

May 7, 2019

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

Dear Ms. Walli:

Re: EB-2018-0219 – PUC Distribution Inc. – 2019 Rates – ICM Application – CCC Interrogatories

Please find, attached, interrogatories on behalf of the Consumers Council of Canada for PUC Distribution Inc. pursuant to the above-referenced proceeding. We apologize for the late filing of these interrogatories.

Please feel free to contact me if you have questions.

Yours truly,

Julie E. Girvan

Julie E. Girvan

CC: All parties
PUC Distribution Inc., Regulatory Affairs
John Vellone, BLG

INTERROGATORIES FOR PUC DISTRIBUTION INC.

EB-2018-0219 – 2019 RATES – INCREMENTAL CAPITAL MODULE

FROM THE CONSUMERS COUNCIL OF CANADA

CCC-1

Re: Ex. Manager's Summary, p. 16

Please provide the application that was submitted to NRCan and any additional documentation provided to NRCan in support of the Application. On what basis did NRCan choose to support the SSG project? Please provide all correspondence between NRCan and PUC Distribution regarding this project>

CCC-2

Re: ICM Application, p. 5

Is PUC, through this Application guaranteeing that the implementation of the Sault Smart Grid Project (SSG Project) will result in “no net bill increases”? If so, how? At what point will the project result in no net bill increases? How is the concept of “no net bill increases” to be assessed. Does the concept of “no net bill increases” apply to all customer rate classes? If not, please explain.

CCC-3

Re: ICM Application, p. 5

Did other Ontario LDCs apply for funding through this program? If, so, how many of those LDCs secured funding? Please provide a list of any other successful applicants and the nature of their arrangements with NRCan.

CCC-4

Re: ICM Application, p. 5

How was the \$11.8 million amount for NRCan funding arrived at? If the NRCan funding is dependent upon OEB approval for the SSG project, when will the project begin?

CCC-5

Re: ICM Application, p. 7

The evidence states that in the first quarter of 2014 the City of Sault Ste. Marie Council passed a resolution supporting the concept of developing a smart grid in PUC Distribution's service area. Please provide a copy of that initial resolution and all materials provided to the City Council at that time. When did the City Council last review this project and what were the overall project costs submitted at that time?

CCC-6

Re: ICM Application, p. 12

Please explain how the Customer Bill Impacts were calculated? Please include all assumptions. Please provide a 10-year forecast of the Customer Bill Impacts for each of the rate classes and consumption levels provided in Table 2.

CCC-7

Re: ICM Application, p. 13

The evidence states that if the OEB does not approve this ICM, PUC Distribution would not proceed with the SSG Project and any NRCan funding would be forfeited. How much has been spent on the project to date? In the event the OEB does not approve the ICM project, how will the costs be recovered?

CCC-8

Re: ICM Application, p. 14

Please describe the North American Grid Modernization Fund and its mandate. How will the SSG Project be “initially funded” through this fund? Please provide a more detailed description of the contractual relationships among SSG Inc., the North American Grid Modernization Fund, Stonepeak Infrastructure Partners, Infrastructure Energy LLC, Black & Veatch and PUC Distribution Inc.

CCC-9

Re: ICM Application, p. 15

Please explain why Voltage/VAR Optimization, Distribution Automation, and AMI integration are not normal distribution initiatives. Why should expenditures on these initiatives qualify as a discrete ICM project?

CCC-10

Re: ICM Application, p. 28

The total capital cost of the SSG project is estimated to be \$34.4 million. The evidence states that the risk of cost overruns will be borne by the developer and their EPC contractor. If there are cost savings related to the project who will benefit from those savings?

CCC-11

Re: ICM Application, p. 28

Please provide a list of all factors that could delay the in-service date of the SSG project? How confident is PUC Distribution that the project will be in service in December 2019?

CCC-12

Re: ICM Application, p. 35

Please describe all customer engagement activities PUC Distribution undertook regarding this project. Please provide all materials related to that customer engagement.

CCC-13

Re: ICM Application, pp. 36-37

PUC Distribution has provided a list of benefits to its customers arising from the SSG project. Please quantify, to the extent, possible, those benefits.

CCC-14

Re: ICM Application, p. 38

Please explain to what extent the NRCan funding is dependent upon a two-year project development term. If the OEB directed the project to be undertaken over a longer period of time how would this impact the NRCan funding. To what extent is the project viable without the NRCan funding?

CCC-15

Re: ICM Application, p. 38

Please provide the estimated annual savings, in detail, for PUC Distribution's ratepayers in 2019 and 2020.

CCC-16

Please provide a detailed list of PUC Distribution's actual capital expenditures for the period 2009-2019