



BY EMAIL and RESS

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Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

October 30, 2020
Our File: EB20200040

Attn: Christine Long, Registrar

Dear Ms. Long:

Re: EB-2020-0040 – Niagara Peninsula Energy Inc. – SEC Interrogatories

We are counsel to the School Energy Coalition ("SEC"). Attached, please find a copy of SEC's interrogatories in the above-captioned matter.

Yours very truly,
Shepherd Rubenstein P.C.

Mark Rubenstein

cc: Wayne McNally, SEC (by email)
Applicant and intervenors (by email)

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998,
being Schedule B to the Energy Competition Act, 1998, c. 15;

AND IN THE MATTER OF an Application by Niagara
Peninsula Energy Inc. to the Ontario Energy Board for an
Order or Orders pursuant to Section 78 of the Ontario Energy
Board Act, 1998 for 2021 distribution rates and related
matters.

INTERROGATORIES

ON BEHALF OF THE

SCHOOL ENERGY COALITION

1-SEC-1

[Ex.1, p.7] Please provide any updates since the filing of the application regarding the impact of COVID-19 on the Applicant's operations and finances, and the 2020 and 2021 budgets and forecasts.

1-SEC-2

[Ex.1, p.11] Please provide the amounts currently recorded in each of the Account 1509 sub-accounts. Please provide a detailed breakdown of the amounts recorded within each-sub accounts and specify if each entry are of a type that related to a one-time or on-going cost.

1-SEC-3

[Ex.1] Please provide all material provided to the Applicant's Board of Directors regarding its approval of this application, the underlying budgets, and any changes to the budget as a result of COVID-19.

1-SEC-4

[Ex.1] Please provide copies of all benchmarking studies, reports, and analyses that the Applicant has undertaken or participated in since its last rebasing application, that are not already included in the application.

1-SEC-5

[Ex.1] Please provide details of all productivity and efficiency measures the Applicant has undertaken since its last rebasing application in 2015. Please quantify the savings and explain how they were calculated.

1-SEC-6

[Ex.1; Ex.2, p.173; Ex.4, p.93] Please provide details of all productivity and efficiency measures the Applicant plans to undertake in the test year. Please quantify the savings and explain how they were calculated.

1-SEC-7

[Ex.1] Please provide a copy of all budget guidance and/or planning documents.

1-SEC-8

[Ex.1] Please provide a full organizational chart.

2-SEC-9

[Ex.2, p.56, Table 2.2.2.1] Please provide a table that shows for each project included in Table 2.2.2.1 for years 2015 to 2020, the originally budgeted amount (at the time the project was approved) and the final amount. For all projects where the costs differed by +/- 10%, please provide the rationale.

2-SEC-10

[Ex. 2, p.30, 93] With respect to the new Service Garage of the costs of the facility:

- a. Please provide a detailed breakdown.
- b. Please provide any business case (formal or otherwise) that created for the purposes in deciding to construct the new Service Garage.

2-SEC-11

[Ex.2, p.137] The Applicant has included forecast spending as required in Appendix 2-AB for years 2022 to 2025, but has not provided any further information regarding the basis of those forecasts. Please provide a detailed breakdown of the 2022 to 2025 amounts and supporting information, including but not limited to, a revised version of Appendix 2-AA.

2-SEC-12

[Ex.2, p.137] Please provide a revised version of Appendix 2-AA, that includes a column showing year-to-date actuals for 2020 and a column showing year-to-date actuals at the same point in time in 2019.

2-SEC-13

[Ex.2, p.170] Please provide the impact on the 2021 test year capital budget if the Applicant had applied a 'slower pace' spending for all categories, in which customer feedback was sought. Please also explain how the amounts were derived.

2-SEC-14

[Ex.2, p.170] Please provide a table that shows for each of the listed asset categories, the number of assets that have been, or are forecast to be replaced, between 2015 and 2025, regardless of of the specific capital program.

2-SEC-15

[Ex.2, p.226, p.239] With respect to Non-NPEI owned poles:

- a. Please provide a breakdown of the ownership of these poles.
- b. [p.393] Are these poles being replaced part of the Pole Replacement Program? If so, why should ratepayers be paying to replace poles not owned by the Applicant?

2-SEC-16

[Ex.2, p.285, Table 5-37] Please provide a revised version of Table 5-37 (Appendix 2-AB) that includes the spending categories (i.e. system access, renewal, etc.) on a net expenditure basis.

2-SEC-17

[Ex.2, p.285, Table 5-37] Does the Applicant include in the ‘Capital Contributions’ amount in the table, amounts it does not refund as part of an expansion deposit? If not, please provide those amounts over the past 5 years and how they are incorporated into the test year capital budget.

2-SEC-18

[Ex.2, p.286, Table 5-38] How does the Applicant forecast capital contributions? If it is done on a project by project basis, please revise version of Appendix 2-AA that reflects capital projects on a net capital expenditure basis.

2-SEC-19

[Ex.2, p.276-277] With respect to the risk/benefit matrix:

- a. When and how was the risk/benefit matrix developed?
- b. The Applicant provides a sample matrix. Please provide the actual matrix used for all projects both considered and undertaken (or forecast to be undertaken) from 2016 to 2021.
- c. Please provide any internal guidance documents regarding how to utilize the risk/benefit matrix.

2-SEC-20

[Ex.2, p.276-277] Please explain how the Applicant considers the cost of a given project as compared to its risk/benefit.

2-SEC-21

[Ex.2, p.330] With respect to South Niagara Feeders Phase 1 project, the Applicant notes that the recoverable costs from capital contributions are “TBD”. Please confirm if the Applicant expects a capital contribution to be paid as it has not included any amount in the test year budget. If not confirmed, please explain.

2-SEC-22

[Ex.2] Please complete the table in excel file 2-SEC-22.

2-SEC-23

[Ex.2, p.923] With respect to the ACA Data Availability Indicator (DAI):

- a. Please explain the low average DAI for power transformers, pad-mount transformers, and pad-mount switchgear.
- b. Based on the low average DAI for these assets, please explain the basis for the confidence the Applicant has in those assets Health Index.
- c. Please explain what actions the Applicant has taken (or plans to take) since the issuance of the ACA to improve Average DAI.

3-SEC-24

[Ex.3, p.69] Please explain the methodology for forecasting the 2021 Other Revenue amounts.

3-SEC-25

[Ex.3, p.155] Please explain what ‘Amortization of Capital Contributions’ refers to and how it is calculated.

4-SEC-26

[Ex.4, p.42] Please provide a revised version of Appendix 2-JC/Table 4.3.1.2-1, that includes a column showing year-to-date actuals for 2020 and a column showing year-to-date actuals at the same point in time in 2019.

4-SEC-27

[Ex.4, p.26] Please confirm that the Applicant is forecasting to pay \$78,660 (\$6,500 x 12) to read 2,000 customer smart meters. If confirmed, please explain how this is prudent and what other potential options (and their cost) were considered.

4-SEC-28

[Ex.4, p.26] Is Grimsby currently using the Applicant’s new base station towers? If so, please explain how the Applicant compensated. If not, please explain what solution Grimsby has utilized.

4-SEC-29

[Ex.4, p.31] Please explain the significant increase in the total 2021 application one-time costs as compared to both the 2015 application forecast and actual costs.

4-SEC-30

[Ex.4, p.31] The Applicant explains some of its Human Resource activities it has undertaken over the past few years, but it’s not clear what the drivers are in 2021 of the cost increase as compared to 2015. Please provide a breakdown of the cost increase.

4-SEC-31

[Ex.4, p.32] Please explain why the Applicant would update its strategic plan right after the completion of its cost of service application?

4-SEC-32

[Ex.4, p.69-72] Please provide the total cost of the following three positions in 2021: Communications Coordinator, Customer Engagement Manager, and Key Account Coordinator.

4-SEC-33

[Ex. 4, p.76] Please provide a copy of the Applicant's corporate scorecard or similar document that is used to measure corporate performance for incentive pay purposes for each year between 2015 and 2020.

4-SEC-34

[Ex.4, p.76] With respect to incentive pay

- a. Please provide the percentage of the Applicant's incentive pay is based on personal versus corporate objectives.
- b. Please provide the total budgeted incentive pay included in the test year budget?
- c. For each year between 2016 and 2019, please provide the total possible incentive pay and the total actual paid incentive pay.

4-SEC-35

[Ex.4, p.78] Please provide a revised version of Table 4.4.3.1/Appendix 2-K that includes two additional rows showing annual amounts allocated to capital and OM&A.

5-SEC-36

[Ex.5, p.4] Please provide a copy of the referenced RFP and the summary of the responses to it.

8-SEC-37

[Ex.8, p.16] Please explain the increase in the proposed revenue-to-cost ratio for the GS>50 class as compared to the results of the 2021 Cost Allocation Study.

9-SEC-38

[Ex. 9, p.31] Is the Applicant seeking to dispose of 50% the Account 1592 – Subaccount CCA on a final basis, or will the remaining 50% remain in the account pending a generic disposition by the Board, if the full amount should be credited to customers?

9-SEC-39

[Ex. 9, p.38] Please explain how the basis for the 2020 MIST meter expense forecast.

Respectfully submitted on behalf of the School Energy Coalition this October 30, 2020.

Mark Rubenstein
Counsel for the School Energy Coalition