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July 29, 2019

Reply To: Thomas Brett  
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Our File No. 192964

**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-2019-0018: Alectra Utilities, 2020 Electricity Distribution Rates Application**

Please find enclosed herewith BOMA's Interrogatories.

Yours truly,

**FOGLER, RUBINOFF LLP**

A handwritten signature in blue ink, appearing to read 'Tom Brett per [initials]'. The signature is written over the printed name of Thomas Brett.

Thomas Brett

TB/dd

Encls.

cc: All Parties (*via email*)

**ONTARIO ENERGY BOARD**

**Alectra Utilities Corporation**

**Application for electricity distribution rates and other  
charges effective January 1, 2020**

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

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July 29, 2019

**Tom Brett**  
Fogler, Rubino LLP  
77 King Street West, Suite 3000  
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**Counsel for BOMA**

## **Interrogatories of BOMA on IRM**

### **1. General**

**Ref:** EB-2019-0018, Alectra Utilities Corporation. 2020 EDR Application, Exhibit 2, Tab 1, Schedule 1, Page 3 of 4.

**Preamble:** *There is a direct relationship between capital investment and rate impacts. Alectra Utilities' DSP identifies rates as a top priority of customers.*

*Both the MAADs Application and the Alectra/Guelph MAADs Application were based on the OEB's policy that merging utilities would have both "a reasonable opportunity to use savings to at least offset the costs of a MAADs transaction" and a mechanism to fund normal and expected capital investments.*

...

*Alectra Utilities has been unable to fund essential capital investments within the funding approved in its first two EDR applications.*

...

*In particular, ICM funding is not available for "typical annual capital programs" or smaller projects that do not on their own meet an undefined, secondary materiality threshold. The cumulative cost for these types of necessary investments is significant, and the lack of funding for such work through rates is having a material impact on Alectra Utilities' distribution system.*

...

*The OEB's decision in EB-2017-0024 to reduce Alectra Utilities' revenue as a result of its adoption of a common capitalization policy has similarly frustrated Alectra Utilities' expectations for the rebasing deferral period.*

...

*This decision directly reduced the funding available for distribution-related activities, effectively rebasing this isolated aspect of the revenue requirement.*

### **Interrogatory**

- (i) In either of the referenced applications did Alectra Utilities include a regulatory risk analysis with respect to the expectation cited above including the impact on rates?

- (ii) Was a regulatory risk analysis done for internal use that was not included in the applications? If so, did either analysis consider the impact of the subsequent impact of these OEB decisions on the “no harm” analysis for either MAAD?
- (iii) Please file any related analyses, including internal memoranda or communications, which illustrate the impacts of either OEB decision on Alectra Utilities' inability to fund essential capital investments within the funding approved in its first two EDR applications and its impact on rates.
- (iv) Has Alectra Utilities included a regulatory risk analysis with respect to the capital policy change?
- (v) Was a regulatory risk analysis done for internal use that was not included in the applications? Did this analysis consider the impact of the subsequent impact of these OEB decisions on the “no harm” analysis for either MAAD specifically with respect to the associated impacts on the utility and its customers?

## **2. Price Cap Adjustment**

*This Application also includes requests for certain variance accounts related to the M-factor; Price Cap IR adjustments for rates in each of Alectra Utilities' Rate Zones.*

**Interrogatory:** Please provide a table comparing the forecast Price Cap IR adjustments under the “currently approved methodology” to the requested M-Factor Price Cap IR adjustments.

## **3. Review and Disposition of Group 1 Deferral and Variance Account Balances**

**Interrogatory:** Please provide an explanation of the wide diversity of disposition threshold rates.

**4. Retail Transmission Service Rates**

No Interrogatories.

**5. Shared Tax Adjustments**

No Interrogatories.

**6. Lost Revenue Adjustment Mechanism Variance Account**

No Interrogatories.

**7. Rate Design for Residential Customers**

No Interrogatories.

**8. Proposed Customer Service Rules-related Lost Revenue Variance Account**

**Preamble:** *The OEB benchmarking with respect to disconnection and reconnection costs was based on the physical processes that predated meters with capability for remote connection, i.e. cost based. Does Alectra intend to develop new fees associated with the less expensive remote option?*

**Interrogatory:** The use of smart meters for residential enables remote disconnection and reconnection which is less expensive than the basis of the OEB benchmarking. Please provide an analysis of the cost savings associated with remote disconnection and reconnection compared to the current costs approved by the OEB. Has Alectra factored in these cost savings in its analysis of the potential components of this Variance Account?

**9. Proposed Conservation Demand Management Severance Deferral Account**

**Interrogatory:** Has Alectra analyzed the potential for geographically specific CDM to reduce its net system capital requirements to replace the Global Adjustment Funding which would mitigate severance costs and reduce capital costs (a/k/a Integrated Resource Planning)?

**10. Bill impacts (excluding impacts resulting from M-Factor and capitalization policy).**

No Interrogatories.