



**BY EMAIL and RESS**

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2300 Yonge Street  
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June 10, 2019  
Our File: EB20180264

**Attn: Kirsten Walli, Board Secretary**

Dear Ms. Walli:

**Re: EB-2018-0264 – EPCOR South Bruce Rates – SEC Interrogatories**

We are counsel to the School Energy Coalition (“SEC”). Pursuant to Procedural Order No. 1, please find interrogatories on behalf of SEC.

Yours very truly,  
**Shepherd Rubenstein P.C.**

*Original signed by*

Mark Rubenstein

cc: Wayne McNally, SEC (by email)  
Applicant and interested parties (by email)

**ONTARIO ENERGY BOARD**

**IN THE MATTER OF** *the Ontario Energy Board Act, 1998, S.O.1998, c. 15, (Sched. B), as amended (the “OEB Act”);*

**AND IN THE MATTER OF** an application by EPCOR Natural Gas Limited Partnership pursuant to section 36(1) of the OEB Act for an Order or Orders approving or fixing just and reasonable rates and other charges for the sale and distribution of gas to be effective January 1, 2019 for the gas distribution system to be constructed by EPCOR Natural Gas Limited Partnership to serve the Municipality of Arran-Elderslie, the Municipality of Kincardine and the Township of Huron-Kinloss.

**INTERROGATORIES ON BEHALF  
OF THE  
SCHOOL ENERGY COALITION**

**1-SEC-1**

[Ex.1] Please provide EPCOR’s views on what aspects of the proposed approvals have already been determined by the Board’s decision in EB-2016-0137/0138/139.

**1-SEC-2**

[Ex.1] Please place on the record in this proceeding, a copy of CIP and EPCOR’s proposal in the EB-2016-0137/0138/0139.

**1-SEC-3**

[Ex.1-2-1, p.31] Are there any other items that were excluded from the CIP revenue requirements that will result in either higher or lower actual costs to EPCOR that it has not included? If so, please provide a list, there impact, and the reasons for why it has not included them in its proposed revenue requirement.

**1-SEC-4**

[Ex.1-2-1, p.32] Please provide a revised version of Table 1-5 showing EPCOR’s most recent customer growth forecasts.

**1-SEC-5**

[Ex.1] With the exception of property taxes, is EPCOR paying any fee or other charges to any of the Southern Bruce Municipalities? If so, please provide details. Please also indicate if that amount is included the proposed revenue requirement.

**2-SEC-6**

[Ex. 2] SEC seeks to understand the difference between the CIP and EPCOR’s actual expected plans.

- a. Please explain all the differences between the assumptions in the CIP and EPCOR’s actual proposed plan that do not relate to the timing differences outlined in Exhibit 6.

- b. Please provide a table that compares the revenue requirement by year proposed as part of the CIP, as well as what EPCOR actually expects to occur on its most recent information. Please breakdown the reasons for the variances.
- c. Please provide a table that compares the customer growth forecast and volume forecasts it filed with its CIP proposal and any revised customer forecast estimates, that that were caused of or by, a differences between EPCOR's current proposed plan and the CIP, excluding timing issues outlined in Exhibit 6.

### **3-SEC-7**

[Ex.3] Please provide the status of external funding. Please provide all terms and agreements that EPCOR has entered into regarding any sources of external funding.

### **4-SEC-8**

[Ex.4-1-1, p.19] Has EPCOR entered into any shared service agreements regarding the sharing of services with any EUI affiliate? If so, please provide a copy. If there is no agreement, please provide a copy of EPCOR's or any of its affiliates (which would share serves with it) shared services policy or similar document.

### **4-SEC-9**

[Ex.4] EPCOR has provided a number of tables breaking down its OM&A costs. Are those tables a reflection of a) EPCOR's actual forecast costs when the application was filed, b) a breakdown of the actual underlying costs that were forecasted in its CIP proposal , c) after the fact allocation of the cost that made up its CIP proposal, or d) other (if so please explain)?

### **4-SEC-10**

[Ex.4-1-1, p.24] EPCOR states that for service allocated by composite cost allocator, it is done based on "factors in business unit's share of EUI's total revenue, assets and headcount". Please provide further details including the actual allocation factors used for each of the listed departments and headcount that is allocated on a composite basis.

### **4-SEC-11**

[Ex.4-1] For each affiliate that is providing service to EPCOR, for each year, please provide the total transfer of funds from EPCOR.

### **4-SEC-12**

[Ex.4-1-1, Schedule 4] Please revise Schedule 4 to include the impact of Bill C-97 and the most recent Federal budget.

### **4-SEC-13**

[Ex.4-3-1, p.31] Please explain how EPCOR's gas supply plan strategy and execution differs from its gas supply plan strategy and execution for its Aylmer service territory.

### **6-SEC-14**

[Ex.6] EPCOR states that there will be a shortfall in revenue collected during the stability period due to a delay in the OEB decision.

- a. Is EPCOR referring to the leave to construct or the rates application decision that is delayed?
- b. When did EPCOR originally expect the OEB decision to be rendered and what is the new forecast date that is the basis for its foregone revenue calculations?
- c. Please explain why ratepayers should bear the cost of the delay.

**7-SEC-15**

[Ex.7-1-2] Please provide the excel spreadsheet behind the Cost Allocation Study with all formulas enact.

**8-SEC-16**

[Ex.8-1-1] EPROR states that in designing the fixed charge portion of an average customer's bill it considered a number of listed factors. Yet, the evidence does not explain how those factors resulted in the fixed/variable split that it chose. Please provide further details to explain the basis of its decision.

**10-SEC-17**

[Ex.10-1-1] If the Board generically changes the methodology for calculation in its inflation factor during the 10 year term, is EPCOR's proposal in this application that it retain the current 2-factor methodology or, that it adopt whatever generic Board inflation factor that may exist in any given year?

**10-SEC-18**

[Ex.10-1-1, p.4] Please explain why EPCOR believes it is appropriate to have a Y-Factor for participation in Board hearings.

**10-SEC-19**

[Ex.10-1-1, p.6] With respect to an ICM:

- a. At this time, does EPCOR foresee any *potential* capital expenditures during the next 10 years that could result in an ICM? If so, please provide details.
- b. Please provide the ICM threshold calculation for each year of the stability period.

Respectfully submitted on behalf of the School Energy Coalition this June 10, 2019.

*Original signed by*

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Mark Rubenstein  
Counsel for the School Energy Coalition