

EB-2019-0018

Ontario Energy Board

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c. 15, Sch. B, as amended;

AND IN THE MATTER OF the Application by Alectra
Utilities for 2020 Electricity Distribution Rates.

Energy Probe Research Foundation

Interrogatories to Alectra Utilities on Capitalization Evidence

September 23, 2019

EP-35

References.: Alectra Submission, page 3

Preamble: *“Alectra Utilities proposes to determine the allocation percentage by rate zone to be applied to 2019 to 2026 distribution system plant actual in-service additions based on a ratio of the actual impact of the capitalization policy change prior to the ERP convergence, to actual in-service distribution system plant additions.”*

Question:

- a) Please explain in detail the mathematical process of how Alectra intends “to determine the allocation percentage by rate zone to be applied to 2019 to 2026 distribution system plant actual in-service additions based on a ratio of the actual impact of the capitalization policy change prior to the ERP convergence, to actual in-service distribution system plant additions” Please explain each step in the calculation and the sources of all numbers.
- b) Please provide a numerical example for each rate zone for 2018-2026.

EP-36

Reference: Alectra Submission, page 3

Preamble: *“As identified at p. 9, consistent with the OEB’s policy for Accounts 1575 and 1576, Alectra Utilities proposes that disposition of these accounts be applied through adjustments to rate base in Alectra Utilities’ next rebasing application. Please refer to Exhibit 2, Tab 1, Schedule 5, pp. 8-9 for complete discussion on this item.”*

Question:

- a) Please explain why Alectra proposes that the disposition of these accounts be applied through adjustments to rate base and discuss the impact on ratepayers and shareholders of that proposal compared to any alternative(s).
- b) Please identify specific lines on pages 8 and 9 of Exhibit 2, Tab 1, Schedule 5, that provide a “complete discussion of this item”.

Respectfully submitted,

Tom Ladanyi
Consultant to Energy Probe