PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

September 30, 2020 **VIA E-MAIL**

Christine E. Long
Registrar and Board Secretary
Ontario Energy Board
Toronto, ON

Dear Ms. Long:

Re: EB-2020-0048 – Oshawa PUC Networks Inc. (OPUCN) 2021 Rates Cost of Service Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)

Please find attached the interrogatories of VECC to the HVAC Coalition in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

Mark Garner
Consultants for VECC/PIAC

Mark C Garner
Digitally signed by Mark C Garner
Date: 2020.09.30 15:39:37 -04'00'

Email copy:
Ms. Margaret Boland, Manager of Regulatory Compliance, OPCUN
mboland@opuc.on.ca

REQUESTOR NAME	**VECC**
TO:	**Oshawa PUC Networks Inc. (OPUCN)**
DATE:	**September 30, 2020**
CASE NO:	**EB-2020-0048**
APPLICATION NAME	**2021 Cost of Service Rate Application**

1.0 ADMINISTRATION (EXHIBIT 1)

1.0-VECC-1
Reference: Exhibit 1

Oshawa Power (OPUCN) provides comprehensive information on financial assistance to its customers on its website: (https://www.opuc.on.ca/need-help-paying-electricity-bill/).

a) Does OPUCN track the number of contacts (on-line, telephone or in-person) inquiries or request for financial assistance? If so please provide the number of contacts in each of the years 2015 through 2019.
b) Please explain how (and from whom) the Compassion Fund and the Rainy Day receive resources for assisting customers in need.
c) OPUCN notes on its site that the Compassion Fund is not funded by ratepayers. Could this program be expanded (i.e. is there the demand) if a modest amount of ratepayer funding was made available? Would an expansion of the program help in any way to minimize other costs incurred due to short term financial difficulties of some customers?

2.0 RATE BASE (EXHIBIT 2)

2.0-VECC -2

Reference: Exhibit 2, page 2 20-22

Preamble: The Application states (Exhibit 2, page 20): "*OPUCN's wholesale market participant (WMP) customers have been excluded from the calculation of electricity and global adjustment costs, as they transact directly with the Independent Electricity System Operator (IESO) for the purchase of electricity*"

a) The total kWh used to determine the commodity cost (1,075,667,737 kWh) equals the total volumes per the load forecast (Exhibit 3, page 21). Please indicate where the adjustment is made in the calculation of the commodity costs in order to exclude OPUCN's wholesale market participant customers.

2.0-VECC -3

Reference: Exhibit 2, page 35

a) Please compare and explain the variance from the original OMS project budget ($825k as estimated in EB-2014-0101) to the actual amount spent on this project.

2.0-VECC -4

Reference: Exhibit 2, page 42 Table 2-23-Appendix 2-AA / EB-2014-0101 Exhibit 2, Tab A, page 84 Table 2-31-Appendix 2-AA

Please compare and contrast the following projects as presented in EB-2014-0101):

i. Thorton TS Capacity ($3.0 million for HONI capital contributions);
ii. Wilson TS Capacity ($3.5 million for HONI capital contributions);
iii. MS9 44kv/13.8 Substation (forecast of $7 million over period 2015-2018);
iv. MS9 Proposed Feeders (forecast of $2 million over period 2018-2019)

2.0-VECC -5

Reference: Exhibit 2, page 42 / EB-2014-0101 Appendix 2-AA

With respect to Durham Region plant relocations OPUCN had forecast the following capital spending and related contributions:

	2010	2011	2012	2013	2014 Bridge Year	2015 Test Year	2016 Test Year	2017 Test Year	2018 Test Year	2019 Test Year
g Basis	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
System Access										
Subdivision Expansions	918	1,300	1,816	1,820	2,100	1,075	1,125	1,150	1,180	1,215
Service connections/requests	430	366	150	160	110	120	110	100	100	100
Service/Expansion Contributions	(2,034)	(931)	(1,271)	(1,459)	(1,560)	(650)	(675)	(690)	(705)	(730)
Hwy 407 Extension - Plant relocation					430	4,510	700			
Hwy 407 contribution					0	(3,580)	(400)			
Durham Region - Plant relocation	0	447	347	450	250	1,875	935	1,065	1,080	1,055
Durham Region Contribution	(139)	0	0	(150)	0	(506)	(235)	(265)	(280)	(255)
City of Oshawa - Plant relocation										

a) For the 2015-2019 period please show the actual spending and the actual contributions for the Durham Region relocations.

2.0-VECC -6
Reference: Exhibit 2, page 24

b) Please provide the letter/invoice or agreement with respect to the $4,136, 705 in capital contributions made to Hydro One for "*a new transformer station just east of the City of Oshawa*."

2.0-VECC -7
Reference: Exhibit 2, page 42

At page 34 of the DSP OPUCN states that "*On a 7 semi-annual basis, OPUCN will review actual capital expenditures to date and will forecast total expenditures to year end."*

a) Please update Table 2-23 (Appendix 2-AA) to show 2020 mid-year actuals and the projected year-end spending.

2.0-VECC -8
Reference: Exhibit 2, page 42 / Table 2-23/Appendix 2-AA

a) Please explain how the 2021 estimates of "*Expansions*" is estimated.
b) Are the actuals and forecast amounts for this line item net of capital contributions?
c) For each year 2015 through 2021 please provide both the gross capital amount for *Expansions* and the associated capital contribution in the year.

2.0-VECC -9
Reference: Exhibit 2, page 42, Table 2-23 /Appendix -2AA

a) Please explain how the 2021 forecast of "*Third Party Relocations*" is estimated.
b) Are the actuals and forecast amounts for this line item net of capital contributions?
c) For each year 2015 through 2021 please provide both the gross capital amount for *Third Party Relocations* and the associated capital contribution in each year.

2.0-VECC -10
Reference: Exhibit 2, DSP page 13

a) At the above reference OPUCN discusses the potential for redevelopment of the GM Plan in Oshawa.
b) Please clarify whether OPUCN is referring to all the General Motors properties (i.e. the Assembly Plant at Stevenson Rd S; Regional Engineering Centre at Wentworth St. W; Metal Stamping Plant at Park St. S; and the Corporate Headquarters at Colonel Sam Dr.)
c) Are all General Motors sites currently served by Hydro One?
d) Why does OPUCN believe that it would be taking over service territories of Hydro One if the properties are redeveloped? Has OPUCN had discussions with Hydro One in this regard?

2.0-VECC -11
Reference: Exhibit 2, DSP, page 29-33

a) Does OPUCN track Defective Equipment outages by equipment type? If yes please provide the 2015 to 2019 outages by equipment type (number , number of customers interrupted and customer hours interrupted).

2.0-VECC -12
Reference: Exhibit 2, DSP, page 29-33

In the recently concluded settlement proposal (yet to be opined on by the Board) between Hydro Ottawa and intervenors (EB-2019-0261) the parties agreed on a Performance Outcomes Accountability Mechanism Deferral Account. The account requires that the Utility credit the account in the favour of customers if it fails to meet certain agreed upon targets related to the execution of its distribution plan over the period of the rate plan.

a) What targets over the rate period would OPUCN consider achievable based on its proposed distribution plan for:
    i. Interruptions caused by defective equipment;
    ii. SAIDI;
    iii. Unit cost of fully dressed wood poles; and,
    iv. Unit cost of underground cable replacement?
b) What other metrics does OPUCN believe would provide a good measure of the reliability and cost effectiveness of its distribution system plan?

2.0-VECC -13

Reference: Exhibit 2, pages 51- 57 / / EB-2014-0101 Exhibit 2, Tab A, page 84 Table 2-31-Appendix 2-AA

a) Please provide a table showing the actual as compared to Board approved amounts for System Access capital spending which shows gross spending, capital contributions (system access category only) and net spending for the years 2015 through 2019.
b) Please explain any variance in net spending (if any) from the amounts shown in / EB-2014-0101 Exhibit 2, Tab A, page 84 Table 2-31-Appendix 2-AA for the System Access category.

2.0-VECC -14

Reference: Exhibit 2, DSP page 7-8, 12 /: Exhibit 2, Appendix B Asset Condition Assessment (ACA),

a) Please outline any methodological changes in the approach used in the METSCO Assessment Report filed in support of the 2015-2019 Distribution System Plan (EB-2014-0101) and the assessment provided by METSCO in this application.

2.0-VECC -15

Reference: Exhibit 2, Appendix B Asset Condition Assessment (ACA), page 9

a) Please provide the equivalent to Figure 0.1 and Table 0-1 (Asset Condition Assessment overall results) using the health indices that were produced by METSCO in its prior ACA for OPUCN (filed in the last cost of service application EB-2014-0101 -Asset Condition Assessment Report and Asset Management Plan, February 2014, Exhibit 2, Tab B, Schedule 3).
b) Comparing the prior (2014) ACA Health Indices to those produced in the 2018 Report filed in this proceeding, please comment on the extent to which OPUCN has been successful (or not) in improving asset conditions as contemplated by the prior DSP.

2.0-VECC -16

Reference: Exhibit 2, DSP page 24

a) Since the METSCO ACA was undertaken (Spring 2019) OPUCN has embarked on significant increase in spending on Underground Line Renewal. (approximately $3 million in 2019 and 2020). Please provide current percentage of underground primary cable that is now considered to be in “Fair”, “Poor” and “Very Poor” condition.

2.0-VECC -17
Reference: Exhibit 2, DSP – Appendix A, page 190

a) OPUCN is planning on spending $736k for a new CIS system. However, we cannot find any business plan or detailed report reviewing the options for CIS replacement or more generally on the information technology plans of the Utility. Has OPUCN engaged a third party to review its IT (CIS, Office Systems and Operational Technology) plans? If yes, please provide the consultant's report(s). If not what due diligence has OPUCN done to ensure it is embarking on a robust IT plan over the next 5 years?
b) What is the basis for the projection of $410K for software and $123K for the licensing for the new CIS system?
c) Has OPUCN tendered or contracted for any of the CIS or Operational Technology (GIS,OMS,ODS,SCADA) work that will be done in 2020 and 2021?
d) Why has OPUCN spend no monies on "Information Technology General" in the years 2015 through 2019 and yet requires spending of $282k and 419k in 2020 and 2021?

2.0-VECC -18
Reference: Exhibit 2, Appendix B Asset Condition Assessment (ACA), page 8

At the above reference it states: "*The majority of OPUCN's system is in Fair or better condition, which suggests OPUCN's past renewal investments were effective in maintaining the system health. However, there are some assets that can benefit from an increase in asset renewal to improve the age distribution and the condition of the asset class.* ***This may result in a decrease in cost associated with reactive failures*** *and may reduce the number of assets with a condition graded below Fair*." (emphasis added)

a) What is the annual estimated decrease in capital and operating costs associated with the improvement in asset condition that has occurred from the execution of the prior DSP and is expected to continue or improve over the time of executing the new proposed DSP?

2.0-VECC -19
Reference: Exhibit 2, Appendix J – 2018 Scorecard

a) Please update the Scorecard to include 2019 results.

2.0-VECC -20
Reference: Exhibit 1, OPUCN Business Plan, page 36/Exhibit 4, page 15

a) Please provide the capital spending in 2021 on building maintenance.
b) How many buildings does OPUCN current operate out of? How many of these buildings are owned by the City of Oshawa?

2.0-VECC -21
Reference: Exhibit 2, Appendix K – Grid Modernization Plan

The above noted Plan states in the Disclaimer: "*This 2020 report has been prepared by METSCO Energy Solutions Inc. ("METSCO") for Elexicon Energy Inc. ("Elexicon").*

a) Please confirm (or correct) that the reference to Elexicon Energy is made in error.
b) Has METSCO produced a similar report for Elexicon Energy?
c) Please update the Table at Section 9 (page 22) which shows the estimated costs of the Modernization Plan.
d) Please reconcile the estimates shown in the Table at Section 9 for 2020 and 2021 ($1.612M and $1.395M respectively) and the amounts shown for "Smart Grid" expenditures in Appendix 2-AA of 335k and 350k for those two years.

2.0-VECC -22
Reference: Exhibit 2, Appendix K – Grid Modernization Plan

a) Please provide the costs for the:
    a. Peak Performance OEB sponsored TOU Study
    b. Solar Energy Management Study
    c. OSI Pi System
    d. E-Mission
    e. Durham Community Energy Plan
    f. Combined Heat and Power
    g. Electric Bus
b) Please identify those projects listed in a) for which the costs are proposed to be recovered in distribution rates.

3.0 OPERATING REVENUE (EXHIBIT 3)

3.0-VECC-23
Reference: Exhibit 3, page 4

Preamble: The Application (page 4) states: "*There are no COVID-19 related impacts forecasted for inclusion in rates in this Application on the assumption that the costs of those impacts will be tracked in the DVAs and disposed of by the OEB later*."

a) The Application makes reference to the costs of COVID-19 related impacts. In OPUCN's view is it possible that the utility will experience cost savings as a result of the COVID-19 pandemic?
b) If yes, is it OPUCN's expectation that such savings will also be tracked in the DVA and disposed of later?

3.0-VECC-24
Reference: Exhibit 3, page 6 (Table 3-1)

a) Are the values for the Bridge Year (2020) all forecast or are the values partially based on actual results for 2020? If partially based on actuals, for what months were actual results used?

3.0-VECC-25
Reference: Exhibit 2, page 20
Exhibit 3, pages 8 and 11
Load Forecast Model, Purchased Power Model Tab, Column B
Preamble: The Application states (Exhibit 2, page 20): "*OPUCN's wholesale market participant (WMP) customers have been excluded from the calculation of electricity and global adjustment costs, as they transact directly with the Independent Electricity System Operator (IESO) for the purchase of electricity*".
The Application states (Exhibit 3, page 8): "*The methodology uses monthly wholesale deliveries for the period January 2010 to December 2019, as metered in kWh's at the wholesale points of delivery, to represent electricity purchases*".

a) Do the purchased power values used in the load forecast model include sales to OPUCN's wholesale market participant(s)? If not, how are the volumes associated with OPUCN's wholesale market participant incorporated into the load forecast?

b) Does OPUCN purchase power from any embedded generators (e.g. MicroFIT)
c) If yes, are these purchases from embedded generators included in the Power Purchased values for 2010-2019 used in the load forecast model?
d) If either i) OPUCN purchases power from embedded generators and these purchases are not included in the Power Purchased values used in the load forecast and/or ii) sales to OPUCN's wholesale market participants have not been included, then please provide a revised load forecast model where the Power Purchased Model Tab includes columns for these as appropriate and the regression model is based on the overall sum.

3.0-VECC-26

Reference: Exhibit 3, pages 9 and 10

Preamble: The Application states (page 9): "*Cycle billing process is an example of a constraint that makes it difficult to produce the data required to develop individual rate class models to predict future consumption. OPUCN employed cycle billing processes since 2003.*"

The Application also states (page 10): "*While it may be desirable to isolate consumption determinants related to individual rate classes, this is simply not possible with the data available to OPUCN at this time.*"

a) Do all of OPUCN's metered customer classes have smart/interval meters?
b) Would it be possible for OPUCN to use the smart/interval meter data to establish rate class usage on a calendar month basis and use this data to develop individual rate class models in future Applications?

3.0-VECC-27

Reference: Exhibit 3, page 17
Load Forecast Model, Rate Class Energy Model Tab, Cell F22

Preamble: The Application (page 17) states: "*As outlined in this Exhibit, OPUCN's proposed loss factor is 4.37%. With this average loss factor the total weather normalized billed energy will be*".

a) Exhibit 3 states that the loss factor used to convert forecast purchases to forecast billed energy was 4.37%, the same values as proposed for 2021 based on a 5-year average. However, the Load Forecast Model uses a value of 4.382, based on a 10-year average. Please confirm that it was OPUCN's intent to use the 10-year average consistent with the historical period used to estimate the load forecast model.

3.0-VECC-28

Reference: Exhibit 3, pages 17-18
Load Forecast Model, Rate Class Customer Model Tab

a) Please confirm that the average number of customers/connection for each year was determined based on the average of the 12 monthly values.
b) Is each monthly value, the customer/connection count as of the end of the month?
c) Please provide the actual number of customers/connections for each rate class as of June 30, 2019, July 31, 2109, June 30, 2020 and July 31, 2020.

3.0-VECC-29

Reference: Exhibit 3, page 18
Load Forecast Model, Rate Class Energy Model, Row 36

Preamble: The Application states: "*The following Table 3-5 provides the average annual consumption per customer connection by rate class for OEB-approved 2019 and Actual 2019*."
The Application also states: "*The non-normalized weather billed energy forecast has been determined however the results needs to be adjusted based on weather sensitivity factors*".

a) Please provide a reference/source for the OEB-approved 2019 values in Table 3-5.
b) What is the basis for the weather sensitivity factors used in the Load Forecast Model?

3.0-VECC-30

Reference: Exhibit 3, pages 12 and 19
OPUCN 2017 Final Verified Annual CDM Program Results File
OPUCN P_C Report OPUCN-2018
3-Staff-55

a) It is noted that the OPUCN 2017 Final Verified Annual CDM Program Results file contains the persisting impact of CDM programs implemented in 2015-2017 for the period 2015-2021. Please provide similar reports from the OPA/IESO that indicate the persisting savings from CDM programs implemented in 2010-2014 for the period 2010 to 2021.
b) Please provide the most recent reports from the IESO that document:
    i. The savings from CDM programs implemented in 2018 persisting annually over the period 2018-2021.
    ii. The savings from CDM programs implemented in 2019 persisting annually over the period 2019-2021.

c) Please confirm that there are no CDM projects that have been or are planned to be implemented in 2020 that are related to the wind-down of the Conservation First Framework.
   i. If there are, please identify the programs and their anticipated annual savings for the period 2020-2021.

d) Based on the response to the above questions and the CDM reports filed with the Application, please provide a schedule/excel file that for each of the program years 2010 to 2020 sets out the persisting CDM impacts through to 2021 as follows:

Impact of Historical and Forecast CDM					
Calendar Year/ CDM Program Year	2010	Columns for Each Subsequent Year up to 2020			2021
2010 CDM Program Impacts					
Actual CDM impacts for each year to 2009 – one row per year					
2020 CDM Programs Impacts					
Total					

e) Based on the response to part (d) please confirm whether the cumulative impact of CDM (i.e., the column totals) increased annually over the 2010-2019 period.

f) If the response to part (e) is yes, please confirm that this annual increase will have served to decrease the purchased power values for 2010-2019 used to develop the purchased power model.

g) If the response to part (e) is yes, could it be the impact of CDM implemented over the period 2010-2019 that gives rise to the results referenced by ORB Staff in 3-Staff-55 whereby “in every year from 2010 to 2015, actual purchases exceeded predicted purchases, and in every year from 2016 to 2019, predicted purchases exceeded actual purchases”?

h) If the response to part (e) is yes, please confirm whether a similar annual increase in the annual impact of CDM is forecasted to occur over the years 2020 to 2021 and, if not, what adjustments are required to the purchased power forecasts for 2020 and 2021.

3.0-VECC-31
Reference: Exhibit 3, page 36 (Table 3-26)
Chapter 2 Appendices, Tab 2-H

a) It is noted that for 2020 and 2021 there are no forecast revenues for Accounts #4082 and #4084. Please confirm that OPUCN currently has no customers that are served by Retailers. If not confirmed please indicate why the forecast values for these accounts are zero.
b) Please explain why Rent From Electric Property (Acct. #4210) was higher in 2019 than either 2018 or the 2020 forecast.
c) In what account are the revenues from the MicroFit charge (per Exhibit 8, page 13) reported and what are the forecast revenues for 2021?

4.0 OPERATING COSTS (EXHIBIT 4)

4.0 -VECC -32
Reference: Exhibit 4, page 41

a) Please describe the CDM initiatives that OPUCN intends to continue over the next 5 years.
b) How many key accounts does OPCUN have and which will be monitored by the staff member moving from CDM?
c) Prior to the movement of 1 FTE from dedicated CDM work how many FTEs were assigned to key account work?
d) Please provide the job description of the key account position and when that position was created.

4.0 -VECC -33
Reference: Exhibit 4, page 42

a) Is OPCUN now being charged or allocated costs related to the work of the 1 FTE who moved from OPUCN Community Relations to Corporate?

4.0 -VECC -34
Reference: Exhibit 4, page 43

The evidence states: *"Actual retirements amongst the skilled trades department totalled 8 FTE's, in line with the forecast approved in 2015. Other retirements in the period totalled 11 FTE's, including 6 management and 5 non-trade staff.*

Other leavers in the period for reasons other than retirement totalled 10, including 6 skilled trades personnel."

a) Please clarify the difference as between "actual retirements" and "other retirements."
b) Is the correct number of job turnovers at OPUCN for the 2015 to 2019 period 29 FTEs (i.e. 8+11+10)? If not please provide the correct number.
c) The numbers suggest that OPUCN has an annual churn or turnover rate of about 6 FTEs. Is that correct? If not please provide the actual annual turnover rate for the last 5 years.

4.0 -VECC -35
Reference: Exhibit 4, Table 4-21, page 47

a) Please amend Table 4-21 (Appendix 2-K) to include the total amount of compensation capitalized in each year.

4.0 -VECC -36
Reference: Exhibit 4, page 42

a) Please provide a list of the 9 management positions added since the last rebasing. Please provide: when the position was created; the salary range of each position and indicate whether the position is currently filled.
b) Of the total 91 FTEs shown how many are currently filled?

4.0 -VECC -37
Reference: Exhibit 4, page 45

a) Please explain what OEB scorecard metrics are associated with incentive pay and what positions are subject to those incentives.
b) Using 2019 as an example, please show how the OEB scorecard metrics influenced incentive compensation at OPUCN.

4.0 -VECC -38
Reference: Exhibit 4, page 45

a) Please explain what OEB scorecard metrics are associated with incentive pay and what positions are subject to those incentives.
b) Using 2019 as an example, please show how the OEB scorecard metrics influenced incentive compensation at OPUCN.

4.0 -VECC -39
Reference: Exhibit 4, page 45

a) Given the change to move the CEO position within OPUCN please describe what remaining management duties are performed by OPUC for OPCUN.
b) Please also explain why it is necessary or financially beneficial to OPUCN to retain these (explained in response to a)) services as opposed to carry them out in-house.

4.0 -VECC -40
Reference: Exhibit 4, page 58

a) Please provide the forecast membership fees for the Electricity Distributors Association (EDA) in 2020 and 2021.

4.0 -VECC -41
Reference: Exhibit 4, page 66

a) Please provide the actual OEB Annual Assessment costs for 2016, 2017 and 2018.
b) Please explain what the 50k in "OEB Section 30 Costs (application related) refers to.
c) Please provide a table showing the one-time regulatory costs for this application (by category legal, consultant etc.) incurred to date.
d) Please provide a breakdown of the consultant costs (344k) into its constituent parts.

4.0 -VECC -42
Reference: Exhibit 4, page 71 /Appendix 4-3 Asset Depreciation Study, page 10

a) Please confirm (or correct) that METSCO found only one utility which used a TUL for SCADA systems of 8 years or less (5 years).
b) OPUCN states that the changes to depreciation lives to the various asset considered for change from the Kinetric guidelines would have an impact of increasing depreciation expenses by about 60k. How would this 60k estimated be impacted if a TUL of 15 years for SCADA was used rather than the 8 years proposed?

5.0 COST OF CAPITAL AND RATE OF RETURN (EXHIBIT 5)

5.0-VECC-43
Reference: Exhibit 5, page 3

a) Please reconcile the $147,450,670 in total components of rate base shown in Table 5-2 with the $147,471,271 in total rate base shown in the RRWF (e.g. Table 2-1 per Exhibit 2, page 5).

5.0-VECC-44
Reference: Exhibit 5

a) Please provide an update as to the current plans for the issuance of $10.0 million and $5.0 million in debt in 2020 and 2021 respectively.

5.0-VECC-45
Reference: Exhibit 5, page 4-5

The evidence states: "*OPUCN requests that the Long-Term debt rate used to determine distribution rates be updated as necessary in the applicable Test Year, in a manner consistent with Board policy applicable at that time, in the event that OPUCN issues any new long-term debt during this period*."

a) We are unclear what is being sought. Is OPCUN seeking to adjust the long-term debt component of the revenue requirement subsequent to the end of this proceeding and as part of a later IRM rate change?

5.0-VECC-46
Reference: Exhibit 5, page 3

a) Please explain why the affiliated debt held by Oshawa Power & Utilities Corp. does not attract the current Board affiliate long-term debt rate of 3.21%.
b) Please confirm (or correct) that in EB-2014-0101 the Board ordered OPUCN to use the Board's 2016 long-term debt from affiliates rate for long-term debt held by the affiliate Oshawa Power and Utilities Corp.
c) Please update tables 5-11 and 5-5 using 3.21%.

5.0-VECC-47
Reference: Exhibit 5, Appendix 5-1

a) The notional amount of the Oshawa Power & Utilities Corp. held debt is $60 million. Table 5-11 shows the interest calculated on an amount of $60.064 million. Please explain the (minor) discrepancy.

6.0 CALCULATION OF REVENUE DEFICIENCY/SURPLUS (EXHIBIT 6)

N/A

7.0 COST ALLOCATION (EXHIBIT 7)

7.0 – VECC –48
Reference: Cost Allocation Model, Tabs I6.1 and I6.2

a) Please reconcile the 2021 billing demand for Streetlights in Exhibit 3 (page 21) of 12,504 kW with the 12,698 kW value used in Tab I6 of the Cost Allocation Model.
b) With respect to Tab I6.2, please explain why for the GS 50-999 class the number of Line Transformer Customers is less than the number of Secondary customers.
c) With respect to Tab I6.2, does OPUCN provide the line transformer and secondary assets for all residential customers or are there some residential customers (e.g., residing in condominium corporations) where these assets are not owned by OPUCN?

7.0 – VECC –49
Reference: Exhibit 7, Cost Allocation Model, Tab I7.2
a) With respect to Tab I7.2, please reconcile the number of Residential meters (56,932) with the 2021 Residential customer count forecast (56,190).
b) With respect to Tab I7.2, please reconcile the number of GS<50 meters (4182.8) with the 2021 GS<50 customer count forecast (4,269).
c) With respect to Tab and I7.2, please reconcile the number of GS 50-999 meters (557) with the 2021 GS 50-999 customer count forecast (535).
d) With respect to Tab I7.2, please confirm that each GS 1000-4999 customer only has one meter owned by OPUCN.

7.0 – VECC –50
Reference: Exhibit 7, Cost Allocation Model, Tab I4

a) Please explain the significant difference between the percentage of Underground Conduit (95%) that is deemed to be Primary versus the percentage of Underground Conductors and Devices (51.20%) that are deemed to be Primary.

7.0 – VECC –51
Reference: Exhibit 7, page 8, Tables 7-4 and 7-5
Exhibit 7, Cost Allocation Model, Tab O1
RRWF, Tab 11 (Cost Allocation)

a) With respect to Table 7-4, please confirm that the values set out in columns 2, 3 and 4 of the Table are meant to be the Total Service Requirement by Rate Class and not the Base Revenue Requirement (as titled).
b) With respect to Tab 11 (RRWF), shouldn't the total of Column 7A in Table A ($28,580,665) equal the overall Service Requirement of $28,650,063?
c) Please reconcile the value for Miscellaneous Revenues used in the Cost Allocation Model ($1,299,981) with that used in the RRWF ($1,231,721).
d) Please reconcile the value for Base Distribution Revenues at Proposed Rates used in the Cost Allocation Model ($27,350,082) with that used in the RRWF ($27,348,945).
e) As required, please provide a revised versions of Tab 11 (per the RRWF) and Tables 7-4 and 7-5.

8.0 RATE DESIGN (EXHIBIT 8)

8.0 –VECC - 52
Reference: Exhibit 8, page 4
RRWF, Tab 13 (Rate Design)

a) Please reconcile the differences between the Base Distribution Revenue by rate class as set out in Table 8-2 with that set out in Tab 13 (Column O).

8.0 –VECC - 53

Reference: Exhibit 8, page 7

Preamble: The Application states:

"*The proposed fixed charge for the: GS Intermediate 1,000 > 4,999 kW, and Large Use classes are above the ceiling as calculated in the cost allocation study. OPUCN is proposing to proceed with these proposed charges as they are in line with the fixed/variable splits approved in the last Cost of Service Application (EB-2017-0069). Decreasing the monthly fixed charge to this level will increase the variable portion of OPUCN's revenues which would create a large impact on customers with higher consumption/demand levels, as well as alter OPUCN's risk profile resulting from consumption variability*."

a) Did the move to fully fixed charge for Residential customers alter (e.g., reduce) OPUCN's risk profile resulting from consumption variability?
   a. If not, why not and why would increasing the variable charge for these two customer classes now impact the utility's risk profile?
   b. If yes, what adjustments were any adjustments made in the setting of OPUCN's rates to account for this change in risk profile?
b) What would be the range of bill impacts for each of the two customer classes (based on customers' 2019 consumption/demand levels) of:
   a. Reducing the monthly service charge for these two classes to the "ceiling value" for the class?
   b. Maintaining, for 2021, the 2020 monthly service charge for these two classes?

8.0 –VECC - 54

Reference: Exhibit 8, pages 10-11

a) What UTR values were used in EB-2019-0062 to determine the 2020 RTSRs?
b) Please confirm that in the current Application the approved 2020 UTRs have been used to determine the proposed 2021 RTSRs.
c) Will OPUCN update the proposed 2021 RTSRs if the approved 2021 UTRs become available?

8.0 –VECC - 55

Reference: Exhibit 8, pages 11-12 and 53

a) Please clarify whether OPUCN intends to adjust its current (2020) retail service charges in accordance with the Board's November 29, 2018 Decision (EB-2015-0304) using the Board's annual inflation rate.

b) If yes, what is the basis for the currently proposed 2021 Retail Service Charges (per page 52)?

8.0 –VECC - 56
Reference: Exhibit 8, pages 14-15 and 30

a) What is the basis of the 1.0045 Supply Facilities Loss Factor and why doesn't it equal the calculation (i.e., A(1)/A(2)) set out in Footnote H of Appendix 2-R (page 30)?

9.0 DEFERRAL AND VARIANCE ACCOUNTS (EXHIBIT 9)

9.0 –VECC -57
Reference: Exhibit 9, page 3

a) Has the audit of accounts 1588 and 1589 (and Group 1 accounts) contemplated for the summer of 2020 now been completed?

End of document