

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.

INTERROGATORIES

FROM THE

SCHOOL ENERGY COALITION

1. [Ex. 1, p. 9] Please describe in detail the plans for the Applicant to enter competitive businesses, or to support/supply resources to affiliates that enter competitive businesses. Please describe how, if at all, the addition of the Key Accounts Department fits into these plans.
2. [Ex. 1, p. 9] Please provide the Applicant’s definition of Utility 2.0.
3. [Ex. 1, p. 12, and Attach 1-11, p. 40] Please confirm that the phrase “WNH does not foresee any additional major economic and development growth drivers occurring over the forecast years” does not include the potential impacts of Covid-19 and related government responses. Please provide all internal documents (including but not limited to communications with the auditors) that estimate or assess the potential impacts of Covid-19 and related government responses on the Applicant, including load, local economic development, cost increases or decreases, etc.
4. [Ex. 1, p. 15] Please provide the document containing the “industry analysis” that demonstrates that “major storms are becoming more frequent”.
5. [Ex. 1, p. 16] Please provide all evidence in the possession of the Applicant showing that OMS technology has tended to worsen the baseline reliability performance measures.
6. [Ex. 1, p. 16, and Attach 1-19, p. 9] Please provide any actual or forecast cost/benefit analysis of the FLISR software in the Applicant’s service territory.
7. [Ex. 1, p. 17] Please provide the original business case for the JOMAR Softcorp CIS.
8. [Ex. 1, p. 25 and Ex. 4, p. 14] Please provide any analysis available of the cost savings associated with e-billing for the Applicant. If no analysis has been done, please describe the plans of the Applicant, if any, to carry out such an analysis.

9. [Ex. 1, p. 44] Please confirm that the rate increases proposed in this Application are not 1.5% for residential and 1.3% for GS<50.
10. [Ex. 1, p. 54] Please describe the process used by the Applicant to review the executive incentive plans, then develop and approve a new total compensation policy, in one month from November to December 2015.
11. [Ex. 1, p. 56] Please provide any reports, presentation, or other documentation of the new executive compensation plan.
12. [Ex. 1, p. 75 and Ex. 2, p. 5] Please confirm that the Applicant proposes to increase the Net Book Value of Rate Base by 15.7% from 2016 Actual to 2021 Proposed, a compound annual growth rate of 2.9% per year. Please confirm that the Applicant proposes to increase gross fixed assets by \$90.6 million from January 1, 2016 to December 31, 2021, an increase of 27.4%, and a compound annual growth rate of more than 4.1% per year. Please reconcile growth in fixed assets and rate base with customer and demand growth.
13. [Ex. 1, p. 77] Please identify and quantify all savings in the proposed OM&A budget arising out of past capital spending in excess of depreciation and inflation.
14. [Ex. 1, p. 99, Attach 1-9] Please provide the original and approved proposals, and the agreement, between the Applicant and Brickworks. Please provide any comments provided to Brickworks from the Applicant on the survey questions or on drafts of the report.
15. [Ex. 1, p. 100] Please provide the rationale behind conditioning the low cost option with negative impacts, but not conditioning the reliability, safety, innovation and customer service options with negative impacts (i.e. higher costs).
16. [Ex. 1, p. 101, Attach 1-9 p. 4] Please confirm that the biggest single preference in the qualitative results, arising in many of the responses, is cost reduction.
17. [Ex. 1, p. 113] Please provide the 2019 scorecard results.
18. [Ex. 1, p. 118] Please provide any analyses, including memoranda, presentations, reports, etc., dealing with the proposition "WNH believes it would be very difficult to move into Group 2 or higher". Please provide a description of the attributes of WNH, relative to those distributors that are in Group 2, that make this statement true. Please confirm that the Board of Directors of the Applicant has approved the decision of management not to seek to move from Group 3 to Group 2.
19. [Ex. 1, 127] Please provide the 2019 Consolidated Financial Statements of the Parent Company.

20. [Ex. 1, App. 2-A] Please describe the nature of the approval requested relative to the Distribution System Plan.
21. [Ex. 1, Attach 1-10, p. 13] Please provide details of all changes made to the vision, mission and purpose statements in 2019.
22. [Ex. 1, Attach 1-10, p. 15-17] Please provide any roadmap, list, pipeline or other documentation relating to the key priority “Research and develop new product and service offerings”. Please provide details on the lessons learned to date from looking at other LDCs.
23. [Ex. 1, Attach 1-10, p. 17] Please provide the evidentiary basis for the statement “Customers indicated that their primary priorities were Reliability (few outages) and Safety”.
24. [Ex. 1, Attach 1-10, p. 19] Please provide details of the capacity upgrade for UW, and describe in detail how all of the costs of that capacity upgrade are to be allocated.
25. [Ex. 1, Attach 1-10, p. 23] Please describe the process being used to select and replace the ERP software.
26. [Ex. 1, Attach 1-11, p. 29, and Ex. 5, p. 4] Please describe the rationale for paying interest on the affiliate debt at 1.125% above the OEB deemed rate.
27. [Ex. 2, p. 27] Please provide a comparison of the 2016 IT Capital plan against the actual spending on IT over the period 2016 to date.
28. [Ex. 3, p. 16-18] Please confirm that the information provided on load impacts is on a weather normalized basis. If not confirmed, please provide the same information on a weather normalized basis.
29. [Ex. 3, p. 17 and Ex. 4, p. 1] Please provide details of all adjustments to planned operating and capital spending in 2020 and 2021 implemented or expected to be implemented as a result of the decreases in revenues caused by Covid-19.
30. [Ex. 4, p. 9] Please provide details of when the decline in industrial customers started, and when it was largely completed.
31. [Ex. 4, p. 11] Please provide details of the planned executive searches for a new CFO and new CEO, and the costs built into the test year budget related to those searches.
32. [Ex. 4, p. 16] Please explain why cloud-based solutions are expected to result in higher costs.

33. [Ex. 4, p. 20, 22] Please confirm that the Applicant proposes to increase G&A spending per customer by 29.3% from 2016 Actual to 2021 Proposed, a compound annual growth rate of 5.3% per year (an overall increase of 38.7% and a CAGR of 6.7%), while increasing O&M spending per customer by 6.1% over the same period, a compound annual growth rate of less than 1.2% per annum (an overall increase of 11.6% and a CAGR of 2.2%). Please explain in detail the rationale for shifting OM&A priorities away from O&M and in favour of G&A.
34. [Ex. 4, p. 30] Please provide details of the CDM costs incurred by the Applicant from 2010 to and including the Test Year, and including the new Key Accounts Department as CDM Costs. Please explain the material changes to the annual costs over time.
35. [Ex. 4, p. 80, 82] Please restate the full continuity schedule for rate base from 2016 to 2021, as well as Table 4-37, using the half year rule. Please provide this in live Excel format.
36. [Ex. 4, p. 89, 108] Please restate Table 4-58, and the rate base continuity schedule, on the assumption that the new 10 year depreciation rate for large software was not implemented. Please provide this in live Excel format.
37. [Ex. 7, p. 13] Please provide numerical examples of the impact of the proposed standby charges, and all assumptions used in those examples. Please describe the process for negotiating the “contract” demand that will be used as the basis for the standby charge for each customer, and the method proposed for resolving any disputes between the Applicant and the customer relating to the contract demand.
38. [Ex. 8, p. 6] Please explain how the standby charges are factored into the revenue requirement and allocated to the classes.

Respectfully submitted on behalf of the School Energy Coalition this September 10, 2020.

Jay Shepherd
Counsel for the School Energy Coalition