September 9, 2020

Christine E. Long
Registrar and Board Secretary
Ontario Energy Board
2300 Yonge Street, P.O. Box 2319
Toronto ON
M4P 1E4

Dear Ms. Long,

RE: EB-2020-0059 Waterloo North Hydro 2021 Rates Proceeding
Energy Probe Interrogatories

Attached are the interrogatories of Energy Probe in the EB-2020-0059 Waterloo North Hydro proceeding for OEB approval of its 2021 Rates.

Respectfully submitted on behalf of Energy Probe.

Tom Ladanyi

Digitally signed by Tom Ladanyi
Date: 2020.09.09 17:40:36 -04'00'

Tom Ladanyi
TL Energy Regulatory Consultants Inc.
Consultant representing Energy Probe

cc. Alyson Conrad (Waterloo North Hydro Inc.)
John Vellone (Borden Ladner Gervais LLP)
Patricia Adams (Energy Probe Research Foundation)
Roger Higgin (Sustainable Planning Associates Inc.)
Donald Lau (OEB Staff)

EB-2020-0059

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998, S.O. 1998, c. 15, Schedule B, as amended (the "OEB Act");

AND IN THE MATTER OF an Application by Waterloo North Hydro Inc. under section 78 of the OEB Act 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 January 1, 2021.

Application by Waterloo North Hydro for 2021 Rates

Energy Probe Interrogatories

September 9, 2020

Waterloo North Hydro 2021 Rates Application

Energy Probe Interrogatories

1-EP-1
References: Exhibit 1, Pages 78/79, Table 1-16

a) Please list the positions to be added in 2020/21.

b) How many of the 6 positions to be added in 2021 have been hired to date.

c) Please provide the year over year amount and percentage increase in Compensation 2020 Bridge to 2021.

1-EP-2
Reference: Exhibit 1, page 79, Table 1-17

Please discuss the reasons for the increase of the percentage of costs allocated to the Residential rate class.

1-EP-3
References: Exhibit 1, Pages 85/86; Exhibit 7, Pages 14/15

Preamble: "WNH is proposing a Standby Charge for the GS > 50 kW and Large User Classes, when a customer in the class has load displacement generation or storage. Customers within these classes are increasingly installing load displacement generation facilities that, when in use, reduce the amount of power taken from WNH's distribution system and ultimately impacts the amount of distribution revenue earned by WNH. WNH's proposal would apply to those customers that would continue to require WNH to provide full supply to the customer's facility during periods when the generator is not in service, which could be planned or unplanned."

a) Please confirm WNH has only met with 2 of 10 potential LD customers. When will WNH meet with the others to discuss the new Standby charges?

b) What steps does WNH take to ensure if LD customers have appropriate load management provisions that do not add to system peak?

c) What precedents (including OEB) has WNH used in designing its proposed standby rates? Please provide references.

1-EP-4
References: Exhibit 1, page 86, Table 1-24, and page 98, Table 1-26

a) Please discuss the reasons for the proposed 7.1% increase in the Residential distribution bill from 2020 to 2021.

b) Please reconcile the 7.1% increase in the Residential distribution bill with the result of the customer survey where the largest percentage of customers indicated that they were opposed to a rate increase.

c) Does WNH have any suggestions of changes that would reduce the rate increase for residential customers? Please discuss.

1-EP-5
Reference: Exhibit 1, Page 95

Preamble: "WNH believes that locally offering CDM programs allowed for the success of conservation within Ontario as the LDCs used their customer relationships and local knowledge to offer programs and incentives that were best suited for each customer. As shown in the customer engagement results in Attachment 1-9, customers continue to value this relationship with WNH. WNH has determined that to best suit customer needs and preferences, it will continue to offer services to help customers with energy efficiency, energy planning and demand management through rate base."

a) Please provide details of the Post Conservation First Framework WNH programs/initiatives that will continue in 2021.

b) Please provide the 2021 related FTEs and staff costs

1-EP-6
References: Exhibit 1, Page 119, Tables 1-38 and 1-39; Attach. 1-15 OEB WNH Scorecard; DSP 2.3.3.2 and Appendix K

Preamble: "However, WNH has not met its performance target with respect to SAIDI. WNH has and continues to focus a portion of its asset inspection programs and capital expenditures to bring its system reliability in line with OEB targets. Specifically, WNH's introduction of FLISR and increased number of remotely controlled switching devices in the field, have started to yield results. More detailed information can be found in Section 2.3.3.2 of the DSP and Appendix K – Distribution System Reliability Report (2019)."

a) Please confirm the data in the referenced tables are with LOS and MEDs eliminated.

b) Please update Tables 1-38 and 1-39 for 2019 and provide the forecast targets for 2020 and 2021 in tabular and graphical formats.

c) Please reconcile above to WNH OEB Scorecard.

d) Please provide the latest historical data regarding Cause Codes for interruptions.

e) Please discuss trends in defective equipment outages.

f) Please discuss what measures/investments have been added in the DSP to improve reliability/reduce outages.

g) When does WNH expect to meet OEB reliability targets?

2-EP-7
Reference: Exhibit 2, DSP, page 71

Preamble: "While customers largely agreed with the proposed plan and spending, modifying the plan to accommodate the aforementioned customer preferences did increase 2021 forecast capital expenditures by approximately $422,000. To accommodate these preferences and being sensitive to the customer's feedback on cost sensitivity, WNH further adjusted the plan to delay the capital spend for a new Enterprise Resource Planning System (ERP). The original ERP planned spend of $1.25 million in 2021 has been deferred to 2022."

Please file a table that lists specific capital expenditure increases that total $422,000 with explanations of how each expenditure increase is responsive to customer preferences.

2-EP-8
References: Exhibit 2, Page 30, Table 2-19; Exhibit 2, Pages 40 and 42

Preamble: There is a large increase in General Plant asset additions in 2020 ($3,417,615). This is explained in part by several software enhancements, upgrade and implementation projects including CIS-MDM-ODS Enhancements ($311K), Asset Management ($281K), Utility Design Software ($257K) and an RNI Upgrade ($192K). There is a further increase in 2021 ($2,581,661).

a) Please provide a more complete list and explanation for the 2020 and 2021 General Plant additions.

b) Please provide the annual percentage increases in General Plant in 2020 and 2021 relative to and by comparison to historic 2016-2019 average.

2-EP-9
Reference: Exhibit 2, page 65

Please file a table all listing 2021 capital projects above the $190,000 materiality threshold in the order of priority with the highest priority projects at the top of the list and the lowest priority projects at the bottom.

2-EP-10
Reference: Exhibit 2, Appendix A, Page 12

Does the determination of a Health Index for each asset include an on-site inspection of the condition of that asset? If the answer is no, please explain why not. If the answer is yes, please explain the nature of the on-site inspection and file a copy of a sample report of the inspection.

2-EP-11
Reference: Exhibit 2, Appendix A, page 22

Preamble: "HMSTS 'B' T3 and T4 have been evaluated to be in Fair condition at approximately two thirds, of their TUL. This is lower than expected and it is recommended that more analysis be performed over the next 5 years to better quantify the rate of health decline in forecasting EOL"

Please provide a more detail explanation of how the Fair condition was determined.

2-EP-12
Reference: Exhibit 2, Appendix A METSCO ACA Report Section 2.8.5 Pages 53/54 Table 2-44

a) Please Provide the Prior ACA recommendation and actual number of Poles replaced/yr 2016-2020.

b) Please provide the average unit cost/pole.

c) Based on the METSCO ACA confirm that ~616 Poles will be replaced in 2021 and each year to 2025.

d) Please provide the forecast unit cost/pole.

2-EP-13
Reference: Exhibit 2, Appendix A, METSCO ACA Report Section 2.9.5 Pages 62-63
Table 2-52

a) Please Provide the Prior ACA recommendation and actual km of UG cable replaced per year for 2016-2020.

b) Please provide the average unit cost/km.

c) Based on the METSCO ACA confirm that 7.1 km of cable will be replaced in 2021 and each year to 2025.

d) Please provide the forecast unit cost/km.

2-EP-14
Reference: Exhibit 2, Appendix H, page 5 and page 20

Preamble: "Scheifele 'A' station has reached its short-circuit rating limits at the station's feeder breakers. The fault contribution from existing connected embedded generation and Hydro One's transmission system upgrade as part of the Guelph Area Transmission Reinforcement (GATR) have contributed to the increase in short circuit levels. Taking into consideration the amount of generation that is allocated and pending, these short circuit rating limits will be exceeded within the next 12 –36 months. WNH has investigated the problem and has determined that the most cost effective solution will be to upgrade the feeder breakers at the station. WNH is moving forward with the work to reduce the risk of catastrophic failure of the circuit breakers during a fault clearing event. The project will be executed over 2 years. WNH has included the cost to replace these circuit breakers, $230,244 in 2020 and $209,762 in 2021, in their capital investment program."

a) Please describe the type and rating of the referenced embedded generation.

b) What proportion of the increase in the short circuit levels is due to the customer that owns the embedded generation?

c) Can the customer that owns the embedded generation be charged a contribution in aid of construction for this project. Please explain your answer?

2-EP-15
Reference: Exhibit 2, Appendix Q, OEB Table 5A

Please add the following two columns to the table: 2020 Estimate and 2021 Forecast.

3-EP-16
References: Exhibit 3, Pages 16 and 17, Tables 3-8 and 3-9; WNH Application Load Forecast 2021_COVID-19 20200630 (Excel)

Preamble: WNH has prepared a second load forecast that decreases kWh usage by the following: GS < 50kW customers by 10%, GS > 50 by 15% and Large User by 20% in 2021 and customer count decreases as follows: Residential by 1%, GS < 50kW customers by 5% and GS > 50 by 4%.

a) Please provide a version of Table 3-8 that includes Q1/Q2 data for all classes.

b) Why does the spreadsheet show no change to the residential average use?

c) Are the commercial and large user estimates of 10%, 15%,20% placeholders, or informed by customer input?

d) Why is there no change to the Embedded Distributor Load Forecast?

3-EP-17
References: Exhibit 3, Page 16 and 17 and Table 3-10; Exhibit 9, page 41

Preamble: "WNH indicates two options to address COVID-19 Impacts on the Load Forecast
1. Allow for a special sub-account for WNH of Account 1509-Impacts Arising from the COVID-19 Emergency which calculates the variance between the load forecast included in this Application and actuals. The details of this sub-account are included in Exhibit 9 of this Application, or
2. Use the revised load forecast included in this Application. WNH has attached the load forecast in live Excel format (Waterloo_Load_Forecast_2021_COVID-19_20200630) in Attachment 3-4."

a) Please confirm that the approach indicated by the OEB (not yet finalized) corresponds to Option 1.

b) Will WNH agree to provide intervenors with further updates on the 2021 Load Forecast during the proceeding of the Application?

3-EP-18
Reference: Exhibit 3, Page 22, Tables 3-15 and 3-16

a) Please provide a table based on data in Tables 3-15 and 3-16 that shows for 2021 the net forecast growth in average use per customer for each rate class.

b) Please provide/reference the billing determinants for each class

4-EP-19
Reference: Exhibit 4, Page 58

Preamble: "In 2021, the Communications and Key Accounts department will have no subsidization by the Wind Down budget of the CDM program and therefore the full FTEs are included in 2021."

a) How many positions and what annual cost will be absorbed by the utility in 2021?

b) What specific duties will these staff perform? Please provide details.

6-EP-20
Reference: Exhibit 6, page 10, Table 6-5

Please discuss possible ways that the 2021 Revenue Deficiency of $2,624,364 could be reduced such as possibly delaying some capital expenditures to future years.

7-EP-21
Reference: Exhibit 7, page 17, Table 7-8

Please discuss changes that would be required to bring the revenue to cost ratio for the Residential Rate Class to from 100.22% to 100.00%.

8-EP-22
Reference: Exhibit 8, pages 15 to 17, Tables 8-10 to 8-13.

a) Please explain the difference in labour and vehicle times for Disconnection / Reconnection at Meter during regular hours and after regular hours.

b) Please explain the differences in labour and vehicle times for Disconnection / Reconnection at Pole Transformer during regular hours and after regular hours 8 hours.

Submitted on behalf of Energy Probe by its consultants,

Roger Higgin
Sustainable Planning Associates Inc.

Tom Ladanyi
TL Energy Regulatory Consultants Inc.