



BY EMAIL and RESS

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

January 14, 2021
Our File: EB20200007

Attn: Christine Long, Registrar

Dear Ms. Long:

Re: EB-2020-0007 – Burlington Hydro 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*, S.O. 1998, being Schedule B to the *Energy Competition Act, 1998*, S.O. 1998, c. 15;

AND IN THE MATTER OF an Application by Burlington Hydro Inc. 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 May 1, 2021.

**INTERROGATORIES
ON BEHALF OF THE
SCHOOL ENERGY COALITION**

1-SEC-1

[Ex.1] Please provide all materials provided to the Applicant's Board of Directors regarding its approval of this application and the underlying budgets.

1-SEC-2

[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-3

[Ex.1] Please provide a copy of the Applicant's internal balanced scorecard for each year between 2014 and 2021.

1-SEC-4

[Ex. 1, p.33-34] With respect to Figure 2 and 3:

- a. Please revise the figures to include 2020 information.
- b. Please provide the information contained in the figures, including that requested in part (a) in a tabular format.

1-SEC-5

[Ex.1, p.41] Please explain how, if at all, the Applicant has taken into account the impacts of COVID-19 on the 2020 and 2021 forecasts included in its application. If it has, please provide details.

1-SEC-6

[Ex.1, p.44-46] Please provide the amounts currently recorded in the various generic Account 1509 sub-accounts. Please provide a detailed breakdown of the amounts recorded within each sub-account and specifically if the amounts are of a type that is a one-time or on-going cost.

1-SEC-7

[Ex.1, p.47; Ex.4, p.25] For each of the listed “realized efficiencies” and “improvements to its business process”, please provide i) the savings in each year between the time it was implemented through to the 2021 test year, ii) how those savings were calculated, iii) if the savings are with respect to OM&A or capital costs.

1-SEC-8

[EB-2013-0115, Ex.2, Attachment 5, Appendix E, p.204-258] Please provide a table that shows for each of the material capital projects included in the Application in the last DSP for years 2014-2018, a) total budgeted cost in the EB-2013-0115 application, b) total actual cost, c) variance in cost, d) explanation for all variances +/- 10%, e) forecast project completion date (year), f) actual completion date (year), e) explanation of any variance in completion dates.

1-SEC-9

[Ex.2] Please update the following appendices to include 2020 year-end actuals:

- a. Appendix 2-AA
- b. Appendix 2-AB
- c. Appendix 2-BA

1-SEC-10

[Ex.2, p.44] Please provide a revised version of Table 5.2-11 that includes 2020 information and provide the response in excel format.

2-SEC-11

[Ex.2, p.73; Ex.2, Appendix 1, ERP Project] With respect to the ACM:

- a. Please provide further details regarding the scope of the ERP project.
- b. The Applicant states that “[a] business case will be developed prior to the start of the RFP process” which is schedule to occur in Q4 2021. Please explain why the Board should approve an ACM for a project that the Applicant itself has not even developed a business case for.
- c. How has the Applicant forecast the cost for the project?
- d. Please confirm the new ERP is forecast to go in-service in 2023. If confirmed, please explain why the Applicant is seeking an ACM beginning in 2022.
- e. Please explain why the Applicant is unable to manage the cost of the new ERP system within its annual capital expenditure budget in 2022 and 2023.
- f. Please explain why the Applicant is unable to accommodate the expenditure within its normal DSP budget.
- g. Please forecast the annual OM&A and capital savings as a result of completion of the ERP system.
- h. Please explain why they included ACM Model (Attachment8_2021_ACM_ICM_Model_BHI_10302020) does not include Tabs 10 and 11. Please re-file the model which includes all tabs.
- i. Please provide a version of the ACM model, with all tabs completed (see part (d) with an ACM for the ERP project on an in-service addition service basis.

2-SEC-12

[Ex.2, p.78] The Applicant states that it has two large road-widening programs with work scheduled into 2020 and 2023 that while as currently estimated do not exceed BHI's materiality threshold for the purposes of an ACM, may at a later date as estimates can change significantly once the design stage is completed. Please provide details regarding these projects and their estimated costs.

2-SEC-13

[Ex.2, p.78] SEC seeks to better understand how the two approved ICM projects in EB-2018-0021 are reflected in Appendix 2-BA (Fixed Asset Continuity Schedules) and Appendix 2-C (Depreciation Expense) included in the application. Please provide tables that mirrors relevant aspects of Appendix 2-BA and Appendix 2C that shows how the two ICM projects are reflected in each of 2019, 2020 and 2021 in those appendices.

2-SEC-14

[Ex.2, p.126] With respect to project prioritization:

- b. Please provide a copy of the internal guide outlining the project prioritization framework/tool.
- c. Applicant notes that it retained a third-party consultant to develop a framework and associated Prioritization Tool. Please provide a copy of any final report or similar document that the consultant provided to the Applicant.
- d. With respect to 2020 project prioritization:
 - i. Please provide a similar table showing the project prioritization rankings of 2020 capital expenditures.
 - ii. Please provide the date the project prioritization rankings were determined for 2020.
 - iii. For each project included in the 2020 project prioritization, please note which projects were ultimately completed. Please explain any deviations from the project prioritization rankings.

2-SEC-15

[Ex.2] Please provide a table that shows for each year between 2014 and 2025 and for all major asset types, the number of assets replaced (or forecast to be replaced).

2-SEC-16

[Ex.2, p.134] Please provide a revised version of Appendix 2-AB on an in-service addition basis.

2-SEC-17

[Ex.2, p.134] Please provide a revised version of Appendix 2-AA that includes 2022-2025 planned capital expenditures.

2-SEC-18

[Ex.2, p.175, Appendix 1] Please provide Material Investment Summary Documents (or similar documents) prepared for all material capital projects completed between 2015 and 2020.

2-SEC-19

[Ex.2] Please complete excel file SEC-19.

2-SEC-20

[Ex.2, Appendix 2-AA] Please provide a revised version of Appendix 2-AA that shows proposed capital spending throughout the entire DSP period (2021-2025).

3-SEC-21

[Ex. 3, p.15] The Applicant states: “BHI intends to update the load forecast - before a decision is rendered on this Application - once full 2020 data is available; and may consider manual adjustments at that time if these direct impacts persist.” In the context of the schedule set out in Procedural Order No.1, please clarify, when does the Applicant propose to update the load forecast and/or decide to make a manual adjustment?

3-SEC-22

[Ex. 3, p.15] Please provide a table that compares, by both month and rate class, i) the forecast consumption data made using a manual adjustment and ii) actuals.

3-SEC-23

[Ex.3, p.15] Please provide a revised 2021 load forecast and summary table that removes the impact of COVID-19. Please detail the adjustments made to the load forecast to remove the impact of COVID-19.

3-SEC-24

[Ex.3, p.70] Please provide a revised version of Appendix 2-H that includes, a) an additional column showing 2020 actuals, and b) an additional column that provides a revised forecast for 2021, incorporating the most recent approved pole attachment and energy retailer service charges.

4-SEC-25

[Ex.4] Please provide a revised version of Appendix 2-JC that includes an additional column for 2020 actuals.

4-SEC-26

[Ex.4, p.27] In 2014 the Applicant was under CGAAP. Please recalculate both the 2014 Board Approved and 2014 Actual OM&A as if the Applicant was under MIFRS at the time. Please include details regarding the calculations.

4-SEC-27

[Ex.4, p.12; Ex.1, Appendix B, p.36] Please reconcile the Applicant’s 2020 bridge year OM&A and depreciation forecast with the information contained in its Business Plan (p.36).

4-SEC-28

[Ex.4, p. 20] Please revise Table 5 to include 2020 actuals and any subsequent updates to the 2021 and future forecasts.

4-SEC-29

[Ex.4, p. 20] Please list all positions that are included in the 2021 budget, but are currently vacant. Please detail when the Applicant plans to fill those positions.

4-SEC-30

[Ex.4, p.32, 153] With respect to incentive pay:

- a. What percentage of incentive pay is corporate vs. individual objectives?

- b. Please provide a copy of the referenced Incentive Program Review conducted by Willis Towers Watson in 2016.
- c. For each year between 2014 and 2020, please provide: i) the total incentive pay awarded, ii) the total potential incentive that could have been awarded.
- d. Please provide the total incentive pay included in the 2021 test year budget.

4-SEC-31

[Ex.4, p.156] Please provide a revised version of Appendix 2-K/Table 54 that includes, i) an additional column showing 2020 actuals, ii) two additional rows showing the amounts allocated to each of OM&A and capital.

4-SEC-32

[Ex.4, p.185] Please provide a copy of all shared services agreements (or similar documents) between the Applicant and each of its affiliates.

4-SEC-33

[Ex.4, p.193; Ex.4, Appendix C, p.7] The Applicant states that there are no material transactions which are not in compliance with its purchasing policy. Yet, its purchasing policy includes options for non-competitive procurement methods. Please provide a table that includes for each material purchase that was not undertaken by either quotation or tenders (RFT/RFP), a) summary of the nature of the product or service that is the subject of the transaction, b) the vendor, and c) a description of the specific methodology used in determining the vendor and reason why the method was selected.

5-SEC-34

[Ex.5, p.8] The Applicant forecasts a debt issuance of \$10M in new long-term debt on January 1, 2021 from Infrastructure Ontario. Please provide an update on this forecast issuance.

9-SEC-35

[Ex.9, p.29] With respect to Account 1508 Other Regulatory Assets - Monthly Billing Incremental Costs:

- a. In what specific month and year did the Applicant transition all its customers to monthly billing?
- b. Please provide a detailed breakdown of the calculation of the reduction in Working Capital Allowance.
- c. In the Applicant's last test year (2014), please provide a table that shows for each rate class, i) the total gross revenue billed, and ii) the percentage of that gross amount billed on a monthly basis (as opposed to bi-monthly).
- d. Please provide the amount of working capital allowance included in the Applicant's approved 2014 revenue requirement.
- e. Please estimate the principal balance in 2020, and provide all supporting calculations.

9-SEC-36

[Ex.9, p.36] With respect to Account 1592 – CCA Changes Sub Account:

- a. Please revise Table 18 to include a forecast for 2020.
- b. Please provide the supporting calculations of 'Prior CCA' and 'Accelerated CCA' amounts. Please include a similar calculation for the forecast 2020 amounts requested in part (a).

Respectfully submitted on behalf of the School Energy Coalition this January 14, 2021.

Mark Rubenstein
Counsel for the School Energy Coalition