



PUBLIC INTEREST ADVOCACY CENTRE
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September 20, 2019

VIA E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Toronto, ON

Dear Ms. Walli:

**Re: EB-2019-0180 Energy + Motion to Review and Vary EB-2018-0028
VECC Interrogatories on additional evidence**

In accordance with Procedural Order No. 2 please find attached the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

M. Garner

For VECC/PIAC

Email copy:

Ms. Sarah Hughes, Chief Financial Officer
shughes@energypluas.ca

For interrogatory clarifications please contact Mark Garner at 647-408-4501 or markgarner@rogers.com

REQUESTOR NAME	VECC
TO:	Energy +
DATE:	September 20, 2019
CASE NO:	EB-2019-0180
APPLICATION NAME	Motion to Review and Vary

Evidence of Mr. Neil Kelsey

VECC-1

Reference: Exhibit, page 6

- a) Did the author site visit any comparable buildings to the Southwork-Gaslight building proposal?
- b) Please describe the risks in renovating an existing historical building (where those renovations are in part contingent on associated condominium buildings) and green or brown field new construction. How are any additional risks quantified?

VECC-2

Reference: Exhibit, page 9

- a) What are the current average/ median, high/ low square footage costs for business office rental within the Cambridge-Preston area?

VECC-3

Reference: Exhibit, page 11

- a) The PowerStream and Enersource are integrated office and operation facilities. Southworks is strictly office facilities located in the urban area of Cambridge. Why has the author not provided comparables of office space recently build in or around Cambridge, Ontario?
- b) Please provide the locations of the five most recent commercial office buildings constructed in the Cambridge-Preston area capable of accommodating 100 people at an average office space of 200 sq. ft. per person (i.e. approximately 20,000-square feet).

VECC-4

Reference: Exhibit, page 15

- a) Please provide a table in the same format as shown on page 15 but providing the inflation rates for the City of Ottawa.

VECC-5

Reference: Exhibit, page 12

- a) A number of professional associations and government agencies provide standards or “rules of thumb” for office accommodation. For example the Manitoba government provides the following standards for office space:

Occupancy	Target Sq Ft per Occupant
1–5 people	250
6–10	220
11–20	215
21–40	200
40+	194

Office Space Planning Standards, February 2018, Government of Manitoba): https://www.gov.mb.ca/finance/accomm/pub/office_space

- a) Does the author agree that these are reasonable standards for typical office space requirements? If not please provide the Canadian Institute of Quantity Surveyors standard or rule of thumb for planning office space.

VECC-6

Reference: Exhibit, page 8-

- a) Please provide a table showing the criteria for Class A through D estimates along with the associated contingency range for each class.
- b) Please explain what steps Energy + would need to take to acquire a Class B construction estimate.
- c) Please explain any differences between the estimate criteria shown in response to a) and the standard AACE classes 1 through 5 estimate criteria as shown in the table below:

ESTIMATE CLASS	Primary Characteristic	Secondary Characteristic			
	LEVEL OF PROJECT DEFINITION Expressed as % of complete definition	END USAGE Typical purpose of estimate	METHODOLOGY Typical estimating method	EXPECTED ACCURACY RANGE Typical variation in low and high ranges [a]	PREPARATION EFFORT Typical degree of effort relative to least cost index of 1 [b]
Class 5	0% to 2%	Concept Screening	Capacity Factored, Parametric Models, Judgment, or Analogy	L: -20% to -50% H: +30% to +100%	1
Class 4	1% to 15%	Study or Feasibility	Equipment Factored or Parametric Models	L: -15% to -30% H: +20% to +50%	2 to 4
Class 3	10% to 40%	Budget, Authorization, or Control	Semi-Detailed Unit Costs with Assembly Level Line Items	L: -10% to -20% H: +10% to +30%	3 to 10
Class 2	30% to 70%	Control or Bid/Tender	Detailed Unit Cost with Forced Detailed Take-Off	L: -5% to -15% H: +5% to +20%	4 to 20
Class 1	50% to 100%	Check Estimate or Bid/Tender	Detailed Unit Cost with Detailed Take-Off	L: -3% to -10% H: +3% to +15%	5 to 100

Questions to Energy +

VECC-7

Reference: Energy +

- a) In its Decision with Reasons the Board stated: *“The OEB also notes that only a small portion of the Southworks construction contract (construction management and architectural components, representing about 13% of the total estimated cost) has been awarded. The remaining 87% is yet to be awarded based on a competitive tender process. This presents a significant uncertainty regarding the reliability of the estimated cost of the facility and also raises questions as to whether the \$400,000 project contingency is adequate.”* (Pages 13-14)

Is it still the case that about 87% of the project remains untendered?

VECC-8

Reference: Energy +

- a) The Board in its Decision approved \$6.5 million in ACM spending. The new evidence suggests a cost of \$7.8 million. Please show the annual revenue requirement shortfall that would be associated with the \$1.3 gap for each year subsequent to the date the facilities are project to go into service until the date of the next cost of service rebasing year for the Utility.

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