



**BY EMAIL and RESS**

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Ontario Energy Board  
2300 Yonge Street  
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Toronto, Ontario  
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February 12, 2020  
Our File: EB20190037

**Attn: Christine Long, Registrar & Board Secretary**

Dear Ms. Long:

**Re: EB-2019-0037 – Greater Sudbury Hydro Inc. 2020 Rates – SEC Interrogatories**

We are counsel to the School Energy Coalition (“SEC”). Attached, please find a copy of SEC’s interrogatories in the above-captioned matter.

Yours very truly,  
**Shepherd Rubenstein P.C.**

*Original signed by*

Mark Rubenstein

cc: Wayne McNally, SEC (by email)  
Applicant and intervenors (by email)

**ONTARIO ENERGY BOARD**

**IN THE MATTER OF** *the Ontario Energy Board Act, 1998*,  
being Schedule B to the *Energy Competition Act, 1998*, S.O.1998,  
c. 15;

**AND IN THE MATTER OF** an Application by Greater Sudbury  
Hydro Inc. to the Ontario Energy Board for an Order or Orders  
approving or fixing just and reasonable rates and other service  
charges for the distribution of electricity as of May 1, 2020.

**INTERROGATORIES**

**ON BEHALF OF THE**

**SCHOOL ENERGY COALITION**

**SEC-1**

[Ex.1] Please provide all material provided to the Applicant's Board of Directors regarding its approval of this application and the underlying budgets.

**SEC-2**

[Ex.1] Please provide copies of all benchmarking studies, reports, and analyses that the Applicant has undertaken or participated in since its last rebasing application in 2013 that are not already included in the application.

**SEC-3**

[Ex.1] Please provide a step-by-step explanation of the Applicant's budgeting process.

**SEC-4**

[Ex.1] Please provide details of all productivity and efficiency measures the Applicant has taken since its last rebasing application in 2013. Please quantify the savings.

**SEC-5**

[Ex.1] Please provide details of all productivity and efficiency measures the Applicant plans to take in the test year. Please quantify the forecast savings.

**SEC-6**

[Ex.1-2-1, Attach 1, p.34] Please update Figure 6 to include 2018 and 2019 data.

**SEC-7**

[Ex.1-2-1, Attach 1, Appendix 1] Please provide a copy of the 2019 version of the survey.

**SEC-8**

[Ex.1-3-9, p.1] Please explain why the Applicant filed its application on October 31, 2019 and not on the date required by the OEB.

**SEC-9**

[Ex.1-6-1, Attach 6] With respect to the Phase II Customer DSP Consultation:

- a. Please provide details regarding what changes the Applicant made to the underlying DSP or the application after it received the results of the web survey.
- b. Please provide a copy of the web survey.
- c. The Web Survey Draft Report includes some verbatim responses from participants. Please provide a copy of all verbatim responses that were provided by respondents.

**SEC-10**

[Ex.1-7-2, p.6] The Applicant states: “The cost performance result projected for 2018 is \$671 per customer which is comparable to LDC’s with similar service territories and customer base”. Please provide a list of LDCs that the Applicant is referring to and their comparable cost per customer.

**SEC-11**

[Ex.2] Please update the following Appendices to include 2019 actuals:

- a. 2-BA
- b. 2-AA
- c. 2-AB

**SEC-12**

[Ex.2-2-1, Attach 1, p.53] With respect to the metrics in Table 1:

- a. Who is responsible for approving the targets?
- b. Have the targets changed over the years? Please provide details.
- c. Are the listed performance measures how the Applicant’s Board of Directors measures the utility’s performance? If not, please explain what metrics or measures are used.

**SEC-13**

[Ex.2-2-1, Attach 1, p.60-75] Please update the following figures to include 2019 reliability information:

- a. Tables 10-14 (Note: Please provide an excel version of the updated Table 11)
- b. Figure 10, 11, 22 and 23

**SEC-14**

[Ex.2-2-1, Attach 1, p.76] With respect to the Applicant’s Cost Efficiency & Effectiveness Performance:

- a. Please update Table 15 to include 2019 data.
- b. Does the Applicant believe that it is meeting its own targets? If so, please explain.

**SEC-15**

[Ex.2-2-1, Attach 1, p.94] With respect to the Scoring Matrix:

- a. Please confirm the matrix is only used for project prioritization after selection.
- b. Please explain why the prioritization process does not account for the cost of the project. i.e. a project that has a higher per dollar score is ranked higher than another project even if its total score is lower.
- c. Please provide a similar matrix used to prioritize projects in 2018 and 2019. Please explain any variations from the list that occurred during actual project execution.
- d. If so, please provide a similar ordered list of prioritized projects and their cost for each year between 2021 and 2024

**SEC-16**

[Ex.2-2-1, Attach 1] Please provide a table that shows for all material capital projects and programs undertaken since 2013, the total cost of the project as budgeted, and the final cost of the project. Please provide an explanation for all material variances +/- 10%.

**SEC-17**

[Ex.2-2-1, Attach 1] For each material 2020 capital project, please provide the forecast in-service date.

**SEC-18**

[Ex.2-2-1, Attach 1, p.127-137] Please provide a table that shows, for each major asset category, the number of assets replaced or forecast to be replaced and the cost to do so, for each year between 2013 and 2024.

**SEC-19**

[Ex.2-2-1, Attach 1, Appendix A] With respect to the Asset Condition Assessment:

- a. Please explain how the methodology used in the 2019 ACA differs from that in the 2011 ACA filed in the Applicant's previous cost of service application.

**SEC-20**

[Ex.2-2-1, Attach 1, p.60-75] With respect to assets replaced in the system Betterment program:

- a. Under the system renewal subcategory, for each year since 2013, please provide the number and type of asset that has been replaced or is forecast to be replaced.
- b. How does the Applicant forecast the amount of work and costs for the program in 2020 to 2024?

**SEC-21**

[Ex.2-2-1, Attach 1] Please explain in detail how the Applicant forecasts the cost of its capital project and programs.

**SEC-22**

[Ex.2-2-6] With respect to the proposed ACM:

- a. Please confirm that the Applicant is seeking approval of an ACM for each of 2021, 2022, 2023 and 2024.

- b. For each of the ACM projects, the Applicant has included 2 years of capital expenditures. Please explain what the 2 numbers represent (i.e. capital expenditure, in-service additions, etc.).
- c. Please provide information to justify the prudence of the forecast costs for the proposed ACM projects.
- d. Please provide any internal business case for each of the proposed ACM projects.
- e. Please provide a revised version of Appendix 2-AA to include 2021 to 2023 capital spending.
- f. Please provide the annual bill impact associated with the proposed ACM projects. Please provide separate bill impacts for each year related to each individual project.

**SEC-23**

[Ex.3-1-1, p.2] Please update the following tables and appendices to include 2019 actuals:

- a. Tables 3.1, 3.3 and 3.5
- b. Appendices 2-IB and 2-H

**SEC-24**

[Ex. 4] Please update the following appendices to include 2019 actuals:

- a. 2-JA
- b. 2-JB
- c. 2-JC
- d. 2-K

**SEC-25**

[Ex. 4-4-1, p.5, Table 2] With respect to vacancies, please provide the actual vacancies on an FTE basis for each year between 2013 and 2019.

**SEC-26**

[Ex. 4-4-1, Appendix 2-K] Please provide a revised version of Appendix 2-K, as updated in SEC-24(d), that includes two rows showing the amount of compensation costs charged to OM&A versus capitalized.

**SEC-27**

[Ex. 4-4-1, Appendix 2-K] Does the Appendix 2-K include GHSi employees only, or does it also include allocated FTE that are employees of GHSP?

**SEC-28**

[Ex.4-2-1, p.8-9] With respect to the Business Process Improvement and System Integration Project (BPI/SI):

- a. Please provide a copy of the findings and analysis conducted by MNP LLP.
- b. Please provide a copy of the Compass Study.

**SEC-29**

[Ex.4-4-1, p.3] Please explain why the Applicant does not use any performance pay compensation strategies.

**SEC-30**

[Ex-4-5-1, Attach 2, Table ES-1] Please provide a table that shows for each category of service (i.e. ‘Nature of Service’), the total cost of the service, and the amount allocated to the Applicant (GHSi).

**SEC-31**

[Ex-4-5-1, Attach 2, Table ES-1] Please provide a table that shows for each category of service (i.e. ‘Nature of Service’), the total cost of the activity and the amount allocated to the Affiliates.

**SEC-32**

[Ex.5-1-1, p.2] With respect to the Applicant’s long-term debt:

- a. Please provide information to justify the prudence of entering into a \$3.25M promissory note with its affiliate, Greater Sudbury Utilities. Please detail the due diligence the Applicant undertook before entering into the agreement.
- b. Please provide information to justify the prudence of entering into a financing agreement with TD Bank in 2018. Please detail the due diligence the Applicant undertook before entering into the agreement.

**SEC-33**

[Ex.5] Please provide the Applicant’s 2019 regulated ROE.

**SEC-34**

[Ex.9-1-4, p.2] Please provide further details regarding the 20116 costs related to the transition to IFRS sought for recovery.

Respectfully submitted on behalf of the School Energy Coalition, this February 12<sup>th</sup> 2020.

*Original signed by*

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Mark Rubenstein  
Counsel for the School Energy Coalition