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September 23, 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

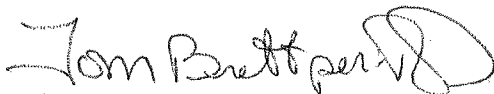
Dear Ms. Walli:

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

Please find enclosed herewith BOMA's Interrogatories.

Yours truly,

FOGLER, RUBINOFF LLP



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**

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

September 23, 2019

Tom Brett
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Counsel for BOMA

Interrogatories of BOMA on Capitalization

1. Ref: Exhibit 2, Tab 1, Schedule 5, p7

If PowerStream's capitalization practice is the one to which the three other rate zones, Brampton, Enersource, and Horizon, are being normalized, why do PowerStream's numbers reflect any impact over the ten year period (Table shows a total of \$3.718 million increase in revenue requirement over that period). Please discuss, separately, the rationale for changes to PowerStream's OM&A, depreciation, PILs, and return.

2. Ref: Exhibit 2, Tab 1, Schedule 5, p5

Please provide a copy of the Board staff's calculation on the impact of the capitalization policy change on regulatory net earnings, as part of its assessment of the ESM for Horizon (Exhibit K1.4, Note 3 – Effects of Changes in Accounting Policy) on December 5, 2018. Please provide an annotated version of the Tables explaining the significance of each line item for one of the years to assist with understanding how the Board staff's calculation differs from Alectra's revised calculation and SEC's calculation.

3. Ref: Exhibit 2, Tab 1, Schedule 5, pp5-6

(a) Please provide the calculation underlying the results for columns in Table 19.

(b) Please confirm that the difference between SEC's Approach and Alectra's Revised Approach (shown as the same), and the Board staff's Approach of approximately \$1 million, is due solely to the difference in the manner in which PILs were calculated. Please show the details of the PILs calculation by each of Board staff and Alectra/SEC.

- (c) In Alectra's view, are Alectra and SEC now agreed on the results shown on Table 19? Please explain.
- (d) With respect to PILs, please explain why Alectra prefers the revenue requirement approach to the actual PILs costs paid approach.
- (e) Do the actual PILs paid, in 2017 and 2018, differ from the PILs forecast to be paid in those two years? Please explain fully.

4. Ref: General

- (a) Please illustrate and explain the calculation of the impact of the change in capitalization policy on projected rates over the balance of the deferred rebasing period using each of the "adjustment to rate base" approach, and the "revenue requirement" approach.
- (b) Do these two approaches achieve the same result?
- (c) The evidence speaks of a cash approach and a revenue requirement approach to determining impacts of the change in capitalization policy. Do those two approaches square with calculations using forecasts and the actual cash impact of the change?

5. Ref: General

BOMA is not clear on the basis on which Alectra proposes to calculate the impacts of the change in capitalization policy on rates for the period 2019-2026, the deferred rebasing period, or for the term of the proposed plan (which is 2020-2024).

- (a) For each of the "adjustments to rate base" approach and the "revenue requirement" approach, please explain the impacts on ratepayers and shareholders.
- (b) Please provide a numerical example showing each step of the calculation of the two ways of determining the impacts.
- (c) Please explain fully the two approaches, and the differences between them.