

September 11, 2020

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

Dear Ms Long:

EB-2020-0059 – Waterloo North Hydro Inc. – 2021 Electricity Distribution Rates

Please find, attached, interrogatories on behalf of the Consumers Council of Canada for Waterloo North Hydro Inc. pursuant to the above-referenced proceeding.

Please feel free to contact me if you have questions.

Yours truly,

Julie E. Girvan

Julie E. Girvan

CC: All parties

INTERROGATORIES FOR WATERLOO NORTH HYDRO INC.

FROM THE CONSUMERS COUNCIL OF CANADA

RE: 2021 ELECTRICITY RATES APPLICATION

EB-2020-0059

CCC-1

Please provide all materials provided to Waterloo North Hydro Inc's (WNH's) Board of Directors and the holding company's Board of Directors related to this Application.

CCC-2

Please provide a list of any impacts on the 2021 revenue requirement resulting from the COVID-19 pandemic. Please provide a list of all of the impacts the COVID-19 pandemic has had on WNH's costs and revenues in 2020. Please indicate if WNH has made any entries to the COVID-19 Account established by the OEB on March 25, 2020 (EB-2020-0133) and if so, please provide the amounts in the Account and the sub-accounts.

CCC-3

Ex. 1/p. 31

The evidence states that allocated and pending Load Displacement Generation projects are increasing between 2020 and 2025. Please provide a complete list of all LDG projects proposed for the period 2020-2025. What is the projected impact of these projects on WNH's load?

CCC-4

Ex. 1/p. 33

Please explain what the GridSmartCity Cooperative is and indicate how the joint purchasing arrangements within this group works.

CCC-5

Ex. 1/p. 34

What would be the impact on the 2021 revenue requirement if the number of FTEs remained the same as the 2020 levels? What is the current level of FTEs (September 2020)?

CCC-6

Ex. 1/p. 34

The evidence indicates that WNH has worked to reduce staffing levels where there are redundancies such as in Administration and Finance. Please provide a complete list of all employee positions.

CCC-7

Ex. 1/p. 36

Please confirm that WNH's actual ROE for the period 2016-2019 averaged 8.46%. What is the expected ROE for 2020?

CCC-8

Ex. 1/p. 37

Please explain the scope of work that is undertaken by Sustainable Waterloo Region. How is it funded? Please describe how WHN is providing energy efficiency and conservation for its customers.

CCC-9

Ex. 1/p. 48

Please provide a complete list of all productivity initiatives being undertaken in 2021. Please include the associated annual savings embedded in the 2021 revenue requirement.

CCC-10

Ex. 1/pp. 67, 74

The evidence states that developing WHN's budget is a key process as it identifies past successes as well as future initiatives and projections for capital and operating costs. Please provide all directives and documents provided to staff regarding the preparation of the budgets embedded in the Application.

CCC-11

Ex. 1/p. 81

WHN is proposing a Standby Charge for the GS>50 kW and large User Classes for load displacement generation or storage. The evidence states that absent a standby rate, other WNH customers will be required to cross-subsidize the costs associated with providing back-up services to customers with load displacement generation. What is the estimated annual impact on WHN's other customers?

CCC-12

Ex. 1/p. 87

The evidence states that WHN has proposed in its Application to increase e-billing to 45% of its customers by the end of 2021 and that it has recognized the resulting savings. Please identify the savings and indicate how they have been reflected in the 2021 budgets. Please include all assumptions

CCC-13

Ex. 1/p. 92

The evidence states that WHN has determine that to best suit customer needs and preferences, it will continue to offer services to help customers with energy planning and demand management through rate base. Please explain what programs and WNH is currently providing to its customers and what programs it will provide in 2021. Please set out all CDM costs included in the revenue requirement and the allocation of those costs to the rate classes.

CCC-14

Ex. 1/p. 100

Please provide the terms of reference for the Brickworks Communications work. What was the cost of the work and how is it to be recovered? Please describe the nature of WNH's involvement in the work and the drafting of the final report. Was this work subject to an RFP process? If not, why not? If not, on what basis was the contractor selected?

CCC-15

Ex. 1/pp. 100-106

With respect to the Brickworks Communications work, were customers made aware of the fact that WNH was planning a 7% distribution rate increase for residential customers in 2021? If not, why not? Were customers made aware of the fact that embedded in rates is an allowed return on equity of approximately 9%? If not, why not?

CCC-16

Ex. 1/p. 106

WNH cut \$242,393 from its OM&A budget following its customer engagement activities. Please provide a detailed breakdown of that amount and explain how it was derived.

CCC-17

Ex. 1/p. 110

Please provide the 2019 Scorecard.

CCC-18

Ex. 1/p. 117

Please provide the 2019 total cost per customer. Please explain why there is a significant increase in total cost per customer from 2017 to 2018. What is the projected total cost per customer for 2020 and 2021?

CCC-19

Ex. 1/p. 117

Please provide the 2019 total cost per km of line for 2019. Please explain why there is a significant increase in 2018 relative to 2017. What is the projected total cost per km of line for 2020 and 2021?

CCC-20

Ex. 1/p. 121

Please provide WNH's internal scorecard for 2021. Please provide the targets and results for the years 2014-2019.

CCC-21

Ex. 1/p. 125

Does WNH have any current plans to acquire or amalgamate with another distributor in the near future?

CCC-22

Ex. 1/Attachment 1-10

When was the 2020-2025 Business Plan completed? When was it approved by the Board of Directors?

CCC-23

Ex. 1/Attachment 1-10 – Business Plan

As set out in the Business Plan WNH has listed a number of things a part of its “Vision”:

- I. Successfully offering and charging for new services: providing a range of behind-the-meter services, generation and smart home services, supply energy to our customers regardless of source. Please indicate whether these are utility services or services undertaken through an affiliate. Does the 2021 budget include and costs or revenues associated with these services?
- II. Sustaining and growing the dividend? Please provide a table setting out all dividend payments for the period 2014-2019. How does WNH intend to “sustain and grow the dividend” going forward?

CCC-24

Ex. 1/Attachment 1-10 – Business Plan

In the Business Plan WNH has identified the following as a priority for 2020 and 2021 – “research and develop new product offerings and services”. Please identify any costs and revenues associated with this priority item included in the 2021 revenue requirement.

CCC-25

Ex. 2, Attachment 2-2

Please indicate what relief WNH is seeing from the OEB with respect to its DSP through this Application.

CCC-26

Ex. 2

WNH filed a Distribution System Plan in its last cost of service application. On p. 25 of that DSP WNH set out its proposed spending for each year of the plan (Table 1-13). Please recast this Table to include actuals for each year. Please comment on the extent to which WNH’s actual capital spending was consistent with the DSP presented to the OEB in its last application.

CCC-27

Ex. 2, Attachment 2-2

Please provide an updated Table 1-12 – which includes the most recent forecast of Generation Connections for the years 2020-2025.

CCC-28

Ex. 4/p. 7

Please provide a detailed budget for Community Relations and explain why the budget for 2021 is significantly higher than in previous years. Please describe all of the activities carried out as “Community Relations”.

CCC-29

Ex. 4/p. 11

What is the current status regarding WNH’s Collective Agreement?

CCC-30

Ex. 4/p. 16

Please provide a detailed OM&A IT budget for each of the years 2016-2021.

CCC-31

Ex.4/p. 19

The evidence states that the 2020 OM&A budget is based on estimates with no actual data included. Please provide an updated OM&A budget based on actual spending to date.

CCC-32

Ex. 4/p. 72

What is the annual cost of WNH’s Board of Directors included in the 2021 revenue requirement?

CCC-33

Ex. 4/p. 76

Please provide a detailed breakdown of the \$650,000 Consulting Services component of Regulatory Costs.

CCC-34

Ex. 8/p. 14

Please indicate to what extent WNH undertook any customer engagement regarding the proposed changes to its Specific Service Charges. If no engagement was undertaken please explain why. Has WNH compared these proposed new charges to what other LDCs charge for the same services. If not, why not?