility will increase its capability to remotely reconnect customers nearly instantaneously after a customer makes payment or enters into an arrears payment plan. For the 2020-2024 period, **Toronto Hydro intends to meet or exceed the current OEB standard for this measure.** Toronto Hydro's performance under this measure is enabled by work including that in the Metering (Exhibit 2B, Section E5.4) and Customer Care program (Exhibit 4A,*

Tab 2, Schedule 14). (Reference: EB-2018-0165 Exhibit 1B Tab 2 Schedule 3 ORIGINAL Pages 8,9 of 9)

Selected Fees (Reference: EB-2018-0165 Exhibit 8 Tab 2 Schedule 1 ORIGINAL Page 1 of 5)

- *Disconnect/Reconnect at meter -during regular hours: \$120.00*
- *Install/Remove load control device - during regular hours: \$120.00*
- *Install/Remove load control device - after regular hours: \$400.*
- *Disconnect/Reconnect at pole - during regular hours: \$300.00*
- *Disconnect/Reconnect at pole - after regular hours: \$820.00*

Interrogatory: The OEB benchmarking with respect to disconnection and reconnection was based on the physical processes that predated meters with capability for remote connection.

- Does Toronto Hydro anticipate that benchmarks will be developed that reflect a new standard based on remote capabilities so that comparisons can be made on the same basis?
- Given that fees associated with disconnections and reconnections are cost based, does Toronto Hydro intend to develop new fees associated with the less expensive remote option?

BOMA-118

Third Party Assessments

In this Application, the utility has also filed third party assessments of its plans, including a review of its asset management, benchmarking the IT function against peers, and an analysis of the proposal underlying the Control Operations Reinforcement Program. These studies provided Toronto Hydro with important insights and the reports are filed with the Application as commentary and support for the associated plans. (Reference: EB-2018-0165 Exhibit 1B Tab 1 Schedule 1 ORIGINAL, Page 9 of 34)

Interrogatory: Please provide the costs and benefits of each of the seven (7) third-party assessments.

BOMA-119

Innovative Research Group

Toronto Hydro engaged Innovative Research Group (“Innovative”), a national consulting firm with expertise in public opinion research (and experience in energy policy in particular), to execute the utility’s Planning-specific Customer Engagement. The resulting final report (the “Innovative Report”) can be found in Appendix A to this Schedule. Innovative executed the Planning-specific Customer Engagement in two phases. Phase 1 provided input into the development of the business plan, including the penultimate Distribution System Plan (“DSP”). Phase 2 helped to refine the business plan

Phase 1

Low Volume Customer Focus Group Report

Mid-Market Customer Focus Group Report

Low-Volume Customer Needs & Preferences Survey Report

Key Account Needs & Preferences Survey Report

Stakeholder In-depth Interview Report

Customer Priorities Summary (Placemat)

Phase 2

Online Customer Feedback Portal Report

Residential Telephone Survey Report

Small Business Telephone Survey Report

Mid-Market Telephone Survey Report

Key Account Online Survey Report

3.0 Consultation Materials

Online Customer Feedback Portal Content (Print Version)

Residential Telephone Questionnaire

Small Business Telephone Questionnaire

Mid-Market Telephone Questionnaire

Key Account Online Questionnaire

(Reference: EB-2018-0165 Exhibit 1B Tab 3 Schedule 1 ORIGINAL Page 1 of 13)

Interrogatory: Please provide the costs associated with each Phase and sub-phase of the Innovative Project as well as the total cost of the design and implementation of the total project.

BOMA-120

New Technologies

New communication technology has revolutionized the way the grid can be managed. Toronto Hydro plans to take advantage of various new technologies wherever clear benefits can be established. However, Toronto Hydro can improve the reliability of its grid further by installing communication devices in the downtown underground network that detect fire, floods or other risks more quickly.

Toronto Hydro has already begun to integrate large-scale battery electricity storage into the system. They have now identified more opportunities to partner on a wider range of energy storage projects. Integrating storage into the system can improve reliability and help reduce greenhouse gases, but it is not required to maintain current levels of reliability. Microgrids would give customers more choices, while creating a more resilient and reliable grid. However, they are not required to maintain current reliability. (Reference: EB-2018-0165 Exhibit 2B Section A4 ORIGINAL)

Conservation First: *In addition to traditional expansion investments, the Stations Expansion (Section E7.4) program includes a continuation of Toronto Hydro's Local Demand Response activities introduced in the 2015-2019 DSP. These investments involve installing battery storage and implementing targeted demand response incentive programs to reduce peak demand by 10 MW, allowing the utility to defer an estimated \$135 million of expansion investments at Cecil TS and Basin TS. (Reference: EB-2018-0165 Exhibit 1B Tab 1 Schedule 1 ORIGINAL Page 21 of 34)*

However, certain parts of the plan, such as Microgrids, did not receive strong customer support. For example, a majority of customers favoured a more limited involvement by Toronto Hydro in support of microgrids, in contrast to strong support for increasing the pace of investments in monitoring and control equipment and network units. (Reference: EB-2018-0165 Exhibit 1B Tab 3 Schedule 1 ORIGINAL Page 6 of 13)

Interrogatory: In the Innovative survey, only microgrids and storage were identified as having a cost impact with no improvement on current reliability.

- Please provide Toronto Hydro's analysis to support that these technologies would not improve current reliability.
- What was the rationale for singling out these two technologies when the others referenced in the report also have cost impacts?
- Why didn't the Innovative project surveys indicate the \$135 million in deferred costs as a benefit to consumers.
- Please file Toronto Hydro's analysis which identified the \$135 million in deferred costs.