

**VECC-1**

**Reference: Exhibit 2, Tab 1, Schedule 1, page 7 /Exhibit 4, Tab 1, Schedule 1, Attachment 3**

- a) Please confirm (or correct) that the “Goreway Road Widening” refers to municipal work to be done on Goreway Drive?**
- b) Please provide the agreement between the City of Brampton and Alectra which sets out the sharing of costs for this project.**

**Response:**

- 1 a) The Goreway Road Widening refers to municipal road work to be completed on Goreway
- 2 Drive in Brampton between Cottrelle Boulevard to Countryside Drive.
- 3
- 4 b) The City of Brampton employs a Municipal Access Agreement (“MAA”) which outlines that the
- 5 cost sharing is defined by the Public Service Works on Highways Act (“PSWHA”). The default
- 6 agreement is 50% of the cost of labour and labour saving devices. Please also see Alectra
- 7 Utilities’ response to 2-PWU-1.

**VECC-2**

**Reference: Exhibit 4, Tab 1, Schedule 1, Attachment 4**

- a) The System Access capital budget for the Brampton rate zone list two other Brampton Road Authority projects (Dixie Road and Tobram Road). Why was the Goreway Road project selected for ICM recovery rather than one, or all, of these other similar projects?**

**Response:**

- 1 a) While the Dixie Road (\$1.8MM) and Torbram Road (\$1.6MM) projects are both  
2 System Access and Road Authority projects, these projects may not satisfy the OEB's  
3 second project-specific materiality test. Although the OEB has not defined the criteria  
4 for this test, in Alectra Utilities' 2018 and 2019 EDR Applications (EB-2017-0024 and  
5 EB-2018-0016), the OEB has denied funding for projects that it deemed not a  
6 significant capital costs in comparison to the overall capital budget of Alectra Utilities.  
7 Therefore, based on Alectra Utilities' understanding of projects that would satisfy the  
8 OEB tests, only the Goreway Road project was selected.

**VECC-3**

**Reference: Exhibit 2, Tab 1, Schedule 1, page 7 / Exhibit 4, Tab 1, Schedule 1, Attachment 3 / RE: Hydro One CCRA**

***“As the full ten years of peak data will not be available until after the August 2020 anniversary date, no formal review between Alectra Utilities and HONI can be completed”***

- a) Is the full ten years of peak data now available (i.e. as of October 2020)?**
- b) Please update the status of the noted review.**
- c) Please provide the CCRA agreement between Hydro One and the former utility of Brampton Hydro including any appendices or attachments which describe the true-up mechanism.**

**Response:**

- 1 a) and b) Please see Alectra Utilities' response to BRZ-Staff-21.**
- 2 c) Please see Alectra Utilities' response to 1-BOMA-3.**

**VECC-4**

**Reference: Exhibit 2, Tab 1, Schedule 1, page 10**

**a) For the Brampton rate zone why is Alectra seeking to recover a revenue requirement of \$715,963 rather than the lower accelerated CCA amount of \$617,529?**

**Response:**

1 a) Alectra Utilities has calculated ICM revenue requirement in accordance with the OEB's  
2 Chapter 3 Filing Requirements, which states that the impact of the accelerated CCA should  
3 not be reflected in the ICM revenue requirement.

4  
5 At pp. 30-31 of the Chapter 3 Filing Requirements, dated May 14, 2020, the OEB states:

6  
7 *"The accelerated CCA should not be reflected in the ICM revenue requirement*  
8 *proposal associated with eligible assets/projects that are acquired after*  
9 *November 20, 2018. The OEB will assess the impact of the accelerated CCA on*  
10 *all capital investments at the time of rebasing to minimize the complexity of the*  
11 *review. Distributors should include the impact of the CCA rule change associated*  
12 *with any ICM project(s) that are approved for ICM treatment in Account 1592 –*  
13 *PILs and Tax Variances – CCA Changes. The use of this sub-account is outlined*  
14 *in the OEB's CCA Guidance. Disposition of amounts tracked in the applicable*  
15 *CCA sub-account should be brought forward at the time of a distributor's next*  
16 *rebasings.*

17  
18 *The materiality criteria for an ICM includes a requirement that any incremental*  
19 *capital amounts must clearly have a significant influence on the operation of the*  
20 *distributor. The OEB may take the accelerated CCA into consideration in*  
21 *assessing the impact of the proposed capital project(s) on the operations of the*  
22 *utility in determining if ICM funding is warranted."*

**VECC-5**

**Reference: Exhibit 2, Tab 1, Schedule 1, page 14 / Exhibit 4, Tab 1, Schedule 1, Attachment 5**

**a) Please provide the agreement between Alectra and the City of Vaughn which sets out the sharing of costs for the Rutherford Road widening project.**

**Response:**

- 1 a) The City of Vaughan has elected to use the default cost sharing defined in the Public
- 2 Service Works on Highways Act ("PSWHA"). The default agreement is 50% of the cost
- 3 on labour and labour saving devices. Please also see Alectra Utilities' response to 2-
- 4 PWU-1.

**VECC-6**

**Reference: Exhibit 4 , Tab 1, Schedule 1, page 14 / Exhibit 4, Tab 1, Schedule 1, Attachment 7**

**a) In the 2021 capital budget for the PowerStream rate zone are listed two other projects similar to the Rutherford Road widening project (East North and PS South). Why was the Rutherford Road project selected for ICM recovery rather than one, or all, of these other similar projects?**

**Response:**

- 1 a) While the East North (\$1.9MM) and PS South (\$1.2MM) projects are both System Access and
- 2 Road Authority projects, these projects may not satisfy the OEB's second project-specific
- 3 materiality test. Although the OEB has not defined the criteria for this test, in Alectra Utilities'
- 4 2018 and 2019 Electricity Distribution Rate Applications (EB-2017-0024 and EB-2018-0016),
- 5 the OEB has denied funding for projects that it deemed not a significant capital cost in
- 6 comparison to the overall capital budget of Alectra Utilities.

**VECC-7**

**Reference: Exhibit 2, Tab 1, Schedule 1, page 10**

**a) For the PowerStream ICM why is Alectra seeking to recover a revenue requirement of \$204,411 rather than the lower accelerated CCA amount of \$162,795?**

**Response:**

- 1 a) Please see Alectra Utilities' response to VECC-4.

**VECC-8**

**Reference: Exhibit 3, Tab 1, Schedule 8**

- a) With respect to the \$8.1 million accounting error please show for each year 2010 through 2019 what is the year end (error) balance. Please show any interest charges separately.
- b) Please explain in more detail the nature and origin of the error.
- c) What is the proposal (including class allocation) to recover this amount?

**Response:**

a) Table 1 below, provides the year-end balance for each year, 2011 through 2018 by Charge Type ("CT") 2148 Global Adjustment Prior Period Adjustments, CT 9990 IESO administration charge and CT 1351 Capacity Based Demand Response Program Recovery Amount for Class B load. The associated interest charges are also included in Table 1, which are calculated from September 1, 2019 to December 31, 2020.

**Table 1 - \$8.1MM Adjustment and Associated Interest Charges for each year 2011 to 2018 (\$000s)**

Year	CT 2148	CT 9990	CT 1351	Balances
2011	20	0	0	20
2012	90	2	0	92
2013	311	4	0	316
2014	669	9	0	678
2015	1,150	12	4	1,165
2016	1,683	15	6	1,704
2017	2,034	25	8	2,066
2018	2,032	28	8	2,068
<b>Principal Subtotal</b>	<b>7,989</b>	<b>94</b>	<b>27</b>	<b>8,109</b>
Interest Charges	168	2	1	170
<b>Grand Total</b>	<b>8,157</b>	<b>96</b>	<b>27</b>	<b>8,280</b>

b) In 2019, Alectra Utilities identified an omission related to the Horizon Utilities Rate Zone in reporting embedded generation energy kWhs produced from FIT and MicroFIT as part of the Form 1598 submission to the IESO. The omission, which was the result of a spreadsheet error, affected the associated settlement amounts with the IESO from that time until the error



1 was identified. Alectra Utilities has a number of controls in place to ensure that all of its filings  
2 and submissions to the IESO are consistent with the regulatory requirements. The error is a  
3 one-time occurrence and was discovered as part of a reconciliation exercise involving Alectra  
4 Utilities' rate zones. It was identified that the omission resulted in adjustments to three IESO  
5 charge types, including CT 2148 Global Adjustment Prior Period Adjustments, CT 9990 IESO  
6 administration charge and CT 1351 Capacity Based Demand Response Program Recovery  
7 Amount for Class B load, in the amount of \$8.1MM. Table 1 above provides the detailed  
8 breakdown of the total amount for each year 2011 to 2018. Alectra Utilities submitted an  
9 adjustment for this omission in July 2019 by means of a Form 1598 submission to the IESO.  
10 The total amount of \$8.1MM was settled in the July 2019 IESO invoice. Please also see  
11 Alectra Utilities' response to SEC-20 b).

- 12
- 13 c) The adjustment to CT 2148 Global Adjustment Prior Period Adjustments of \$8.0MM was  
14 included in transactions during 2019 in account 1589 RSVA – Global Adjustment on Tab 3.  
15 Continuity Schedule. The total balance of \$ \$8.2MM including the projected interest to  
16 December 31, 2020 is part of Alectra Utilities' Group 1 balance for the Horizon Utilities RZ.  
17 The balance is allocated to the applicable rate classes based on the percentage allocation of  
18 the total metered non-RPP 2019 consumption excluding Wholesale Market Participants  
19 ("WMP") and Class A customers. Alectra Utilities proposes that the balance be recovered  
20 through rate riders for Disposition of Global Adjustment Account applicable only for non-RPP  
21 customers.

22  
23 Table 2 below, provides the allocation of CT 2148 to the applicable rate classes. The allocation  
24 of the balance by rate class is consistent with the allocation of the Global Adjustment balance  
25 for Class B customers as provided in Column K, Tab 6.1 GA of the Rate Generator Model  
26 ("RGM") for the Horizon Utilities RZ.

**Table 2 -Allocation of CT 2148 by rate class (\$000s)**

<b>Rate Class</b>	<b>% of total kWh</b>	<b>CT 2148</b>
Residential Service Classification	3.5%	287
General Service Less than 50 kW Service Classification	7.9%	641
General Service 50 to 4,999 kW Service Classification	87.1%	7,108
Large Use Service Classification	0.0%	0
Large Use with Dedicated Assets Service Classification	0.0%	0
Standby Power Service Classification	0.0%	0
Unmetered Scattered Load Service Classification	0.1%	9
Sentinel Lighting Service Classification	0.02%	1
Street Lighting Service Classification	1.4%	110
<b>Total</b>	<b>100.0%</b>	<b>8,157</b>

The adjustment to CT 9990 IESO administration charge of \$0.09MM was captured in transactions during 2019 in account 1580 RSVA – Wholesale Market Service Charge on Tab 3 Continuity Schedule. The total balance of \$0.10MM including the projected interest to December 31, 2020 is included in Alectra Utilities Group 1 balance for the Horizon Utilities RZ. The balance is allocated to the applicable rate classes based on the percentage allocation of the total metered 2019 consumption excluding WMP. Alectra Utilities proposes that the balance be recovered through rate riders for Disposition of Deferral/Variance Accounts. Table 3 below, provides the allocation of CT 9990 to the applicable rate classes. The allocation of the balance by rate class is consistent with the allocation of the Deferral/Variance account balances as provided in Column F, Tab 5 Allocating Def-Var Balances of the RGM for the Horizon Utilities RZ.

**Table 3 – Allocation of CT 9990 by rate class (\$000s)**

Rate Class	% of Total kWh adjusted for WMP	CT 9990
Residential Service Classification	34.9%	33
General Service Less than 50 kW Service Classification	12.9%	12
General Service 50 to 4,999 kW Service Classification	39.8%	38
Large Use Service Classification	4.2%	4
Large Use with Dedicated Assets Service Classification	7.5%	7
Standby Power Service Classification	0.0%	0
Unmetered Scattered Load Service Classification	0.3%	0
Sentinel Lighting Service Classification	0.0%	0
Street Lighting Service Classification	0.4%	0
<b>Total</b>	<b>100.0%</b>	<b>96</b>

The adjustment to CT 1351 Capacity Based Demand Response Program Recovery Amount for Class B load of \$0.03MM was incorporated as part of the transactions during 2019 in account 1580 Variance WMS – Sub-account CBR Class B on Tab 3 Continuity Schedule. The total balance of \$0.03MM including the projected interest to December 31, 2020 is included in Alectra Utilities Group 1 balance for the Horizon Utilities RZ. The balance is allocated to the applicable classes based on the percentage allocation of the total metered 2019 consumption excluding WMP and Class A customers. The amount will be recovered through rate riders for Disposition of Capacity-based Recovery Amount applicable only for Class B customers. Table 4 below, provides the allocation of CT 1351 to the applicable rate classes. The allocation of the balance by rate class is consistent with the allocation of the CBR rate riders as provided in Column K, Tab 6.2 CBR B of the RGM for the Horizon Utilities RZ.

1      **Table 4 – Allocation of CT 1351 by rate class (\$000s)**

<b>Rate Class</b>	<b>% of total kWh</b>	<b>CT 1351</b>
Residential Service Classification	45.3%	12
General Service Less than 50 kW Service Classification	16.8%	5
General Service 50 to 4,999 kW Service Classification	37.0%	10
Large Use Service Classification	0.0%	0
Large Use with Dedicated Assets Service Classification	0.0%	0
Standby Power Service Classification	0.0%	0
Unmetered Scattered Load Service Classification	0.3%	0
Sentinel Lighting Service Classification	0.0%	0
Street Lighting Service Classification	0.5%	0
<b>Total</b>	<b>100.0%</b>	<b>27</b>

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