

October 11, 2019

VIA RESS AND DELIVERY BY HAND

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
26th Floor, Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli;

**RE: APPLICATION BY ALECTRA UTILITIES CORPORATION FOR DISTRIBUTION RATES
EFFECTIVE JANUARY 1, 2020 (EB-2019-0018) – RESPONSES TO MOTION FILED BY
SCHOOL ENERGY COALITION (“SEC”) RESULTING FROM TECHNICAL CONFERENCE,
OCTOBER 7 – OCTOBER 8, 2019**

Alectra Utilities is in receipt of the motion filed by the School Energy Coalition (“SEC”) with the Ontario Energy Board regarding certain refusals for information arising from the Technical Conference held at the OEB on October 7, and 8, 2019.

Regarding the SEC Motion, after additional consideration Alectra Utilities has provided the attached responses to Questions (d) and (f) set out in SEC’s motion record.

With respect to Question (e), Alectra Utilities is not prepared to confirm the data in SEC’s graph and spreadsheet attached to Mr. Shepherd’s email today. However, Alectra Utilities will provide reliability data back to 2010 adjusted for MEDs. Retrieving and verifying the data involves a significant amount of work. As a result, Alectra Utilities will not be able to provide this information until Tuesday.

Questions (a), (b) and (c) will remain the subject of the motion.

Yours truly,

[Original Signed By]

Indy J. Butany-DeSouza, MBA
Vice President, Regulatory Affairs
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cc: Charles Keizer, Torys
Jonathan Myers, Torys

Question-SEC d)

Reference: ROE Forecast, Tr.1:64-66

The Applicant's current forecast of its expected actual return on equity in each of the years to which the M-factor is intended to apply.

Response:

1 A forecast of ROE for the 2020 to 2024 period is provided in Table 1, below.

2

3 **Table 1 – ROE Forecast**

	2020	2021	2022	2023	2024
ROE	6.80%	6.80%	7.10%	6.50%	6.40%

4

Question-SEC f)

Reference: Rate Base Continuity, Tr.2:145-147

A continuity schedule showing the impact on rate base of the proposed capital plan set out in the DSP, as funded by the M-factor.

Response:

1 A forecast of rate base for the 2020 to 2024 period is provided in Table 1, below. Alectra
2 Utilities' 2018 RRR 2.1.5.6 ROE Filing is the starting point for the rate base calculation. To
3 isolate the impact on rate base of the proposed capital plan, Alectra Utilities has assumed no
4 changes to cost of power and operating expenses in the calculation; this allows Alectra Utilities
5 to isolate the impact of the capital plan on rate base.

6
7 **Table 1 – Rate Base Forecast**

Alectra Utilities Rate Base (\$MM)	2018 RRR	2019	2020	2021	2022	2023	2024
Cost of power	2,817	2,817	2,817	2,817	2,817	2,817	2,817
Operating expenses	276	276	276	276	276	276	276
Total Cost of Power and Operating Expenses	3,094	3,094	3,094	3,094	3,094	3,094	3,094
Working capital allowance %	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
Working capital allowance (\$MM)	325	325	325	325	325	325	325
PP&E							
Opening balance - regulated PP&E (NBV)	2,644	2,792	2,928	3,063	3,188	3,287	3,417
Closing balance - regulated PP&E (NBV)	2,792	2,928	3,063	3,188	3,287	3,417	3,557
Average regulated PP&E	2,718	2,860	2,996	3,125	3,238	3,352	3,487
Rate Base	3,043	3,185	3,321	3,450	3,562	3,677	3,812

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