

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 Alectra Utilities
Corporation 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, Tab 1, Schedule 2, p. 2] Please describe in detail the factors that caused the Applicant to file this Application, including \$10.6 million of incremental capital spending proposals, on August 17th, with only four and a half months available until the proposed effective date, rather than on an earlier date, consistent with Chapter 3 of the Filing Requirements. Please identify specifically any delay caused by the Covid-19 pandemic and related lockdowns and/or work restrictions.
2. [Ex. 2/1/1, p. 1 and Ex. 4/1/1, Attach 4, 7] Please provide the full capital expenditures budget of the Applicant for all rate zones, in the form approved by the Board of Directors of the Applicant, or by the senior management of the Applicant if it has not been approved by the Board of Directors. In addition, please provide a full explanation of the \$37.8 million General Plant budget of the Applicant for 2021.
3. [Ex. 2/1/1, p. 1] Please provide details of all changes to the capital expenditures budget of the Applicant in 2020 or 2021 that have been made as a result of the Covid-19 pandemic, the related lockdowns, and/or changes to the economic outlook as a result.
4. [Ex. 2/1/1, p. 1] Please calculate the difference in interest cost related to the rate base for the Brampton RZ between the interest rates currently embedded in rates, and the forecast interest rates for the Applicant in 2021. Please provide the Applicant’s most recent interest rate forecast for 2021.
5. [Ex. 2/1/1, Table 2] Please provide details of all changes to the 2020 and 2021 capital expenditures by category for the Brampton RZ that have been made since January 1, 2018.
6. [Ex. 2/1/1, p. 6 and Ex. 4/1/1/Attach 3, p. 5-8] The Applicant says “Alectra estimates a shortfall of revenue to HONI versus the forecasted demand”. Please provide the full calculation of that shortfall, including all assumptions made in both the new forecast of demand, and the previous forecast of demand. Please identify and quantify the material variances. Please provide the results in live Excel format.

7. [Ex. 2/1/1, p. 6 and Ex. 4/1/1/Attach 3, p. 5-8] Please provide details of any negotiations that took place between Hydro One and the Applicant (or its predecessor) with respect to the CCRA and the load and demand forecast that is the basis for the current financial obligation.
8. [Ex. 2/1/1, p. 6 and Ex. 4/1/1/Attach 3, p. 5-8] Please provide details, including numerical impacts, of any part of the current load forecast that is assumed to be affected by the Covid-19 pandemic and related lockdowns and economic downturn.
9. [Ex. 2/1/1, p. 7 and Ex. 4/1/1/Attach 3, p. 1-4] With respect to the Goreway Road widening:
 - a. Please confirm that the 2021 relocation project is the first of three segments of this road widening. Please provide the budget and timing for the full three segment project, and confirm that ICM treatment will be sought for all three segments.
 - b. The first two projects (p. 2 of Attach 3) appear to be the same stretch of road. Please explain.
 - c. Please provide any lifecycle analysis done to demonstrate that undergrounding the new assets under Option 2 would, on a lifecycle basis, be more expensive than the preferred option under Option 3.
 - d. Please provide all calculations that justify the conclusion that Option 2 is more expensive, and show the difference in cost.
 - e. Please provide any technical report or other analysis that shows “putting the system underground was not technically an option”(Attach 3, p. 3). Please explain why the technical limitations were in the Attachment, but not mentioned in Ex. 2/1/1.
 - f. Please provide any information in the possession of the Applicant that deals with whether further relocations of the new assets may be required before they have reached the end of their useful lives (for example by further road widening projects on the same stretch of road).
10. [Ex. 4/1/1/Attach 4] In the event that the Applicant was required to keep its 2021 Brampton RZ capital budget within the \$31.5 million threshold amount, which projects would be removed from the capital projects list?
11. [Ex. 2/1/1, p. 14] Please calculate the difference in interest cost related to the rate base for the Powerstream RZ between the interest rates currently embedded in rates, and the forecast interest rates for the Applicant in 2021. Please provide the Applicant’s most recent interest rate forecast for 2021.
12. [Ex. 2/1/1, Table 10] Please provide details of all changes to the 2020 and 2021 capital expenditures by category for the Powerstream RZ that have been made since January 1, 2018.

13. [Ex. 2/1/1, p. 13-15 and Ex. 4/1/1/Attach 6] With respect to the Rutherford Road widening:
- a. Please confirm that the 2021 relocation project is the last of three segments of this road widening. Please provide the budget and timing for the full three segment project, and confirm that ICM treatment has been sought for all three segments.
 - b. Please provide any lifecycle analysis done to demonstrate that undergrounding the new assets under Option 2 would, on a lifecycle basis, be more expensive than the preferred option under Option 3.
 - c. Please provide all calculations that justify the conclusion that Option 2 is more expensive, and show the difference in cost.
 - d. Please provide any information in the possession of the Applicant that deals with whether further relocations of the new assets may be required before they have reached the end of their useful lives (for example by further road widening projects on the same stretch of road).
14. [Ex. 4/1/1/Attach 7] In the event that the Applicant was required to keep its 2021 Powerstream RZ capital budget within the \$79.3 million threshold amount, which projects would be removed from the capital projects list?
15. [Ex. 3/1/2, p. 6] Please explain in detail why Horizon RZ net fixed assets increased by \$42 million, or 8.78%, during the calendar year 2019.
16. [Ex. 3/1/2, p. 7] Please provide the detailed calculations of the allocation of General Plant as of December 31, 2019, including explanations of all assumptions used and adjustments made.
17. [Ex. 3/1/2, p. 9] Please provide full details of the \$25.4 million of “net merger OM&A savings” added to OM&A expense for allocation purposes. Please confirm that the impact of that addition on the regulatory income before taxes of Horizon RZ was to reduce it by \$5.5 million.
18. [Ex. 3/1/2, Table 29] Please describe in detail the reasons for the variances between the two columns.
19. [Ex. 3/1/3, p. 5 and Ex. 4/1/1, Attach 4] Please confirm that General Plant capex has declined from \$58 million in 2019 to \$38 million in 2021. Please explain the reasons for the high GP capex in 2019.
20. [Ex. 3/1/8] With respect to the 2010 spreadsheet error, and the \$8.1 million payment to IESO:
- a. Please provide a breakdown of the amount proposed to be borne by each rate class (broken down into fixed and variable components) to cover the cost of the error.

- b. Please explain why customers in 2021 should bear the cost of an error by the utility that occurred in 2010. Please provide specific references to the Distribution System Code, the Board's rules, policies and guidelines, any relevant legislation or regulation, and any case precedents.

Respectfully submitted on behalf of the School Energy Coalition this October 2, 2020.

Jay Shepherd
Counsel for the School Energy Coalition