



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

January 14, 2021

VIA E-MAIL

Ms. Christine Long
Registrar and Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th floor
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: EB-2020-0007 – Burlington Hydro Inc. 2021 Electricity Distribution Rates
Vulnerable Energy Consumers Coalition (VECC) Interrogatories**

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

Yours truly,

John Lawford

Counsel for VECC

c/o John Lawford

Copy to: Sally Blackwell, Vice President, Regulatory Compliance & Asset Management
Burlington Hydro Inc.

REQUESTOR NAME	VECC
INFORMATION REQUEST ROUND:	# 1
TO:	Burlington Hydro Inc. (BHI)
DATE:	January 14, 2021
CASE NO:	EB-2020-0007
APPLICATION NAME	2021 Cost of Service Rate Application

1.0 ADMINISTRATION (EXHIBIT 1)

1.0-VECC-1

Reference: Exhibit 1, page 55

Please provide the bill impacts for a typical residential customer using 600 kWh per month.

1.0-VECC-2

Reference: Exhibit 1, page 65

BHI Increased the size of its Board of Directors from three directors to seven.

Please provide the rationale, increase in costs and the year the year the change was implemented.

2.0 RATE BASE (EXHIBIT 2)

2.0-VECC-3

Reference: Exhibit 2, pages 46-47
Chapter 2 Appendices, Appendix 2Z

a) Please confirm that BHI does not have any wholesale market participant customers.

i. If not confirmed what were the associated 2019 kWh sales?

2.0-VECC-4

Reference: DSP, page 14

BHI indicates a large percentage (26%) of BHI's asset base is in Very Poor, Poor or Fair condition.

- a) Please provide the percentage of BHI's asset base that is in very poor and poor condition and show the calculation.
- b) Please provide the percentage of BHI's asset base that were in very poor and poor condition in EB-2013-0115.
- c) Please provide the percentage of BHI's asset base that were in fair condition in EB-2013-0115.

2.0-VECC-5

Reference: DSP

BHI regularly updates its design and construction standards.

Please identify any new equipment design and construction standards since 2014 that are cost drivers of capital increases over the test period.

2.0-VECC-6

Reference: DSP, page 39 Table 5.2-6: Historical Performance – SAIDI

Please add a row to Table 5.2-6 that's shows SAIDI excluding Loss of Supply, MEDs and Scheduled Outages.

2.0-VECC-7

Reference: DSP, page 40 Table 5.2-8: Historical Performance – SAIFI

Please add a row to Table 5.2-8 that's shows SAIFI excluding Loss of Supply, MEDs and Scheduled Outages.

2.0-VECC-8

Reference: DSP P42

BHI provides a summary of outages by cause code in Figure 5.2-4 to Figure 5.2-6 and Table and Table 5.2-11 to identify the factors contributing to its reliability metrics.

Please provide the total number of outages by year for the years 2014 to 2020.

2.0-VECC-9

Reference: DSP, page 44 Table 5.2-11: Reliability Performance by Cause Code (2015-2019)

- a) Please add 2014 and 2020 to Table 5.2-11.
- b) Please confirm the data for Defective Equipment excludes MEDs.
- c) Please provide a breakdown of Defective Equipment data by Cause Code for the years 2014 to 2020.

2.0-VECC-10

Reference: DSP, page 54 Table 5.2-19: Health Index Results

Please provide historical data on the Health Index results for Wood Poles, MS Feeder Cables and Station Switchgear.

2.0-VECC-11

Reference: Appendix 2-AA

- a) Please add a column to the table to include 2020 actuals.
- b) Please explain why BHI has not budgeted an amount for Storm Damage in 2020 and 2021.
- c) Please provide the percentage of capital work undertaken by third party contractors for the years 2014 to 2020 and forecast for 2021.
- d) Please provide Reactive Capital spending for the years 2014 to 2020.
- e) Please provide the forecast budget for Reactive Capital for 2021 and explain how it was derived.

2.0-VECC-12

Reference: DSP, page 82 Table 5.3-6: Age Percentage Breakdown by Asset Class

- a) Please add columns to the table that reflect asset age distribution by quantities in addition to percentages and provide an excel version of the table.

2.0-VECC-13

Reference: DSP, page 84 Table 5.3-7: Health Index Percentage Breakdown by Asset Class

- a) Please add a column to show the percentage of data available for each asset class.
- b) Please add columns to the table that reflect the Health Index by asset quantities and provide an excel version of the table.

2.0-VECC-14

Ref: DSP, page 94 Table 5.3-12: Summary of BHI's Asset Replacement Practices

BHI implements reactive replacement strategies for overhead conductors, distribution transformers, overhead and underground switches, and line reclosers.

- a) Please discuss if BHI has made any changes to its reactive replacement strategies since its 2014 COS application.
- b) Please provide the budget for this work and explain where the budget is located in Appendix 2-AA.

2.0-VECC-15

Reference: DSP

Please complete the attached excel spreadsheet of Planned Asset Replacements.

2.0-VECC-16

Reference: DSP

Please complete the attached excel spreadsheet of Reactive Asset Replacements.

2.0-VECC-17

Reference: DSP, page 126

BHI engaged a third-party consultant to develop a framework and associated Prioritization Tool to optimally allocate available capital funds and prioritize projects in a given year. The framework ensures that all projects are evaluated against a standard set of criteria, project prioritization is objective and key outcomes are delivered as determined by BHI's asset management objectives.

- a) Please identify the third-party consultant that developed the framework and associated Prioritization Tool.
- b) Please provide the standard criteria for project prioritization.
- c) Please confirm when the tool was implemented.

2.0-VECC-18

Reference: DSP, Appendix 10: 2019 Asset Condition Assessment Report

Please provide BHI's Asset Condition Assessment from EB-2013-0115.

2.0-VECC-19

Reference: DSP, Appendix 10: 2019 Asset Condition Assessment Report

Please identify the asset categories where the Health Index is based solely on age.

2.0-VECC-20

Reference: DSP, page 142 Table 5.4-18 Net Capital Expenditures by Project 2014-2021 (OEB Appendix 2-AA)

Please recast Table 5.4-18 to include forecast amounts for each year 2014-2020 and provide an excel version of the Table.

2.0-VECC-21

Ref: DSP Appendix 1: Pole Replacement Program

- a) Please provide the number of poles that can be replaced annually using internal resources.

- b) Does BHI pay a premium to use third-party contractors to replace poles under the Pole Replacement Program or are there cost savings? Please discuss.
- c) Has BHI used third-party contractors to undertake part of its pole replacement program in prior years? If yes, please provide details including annual quantities replaced and cost.
- d) BHI indicates its average annual expenditures for this program were \$760,000 from 2014 to 2020. Please explain the reason for the higher cost of \$1,241,160 in 2019 (Appendix 2-AA) and compare to the budget amount.
- e) Please provide the number of poles replaced in each of the years 2014 to 2020.
- f) Please provide the forecast number of poles to be replaced in each of the years 2021 to 2025.
- g) BHI states “Replacing poles that are at end of life and in Very Poor condition may reduce the frequency and duration of unplanned outages due to equipment failure. (5.4.3.2.B.1.d.iii). Does BHI track data on the age and condition of wood poles replaced? Please discuss.
- h) Please provide the number of wood pole failures for the year 2014 to 2020.
- i) Please indicate other capital programs where wood poles are replaced on a planned basis and provide the annual quantities for the period 2021 to 2025 compared to 2014 to 2020.

2.0-VECC-22

Reference 1: DSP, pages 146-147

Reference 2: DSP, page 175 Appendix 1 Pole Replacement Program (5.4.3.2.C.SR.v)

At reference #1, BHI indicates it currently replaces approximately 80 poles per year or 0.6% of the population and is proposing to increase the pacing of its Pole Replacement program to replace an additional 20 poles per year currently in Very Poor and Poor condition over the five-year DSP horizon (100 poles/year).

At reference #2, BHI indicates it is proposing the recommended pace of 650 poles over the DSP horizon to appropriately pace the high cost of the program; manage customer bill impacts; and accommodate other capital investment priorities, while still effecting a decrease in the percentage of units in Very Poor condition (130 poles/year).

Please reconcile the two statements and confirm the number of planned pole replacements per year over the DSP horizon.

2.0-VECC-23

Reference: DSP, page 175 Appendix 1 Underground Rebuilds (Primary Cable)

BHI indicates it is proposing the recommended pace of ~12 km of cable over the DSP horizon, taking a more proactive approach compared to historical replacements.

- a) Please provide the km of cable replaced by year for the years 2014 to 2020.
- b) Please provide the number of cable failures for the years 2014 to 2020.

2.0-VECC-24

Reference: DSP, page 175 Appendix 1 Station Primary Switchgear Replacement

BHI is proposing to replace two units per year starting in 2021 in order to decrease the percentage of switchgear in Very Poor and Poor condition.

Please provide the number of Station Primary Switchgear failures for the years 2014 to 2020.

2.0-VECC-25

Ref: DSP, page 175 Appendix 1 MS Feeder Cable Replacement

BHI is proposing the recommended pace of replacing 20 MS feeder egress cables over the DSP horizon.

- a) Please provide the number of MS feeder egress cable replaced in the years 2019 and 2020.
- b) Please provide the number of failures by year for the years 2014 to 2020.

2.0-VECC-26

Ref: DSP, page 175 Appendix 1 Station Transformer Replacement

BHI is proposing to replace six transformers over the DSP horizon.

- a) Please provide the number of Station Transformers replaced in each of the years 2014 to 2020 and the condition and age of each Station Transformer replaced.
- b) Please provide the number of Station transformer failures by year for the years 2014 to 2020.

2.0-VECC-27

Reference: Appendix 2-AA

Please explain the increase in Other Substation Renewal in 2019.

3.0 OPERATING REVENUE (EXHIBIT 3)

3.0-VECC-28

Reference: Exhibit 3, page 10

Preamble: The Application states: "The load and customer forecast methodologies are unchanged from those approved by the OEB in BHI's 2014 Cost of Service application (EB-2013-0115)".

- a) For each of the Residential, GS<50 and GS>50 classes are the independent variables used in the multivariate regression methodology the same as those used in BHI's 2014 Cost of Service application? If not, why were different variables used?

3.0-VECC-29

Reference: Exhibit 3, page 9

Preamble: The Application states: "The sales and energy forecast utilized actual data from January 2010 to June 2020."

- a) Was the historical sales (kWh) data used for the Residential, GS<50 and GS>50 classes based on actual calendar month sales?
 - i. If yes, how were the calendar month sales determined, particularly prior to the installation of smart meters?
 - ii. If no, what adjustments were made to the actual historical sales data in order for it to represent sales during the calendar months?
- b) Was actual data for January-June 2020 used to estimate the regression equations for any of the Residential, GS<50 or GS>50 classes?
- c) Was actual data for January-June 2020 used to forecast the 2021 sales for either the Street Light or USL classes?

- d) For what months were historical values for the independent economic variables (FTE and GDP) used in the regression analyses available? If values were “missing”, how were the missing values determined for purposes of the analyses?

3.0-VECC-30

Reference: Exhibit 3, page 11

Preamble: The Application states: “A range of degree day bases beyond 18°C were considered in each rate class regression model. HDD and CDD measures at temperatures lower than 18°C were found to be more predictive than the default 18°C”.

- a) Please explain what is meant by “more predictive”.

3.0-VECC-31

Reference: Exhibit 3, pages 12-13

Preamble: The Application states: “Forecasted GDP and employment in 2021 are based on forecast growth rates from four major Canadian banks: BMO, TD, Scotiabank, and RBC, as of August 20, 2020 and provided in Table 4 below”.

- a) Are the FTE and GDP forecasts set out in Table 4 for Ontario?
b) If the required data is available from the four banks’ forecasts, please extend Table 4 beyond 2021.
c) Please provide a table similar to Table 4 but based on the forecasts from the four major Canadian banks issued just prior to the start of the COVID-19 pandemic and, if practical, extend the table beyond 2021 (per part (b)).

3.0-VECC-32

Reference: Exhibit 3, pages 16-21
BHI Load Forecast Model

Preamble: At page 16 the Application states that the Residential volumes for 2020 are adjusted so as to be forecast assuming normal economic conditions. It also states that similar adjustments were not made for 2021.

The 2020 and 2021 predicted Residential monthly values (prior to the removal of CDM) are set out in the “Residential Normalized Monthly Avg” Tab of the Load Forecast Model.

- a) In developing the Residential model did BHI test whether the number of weekdays vs. non-weekdays in the month was statistically significant in terms of explaining monthly Residential use?
b) Please confirm that the forecast 2020 monthly Residential values were determined using the regression model and forecast values for Ont_FTEAdj based on the corresponding 2019 months’ values increased by 1.9% which is

- the pre-COVID 2020 forecast increase for FTE (per the “Economic (2020 Adj)” Tab – cell Q31).
- i. If not, please demonstrate with references to the Load Forecast Model what 2020 forecast FTE values were used and how they were derived.
- c) The 2021 monthly values for “Ont_FTEAdj” used to determine the 2021 Residential forecast (as set out in the “Residential Normalized Monthly Avg” Tab of the Load Forecast Model) appear to be based on the corresponding 2020 month’s values increased by 1.9% which is the pre-COVID 2020 forecast increase for FTE (per the “Economic (2020 Adj)” Tab – cell Q31).
- i. Please confirm if this is the case.
 - ii. If not, please demonstrate with references to the Load Forecast Model what 2021 forecast FTE values were used and how they were derived.
 - iii. If yes, please explain why the “Ont_FTEAdj” forecast increase for 2020 as opposed to 2021 was used and whether or not the Residential forecast needs to be revised.
- d) Please provide an alternative Residential load forecast where the 2021 monthly values are projected using a forecast for “Ont_FTEAdj” that escalates the corresponding 2020 months’ “Ont_FTEAdj” values by 1.2% (i.e., the pre-COVID forecast increase in FTE for 2021 per the “Economic (2020 Adj)” Tab – cell Q32).
- e) Please provide a schedule that sets out the actual HDD and CDD values for 2020 for all months for which the data is available.
- f) Please provide a schedule that sets out:
- i. The actual 2020 Residential sales for each month for which the data is available.
 - ii. The monthly 2020 Residential forecast (for the same months) based on BHI’s Residential model (per the Application) and forecasts for the independent variables except use the actual 2020 HDD and CDD values and adjust the monthly results to remove 1/12th of the 2020 cumulative Residential CDM savings.

3.0-VECC-33

Reference: Exhibit 3, page 22
BHI Load Forecast Model, Customer Count Tab

- a) The January 2021 Residential customer count forecast in the Customer Count Tab (Cell C49) is not a calculated but rather a hard coded value. What is the basis for this value?
- b) What are the actual 2020 Residential customer counts for those months after July 2020 for which data is now available?

3.0-VECC-34

Reference: Exhibit 3, page 16 and pages 22-27
BHI Load Forecast Model

- a) In developing the GS<50 model did BHI test whether the number of weekdays vs. non-weekdays in the month was statistically significant in terms of explaining monthly GS<50 use?
- b) Please confirm that the January-June 2020 "Tor_FTEAdj" values used in the Load Forecast Model for the GS<50 class are actual values.
- c) At page 16 the Application states that the GS<50 usage for the second quarter of 2020 did not decrease to the extent predicted by the Q2 economic growth rates. Please provide a schedule that demonstrates this.
- d) Please explain more fully the derivation of the July-December 2020 "Tor_FTEAdj" values used in the Load Forecast Model for the GS<50 class and how it reflects the observed smaller impact of the changes in quarterly GDP on consumption in Q2.
- e) After the adjustments, what is the 2020 annual growth rate for the "Tor_FTEAdj" variable used in the model to forecast GS<50 sales for 2020?
- f) The 2021 monthly values for "Tor_FTEAdj" used to determine the 2021 GS<50 forecast (as set out in the "GS<50 Normalized Monthly Avg" Tab of the Load Forecast Model) appear to be based on the corresponding 2019 months' "Tor_FTEAdj" values increased by 2.9% (the post-COVID FTE growth for 2019) and then increased by -5.1% (the which is the post-COVID 2020 forecast FTE increase for 2020) - see the "Economic (2020 Adj)" Tab – cells F146 to F157).
 - i. Please confirm if this is the case.
 - ii. If not, please demonstrate with references to the Load Forecast Model what 2021 forecast FTE values were used and how they were derived.
 - iii. If yes, please explain why 2019 and 2020 growth rates were used for "Tor_FTEAdj" and whether or not the GS<50 forecast needs to be revised.
 - iv. Please explain why it is appropriate to use a different 2020 growth rate for "Tor_FTEAdj" when forecasting 2021 GS<50 sales than was used to forecast 2020 GS<50 sales.
- g) Please provide an alternative GS<50 load forecast where the 2021 monthly values are projected using a forecast for "Tor_FTEAdj" that escalates the corresponding 1999 month's value by 1.9% (i.e., the pre-COVID forecast increase in FTE for 2020 per the "Economic (2020 Adj)" Tab) and then by 1.2% (i.e., the pre-COVID forecast increase in FTE for 2021 per the "Economic (2020 Adj)" Tab).
- h) Please provide a schedule that sets out:
 - i. The actual 2020 GS<50 sales for each month for which the data is available.

- ii. The monthly 2020 GS<50 forecast (for the same months) based on BHI's GS<50 model and independent variable values except use the actual 2020 HDD and CDD values and remove from the monthly results 1/12th of the 2020 cumulative GS<50 CDM savings.
- iii. The monthly 2020 GS<50 forecast (for the same months) based on BHI's GS<50 model and independent variable values except use the actual 2020 HDD and CDD values, the pre-COVID forecast for "Tor_FTEAdj" and remove from the monthly results 1/12th of the 2020 cumulative GS<50 CDM savings.

3.0-VECC-35

Reference: Exhibit 3, pages 27-28
BHI Load Forecast Model, Customer Count Tab

- a) The January 2021 GS<50 customer count forecast in the Customer Count Tab (Cell G49) is not a calculated but rather a hard coded value. What is the basis for this value?
- b) What are the actual 2020 GS<50 customer counts for those months after July 2020 for which data is now available?
- c) The Application states that "BHI intends to make an adjustment to the customer counts for the 2020 reclassification before the OEB renders a decision on this Application". When will the information required to make this adjustment be available?

3.0-VECC-36

Reference: Exhibit 3, page 16 and pages 28-33
BHI Load Forecast Model

- a) In developing the GS>50 model did BHI test whether the number of weekdays vs. non-weekdays in the month was statistically significant in terms of explaining monthly GS>50 use?
- b) Please confirm that the January and February 2020 "GDP" values used in the Load Forecast Model for the GS>50 class are actual January and February values respectively for 2019 (see "Economic (2020 Adj)" Tab, Cells K134 & K135).
 - i. If not, please demonstrate with references to the Load Forecast Model what 2020 forecast "GDP" values were used and how they were derived.
 - ii. If yes, please explain why this is appropriate and whether the GS>50 forecast for 2020 needs to be revised.
- b) At page 16 the Application states that the GS>50 usage for the second quarter of 2020 did not decrease to the extent predicted by the Q2 economic growth rates. Please provide a schedule that demonstrates this.

- c) Please explain more fully the derivation of the February-December 2020 “GDP” values used in the Load Forecast Model for the GS>50 class and how it reflects the observed smaller impact of the changes in quarterly GDP on consumption in Q2.
- d) After the adjustments, what is the 2020 annual growth rate for the “GDP” variable used in the model to forecast GS>50 sales?
- e) The 2021 monthly values for “GDP” used to determine the 2021 GS>50 forecast (as set out in the “GS>50 Normalized Monthly Avg” Tab of the Load Forecast Model) appear to be based on the corresponding 2019 months’ “GDP” values increased by -5.8% (the post-COVID GDP growth for 2020) and then increased by 4.2% (the which is the post-COVID 2020 forecast GDP increase for 2021) - see the “Economic (2020 Adj)” Tab – cells C146 to C157).
 - i. Please confirm if this is the case.
 - ii. If not, please demonstrate with references to the Load Forecast Model what 2021 forecast GDP values were used and how they were derived.
 - iii. If yes, please explain why it is appropriate to use the post-COVID GDP growth for 2020 when this value was not used to determine the 2020 GS>50 forecast.
- f) Please provide an alternative GS>50 load forecast where the 2021 monthly values are projected using a forecast for “GDP” that escalates the corresponding 1999 month’s value by 1.8% (i.e., the pre-COVID forecast increase in GDP for 2020 per the “Economic (2020 Adj)” Tab) and then again by 1.8% (i.e., the pre-COVID forecast increase in GDP for 2021 per the “Economic (2020 Adj)” Tab).
- g) Please provide a schedule that sets out:
 - i. The actual 2020 GS>50 sales for each month for which the data is available.
 - ii. The monthly 2020 GS>50 forecast (for the same months) based on BHI’s GS>50 model and independent variable values except use the actual 2020 HDD and CDD values and remove from the monthly results 1/12th of the 2020 cumulative GS>50 CDM savings.
 - iii. The monthly 2020 GS>50 forecast (for the same months) based on BHI’s GS<50 model and independent variable values except use the actual 2020 HDD and CDD values, the pre-COVID forecast for “GDP” and remove from the monthly results 1/12th of the 2020 cumulative GS>50 CDM savings.

3.0-VECC-37

Reference: Exhibit 3, pages 33-34
 BHI Load Forecast Model, Customer Count Tab

- a) The January 2021 GS>50 customer count forecast in the Customer Count Tab (Cell K49) is not a calculated but rather a hard coded value. What is the basis for this value?
- b) What are the actual 2020 GS>50 customer counts for those months after July 2020 for which data is now available?

3.0-VECC-38

Reference: Exhibit 3, pages 36-340
Exhibit 8, Appendix C, Street Lighting Service Classification Tariff
BHI Load Forecast Model, Customer Count Tab

- a) The Application reports “actual” use by Street Lights for the years 2010-2019 (Table 18) and states (page 37): “Since completion of the LED conversion program, (i.e. from December 2018 to July 2020), the Street Light class has had consistent demand per device”. Please confirm that actual monthly usage by Street Lights as set out in the Application is determined in accordance with the provision of the Tariff, namely “The daily consumption for these customers will be based on the calculated connected load times the required night time or lighting times established in the approved Ontario Energy Board street lighting load shape template.”
 - i. If confirmed, please provide and explain the basis for the “the approved Ontario Energy Board street lighting load shape template”. How often does BHI review/update this template?
 - ii. If not, what is the basis for the actual usage values in Table 18?
- b) The number of Lamps/Devices increases annually from 2010-2017 but does not increase in 2018 or 2019. Please explain why there is no increase in the number of devices in 2018 or 2019.
- c) The January 2021 Street Lighting customer count forecast in the Customer Count Tab (Cell O49) is not a calculated but rather a hard coded value. What is the basis for this value?

3.0-VECC-39

Reference: Exhibit 3, pages 13-14 and 47-48
BHI Load Forecast Model, “CDM” Tab

Preamble: The Application states:

“CDM data from IESO persistence reports are used for the years 2010 to 2017. These are filed as attachments:

- Attachment12_Final_CDM_Evaluation_Results_for_2011_2014_BHI_10302020 (for 2011-2014)
- Attachment13_Final_CDM_Evaluation_Results_for_2015_2017_BHI_10302020 25 (for 2015-2017)

CDM in 2018 and 2019 is based on limited data in the IESO's Participation and Cost Report 1 ("P&C Report") filed as:

- Attachment14_April2019_Participation_and_Cost Report_BHI_10302020;

and additional 2019 programs not included in the IESO reports provided by BHI's third party CDM consultant. These are included in Tab "3-a. Rate Class Allocations" of the LRAMVA Workform."

- a) The 2011 CDM program impacts set out in the CDM Tab (H5-H15) appear to match those reported in Attachment 25 for all years except 2011 and 2013. Please explain the discrepancies for those years.
- b) The 2012 CDM program impacts set out in the CDM Tab (H17-H26) appear to match those reported in Attachment 25 for all years except 2013. Please explain the discrepancy.
- c) The 2013 CDM program impacts set out in the CDM Tab (H28-H36) appear to match those reported in Attachment 25 for all years except 2014-2017. Please explain the discrepancies for those years.
- d) Please confirm that the 2014 CDM program impacts as set out in the CDM Tab (H38-H45) are consistent with those reported in Attachment 25 (2011-2014 Persistence Report).
- e) The 2015 CDM program impacts set out in the CDM Tab (H47-H53) do not appear to match those reported in any of the following: i) Attachment 15 (LRAMVA Workform, Tab 5); ii) Attachment 14 (April 2019 P&C Report) or iii) Attachment 26 (2017 Final Verified Results Report, LDC Savings Persistence Tab). Please explain and provide the basis/source for the 2015 CDM program impacts set out in the CDM Tab.
- f) The 2016 CDM program impacts set out in the CDM Tab (H55-H60) match those in Attachment 14 (April 2019 P&C Report) for the years 2016 and 2020. What is the basis/source for the impacts shown for the other years in the period 2016-2021?
- g) The 2017 CDM program impacts set out in the CDM Tab (H62-H66) do not appear to match those reported in any of the following: i) Attachment 15 (LRAMVA Workform, Tab 5); ii) Attachment 14 (April 2019 P&C Report) or iii) Attachment 26 (2017 Final Verified Results Report, LDC Savings Persistence Tab). Please explain and provide the basis/source for the 2017 CDM program impacts set out in the CDM Tab.
- h) The 2018 CDM program impacts set out in the CDM Tab (H68-H71) do not match those in: i) Attachment 14 (April 2019 P&C Report) for the years 2018 and 2020 or ii) Attachment 15 (LRAMVA Workform, Tab 5) for the year 2021. What is the basis/source for the impacts shown for the period 2016-2021 as

set out both here and in the LRAMVA Workform and why don't the two reconcile for 2021?

- i) The 2019 CDM program impacts set out in the CDM Tab (H73-H756) do not appear to match those reported in either: i) Attachment 15 (LRAMVA Workform, Tab 5) or ii) Attachment 14 (April 2019 P&C Report. Please explain and provide the basis/source for the 2019 CDM program impacts set out in the CDM Tab.
- j) Please provide the source/basis for the 2020 CDM program impacts set out in the CDM Tab (H77-H78).

3.0-VECC-40

Reference: Exhibit 3, pages 21, 27 and 33
BHI Load Forecast Model, "CDM" Tab

- a) Please explain why the Residential Cumulative Persisting CDM value for 2021 is 37,472,221 kWh (per page 21) as opposed to the sum of the persisting savings in 2021 from 2011-2020 programs (37,486,355 kWh – per the CDM Tab).
- b) Please explain why the GS<50 Cumulative Persisting CDM value for 2021 is 12,700,386 kWh (per page 27) as opposed to the sum of the persisting savings in 2021 from 2011-2020 programs (13,300,166 kWh – per the CDM Tab).
- c) Please explain why the GS>50 Cumulative Persisting CDM value for 2021 is 49,805,696 kWh (per page 33) as opposed to the sum of the persisting savings in 2021 from 2011-2020 programs (56,156,282 kWh – per the CDM Tab).

3.0-VECC-41

Reference: Exhibit 3, pages 47-48
BHI Load Forecast Model, "CDM Adjustment" Tab

- a) Please confirm that the LRAMVA calculation assumes that the full annualized savings are achieved in the first year of a CDM program's implementation.
 - i. If confirmed and given 2019 actual data is used in the development of the forecast models, please explain why it is appropriate to include ½ of 2019 savings in the LRAMVA threshold.
- b) Will BHI's persisting savings in 2021 from 2019 and 2020 programs be verified by an independent 3rd party?
 - i. If yes, who?

3.0-VECC-42

Reference: Exhibit 3, pages 70 and 76-77
Chapter 2 Appendices, Appendix 2-H
Exhibit 8, pages 12 and 15

- a) Please provide a schedule that breaks down BHI's revenues from specific service charges (Account 4235) for each specific charge for the years 2016-2021.
- b) Do the proposed tariffs for 2021 and the forecast 2021 revenues for Retail Services Revenue and STR Revenue reflect the OEB's 2.2% adjustment in charges issued December 3, 2020 (EB-2020-0285)?
 - i. If not, what would be the revised revenues?
- c) Do the proposed tariffs for 2021 and the forecast 2021 revenues for Rent from Electric Property (i.e., Pole Attachment Charges) reflect the OEB's December 10, 2020 Order (EB-2020-0288)?
 - i. If not, what would be the revised revenues?
- d) Please provide a schedule setting out the 2019 rates and revenues for carrier and non-carriers, including the revenues recorded in Account 1508 – Sub Account – Pole Attachment Revenue Variance.
- e) Please explain why the Rent from Electric Property is constant over the period 2014-2019. Was there no change in the number of pole attachments during this period?
- f) What is the basis for the -\$98,000 in 2021 for Accounts 4355/4360?
- g) With respect to the proposed treatment of the 2021 revenues associated with the associated with the implementation of Metrolinx Regional Express Rail ("RER") project in BHI's service territory:
 - i. What is amount that has been included as a revenue offset for 2021?
 - ii. Does BHI expect there to be other projects similar to the RER in future years that will lead to revenues for BHI? If not, why not?

4.0 OPERATING COSTS (EXHIBIT 4)

4.0 -VECC-43

Reference: Exhibit 4, pages 218-222 142
BHI LRAMVA Workform, Tab 5

- a) Have all of the actual savings in 2019 from programs implemented in 2013-2019 been verified by an independent 3rd party?
 - i. If yes for some or all of the reported savings, who provided the verification?
 - ii. If no for some or all of the reported savings, which savings have not been independently verified?
- b) Have all of the actual savings in 2020 from programs implemented in 2013-2020 been verified by an independent 3rd party?
 - i. If yes for some or all of the reported savings, who provided the verification?

- ii. If no for some or all of the reported savings, which savings have not been independently verified?

4.0-VECC- 44

Reference: Exhibit A, page 14 Table 3

Please provide Table 3 excluding inflationary increases.

4.0-VECC-45

Reference: Exhibit A, page 14 Table 3

BHI has experienced a cumulative 49% turnover rate from 2014 to 2019, representing 45 employees, 31 of which were retirements. Direct replacement costs can be as high as 50% to 60% of an employee's annual salary, with total costs associated with turnover ranging from 90% to 200% of annual salary.

- a) Please provide the cumulative turnover rate from 2014 to 2019 excluding retirements.
- b) Please provide BHI's annual turnover target.
- c) Please explain why direct replacement costs can be as high as 50% to 60% of an employee's salary with total costs associated with turnover ranging from 90% to 200% of annual salary.
- d) Please provide the current number of vacancies.
- e) Please provide the average length of a vacancy for the years 2014 to 2020.
- f) Please provide the vacancy savings for each of the years 2014 to 2020.
- g) Please provide the vacancy assumption in the 2021 budget.

4.0-VECC-46

Reference: Exhibit 4, page 22

BHI incurred one-time costs in 2019 and 2020 related to the introduction of two new asset management tools – Program Evaluation Tool and a Project Prioritization Tool.

- a) Please provide the cost of each tool.

b) Please provide a table that sets out all one-time costs for the years 2014 to 2020.

4.0-VECC-47

Reference: Exhibit 4, page 47 Table 16

For each of the categories in Table 16 please provide 2014 actuals.

4.0-VECC-48

Reference: Exhibit 4, page 48 Table 17

The change in incentive pay since 2014 is due to changes to BHI's incentive compensation plan. Changes to the plan were based on the recommendations of an independent third party consultant's report. The report determined that BHI's incentive program for its non-union employees was not competitive and the design of the plan was not comparable to the LDC market overall. BHI made revisions to its plan to retain and attract talent.

Please provide the specific revisions to BHI's incentive compensation plan in response to the Incentive Program Review, Willis Towers Watson, October 2016.

4.0-VECC-49

Reference: Exhibit 4, page 67 Table 25

The Control Room had vacancies from 2014 to 2019 as identified in Table 25 below; including the full time supervisor position which was vacant from 2014 to April 2018.

Has BHI undertaken a recent analysis to determine the optimal level of staffing required for the Control Room given that for several years the Control Room operated with less than 9 FTEs? If yes, please provide. If not, how has BHI determined that 10 FTEs is the right size for the Control Room for 2021?

4.0-VECC-50

Reference: Exhibit 4, page 68 Table 26

a) With respect to salaries and benefits, please show overtime costs as a separate line item in Table 26.

b) Please explain why system maintenance costs have been transferred to the Station Maintenance Program.

4.0-VECC-51

Ref: Exhibit 4, page 71

With respect to Bad Debt, the higher amount in the 2020 Bridge Year includes additional write-offs for small commercial customers as a result of the COVID-19 pandemic.

Please provide the amount of additional write-offs for small commercial customers.

4.0-VECC-52

Ref: Exhibit 4

Please complete the following table:

	2014 Actuals MIFRS \$	2021 Forecast MIFRS \$
Salaries		
Benefits		
Overtime		
Incentives		
Contracted Labour		
Temporary Staff		
Consulting Fees		

4.0-VECC-53

Reference: Exhibit 4

Please provide the % of OM&A costs outsourced for each of the years 2014 to 2020 and the forecast for 2021.

4.0-VECC-54

Reference: Exhibit 4, page 78

Please provide a table of expenditures for Distribution Maintenance and Operations similar to Table 28 on page 75, beginning with 2014 Actuals (Revised CGAAP).

4.0-VECC-55

Reference: Exhibit 4, page 79 Table 29

Please discuss if BHI has made any significant changes to its inspection and maintenance activities and the frequency of activities since 2014.

4.0-VECC-56

Reference: Exhibit 4, page 78

BHI provides emergency and trouble call response 24 hours per day, 7 days per week.

- a) Please provide the number of emergency and trouble calls by year for each of the years 2014 to 2020.
- b) Please explain how the budget for emergency and trouble calls was derived for 2021.

4.0-VECC-57

Reference: Exhibit 4, page 95

In explaining the 2019 to 2020 variance, BHI references to an increase in vegetation management of \$191,534 driven by new contract pricing for the 2020-2022 period.

- a) Please explain further how new contract pricing results in an increase of \$191,534 and compare it to how BHI executed its vegetation management prior to this new contract.
- b) Please provide the number of vendors under the new contract.
- c) Please provide the vegetation management contract.
- d) Please provide the annual performance outcomes related to BHI's vegetation management program for the years 2014 to 2020, forecast compared to actuals.
- e) Please provide BHI's vegetation management performance metrics and targets for 2021.

f) Please provide a copy of City of Burlington's Urban Forest Management Plan.

4.0-VECC-58

Reference: Exhibit 4, page 98 Table 33

Please provide a breakdown of consultant costs for the years 2018 to 2021.

4.0-VECC-59

Reference: Exhibit 4, page 98

Pole/Cable testing is increasing by \$112,105 in 2021 compared to 2014 due to the increased level of cable testing due to the increased incidence of cable failures in 2019 and 2020.

a) Please describe the new cable testing in terms of scope and length of cable tested.

b) Please provide the number of cable failures for the years 2019 to 2020.

4.0-VECC-60

Reference: Exhibit 4, page 102

Please provide BHI's vehicle utilization rate for the years 2014 to 2020 and the forecast for 2021.

4.0-VECC-61

Reference: Appendix 2-BA

With respect to System O&M costs, BHI forecasts \$10.267 million in 2021, compared to \$9.468 million in 2020.

Please explain the 8.4% increase in System O&M costs from 2020 to 2021.

4-VECC-62

Reference: Exhibit 4, page 120

With respect to the Metering Program expenditures, BHI explains an increase in overtime costs. Meter Technicians are on "stand by" as first responders to emergency trouble calls during the day and after-hours. These costs fluctuate

with BHI customer needs and requirements.

- a) Please explain “stand by” and how the costs are determined.
- b) Please provide any other work activities that require staff to be on standby.
- c) Are standby costs built into the budget? If yes please provide the assumption for 2021.

4-VECC-63

Reference: Appendix 2-K

- a) Please break out overtime and incentive pay from Total Salary and Wages in the table.
- b) Please provide the % of labour capitalized by year.
- c) Please provide an excel version of the table that incorporates (a) and (b).
- d) Please provide the number of executives by year.
- e) Please provide the number of overtime hours by year.
- f) Please discuss the work activities that attract overtime.
- g) Please provide the total number of hours worked by year excluding overtime for the years 2014 to 2020.
- h) Please explain how the overtime budget was derived for 2021.
- i) Please provide the overtime amounts related to adverse weather by year for the years 2014 to 2020.
- j) Please provide the % of eligible incentive pay paid out each year for the years 2014 to 2020.
- k) Please provide the assumption for payout of incentive pay for 2021.

4.0-VECC-64

Reference: Exhibit 4, page 138

- a) Please provide BHI's resource utilization rate for the years 2014 to 2020 and the forecast for 2021.
- b) Please provide the calculation with assumptions.

7.0 COST ALLOCATION (EXHIBIT 7)

7.0 – VECC –65

Reference: Exhibit 7, page 5

Preamble: The Application states:

“In its last Cost of Service application EB-2013-0115, BHI used the load profiles provided by Hydro One in its cost allocation model. The Hydro One profiles were based on 2004 data, and consumption patterns have changed since then due to factors such as technology, macroeconomic changes, conservation programs and time of use pricing. BHI has updated the load profiles for all rate classes.”

- a) Please provide an alternative 2021 Cost Allocation model using the Hydro One profiles based on the 2004 data.

7.0 – VECC –66

Reference: Exhibit 7, page 6

Preamble: The Application states: “The weather profile of a typical year in the City of Burlington is calculated using average daily temperatures from 2009 to 2018”.

- a) It is noted (Exhibit 3, page 11) that the 10 year period 2010-2019 was used to determine “weather normal” HDD and CDD values for purposes of the load forecast. Why wasn't the same period used for purposes of establishing weather normal load profiles?
- b) Please provide a schedule that compares the average daily HDD and CDD values for each month based on: i) the period 2009-2018 and ii) the period 2010-2019. Note: Please provide separate schedules using the definitions of HDD and CDD as employed in the load forecast for each customer class.

7.0 – VECC –67

Reference: Exhibit 7, page 7 (Figure 2)

- a) With respect to Figure 2, please explain how the “Average Daily Temperature” value for each day was determined.

7.0 – VECC –68

Reference: Exhibit 7, page 8
Attachments 20, 27 and 28 (“Hourly Data” Tab)

Preamble: The Application states:

“The impact of HDDs and CDDs on hourly load is calculated with a regression of three years of actual hourly loads (2016 to 2018) on daily HDDs and CDDs. The regression results provide the estimated impact of a change in degree days on load”.

- a) In developing the regression model was any assessment made as to whether the type of day (i.e., Weekday vs. Saturday vs. Sunday/Statutory Holiday) would affect the impact temperature has on load?
 - i. If yes, what were the results?
 - ii. If not, why not?
 - iii. If not, please develop an alternative model for the Residential class that includes three additional independent binary variables (where each captures whether the day concerned is a Weekday, Saturday or Sunday/Statutory Holiday) and provide the results in a format similar to Attachment 20, “Res OLS” Tab.
- b) It is noted that Attachments 20, 27 and 28 only include hourly data for 2018. Please confirm that the regression analysis also used data for 2016 and 2017.
- c) Please explain why the years 2016-2018 were selected.

7.0 – VECC –69

Reference: Exhibit 7, page 9
Attachments 20, 27 and 28 (“CP and NCP” Tab)
Attachment 19 (2021 Cost Allocation Model), Tab I8

Preamble: The Application states:

“After load profiles are derived for all classes, total system and class-specific peaks within each month are compiled to produce Coincident Peak (“CP”) and Non-Coincident Peak (“NCP”) figures used in Tab “I8 Demand Data” of the OEB’s Cost Allocation Model. BHI provides a model illustrating how demand data was derived as Attachment20_Load_Profile_Derivation_BHI_10302020.”.

- a) In the “CP and NCP” Tabs factors are applied to the GS<50 and GS>50 Primary NCP values in order to determine the corresponding Line Transformer and Secondary NCP values. What is the basis/source of these factors?

7.0 – VECC –70

Reference: Exhibit 7, page 10

Preamble: The Application states:
“The weighting factors for all other rate classes were determined relative to the residential rate class. Table 2 below identifies the services weighting factors. There is no factor assigned to the GS>50 kW class as service is supplied via a padmount transformer, not wires or cables.”

The Accounting Procedures Handbook defines Services (Account 1855) as:

“This account shall include the cost installed of overhead and underground conductors leading from a point where wires leave the last pole of the overhead system or the transformers or manhole, or the top of the pole of the distribution line, to the point of connection with the customer's electrical panel. Conduit used for underground service conductors shall be included herein.”

- a) For GS>50 customers how is the supply from the padmount transformer to the customer's electrical panel provided (e.g., overhead or underground conductor) and who owns the conductor?
- b) If BHI owns any of the conductor, does this conductor meet the definition for Services as set out in the Accounting Procedures Handbook? If not, why not?

7.0 – VECC –71

Reference: Exhibit 7, pages 10-11

Preamble: The Application states:

“To calculate the billing and collecting weighting factors, BHI determined the billing and collecting costs directly attributable to each rate class. The remaining non-directly attributable costs were allocated to each rate class.”

- a) Please provide the analysis supporting the proposed billing and collecting weighting factors.

7.0 – VECC –72

Reference: Exhibit 7, page 11

Attachment 19 (BHI's 2021 Cost Allocation Model), Tabs I6.2 & I7.1

- a) For both the GS<50 and GS>50 classes, the number of customers in Tab I6.2 does not equal the number of meters for class per Tab I7.1. Please reconcile.

7.0 – VECC –73

Reference: Exhibit 7, page 12

Attachment 19 (BHI's 2021 Cost Allocation Model), Tab I7.2

Preamble: The Application states:

“Approximately 3% of BHI’s residential customers have a smart suite meter which costs approximately 2.7 times as much to read as a non-suite meter.”

- a) Under what circumstances do BHI’s residential customers have a “suite meter” and why does it cost approximately 2.7 times as much to read?
- b) In those circumstances where a residential customer has a suite meter does BHI own the transformer, secondary facilities and services (Account 1855) servicing that customer?
 - i. If no, have Residential customer counts and NCP demand allocators been adjusted to reflect that not all such facilities are owned by BHI?

7.0 – VECC –x

Reference: Exhibit 7, page 12

Attachment 19 (BHI’s 2021 Cost Allocation Model), Tabs I6.1, I.6.2 and I8

In Tab I6.1 there is no GS<50 kW load that receives the Transformer Ownership Allowance. However, in both Tabs I6.2 and I8 the number of customers using and the demand attributed to Line Transformers is less than the total for the class. Please reconcile.

7.0 – VECC –74

Reference: Exhibit 7, pages 5-10

Preamble: Pages 5 to 10 describe BHI’s proposed methodology for deriving the weather normal load profiles for each customer class for use in the cost allocation model.

- a) Did BHI (or its consultants) consult at all with other electricity distributors in Ontario to determine what approaches they were using/planning to use in order to update the load profiles used in their cost allocation models?
 - i. If yes, please generally describe any other approaches identified and why they were not pursued by BHI.
- b) Is BHI aware of any other electric utility in Ontario that has used the same methodology for deriving customer class load profiles for used in its cost allocation model? If yes, please provide the utility names and respective case numbers?
- c) Is BHI aware of any electric utility outside of Ontario that has used the same methodology for deriving customer class load profiles for used in its cost allocation model? If yes, please provide the utility names and for each the relevant regulator and a reference (e.g. web site link or electronic copy) where a description of the methodology and the regulator’s decision regarding the use of the methodology can be found.

8.0 RATE DESIGN (EXHIBIT 8)

8.0 –VECC -75

Reference: Exhibit 8, page 11
Attachment 21, RTSR Workform (Tabs 3 and 5)

- a) Please confirm that the retail sales data by class in Tab 3 and the UTR billing determinant data in Tab 5 are both based on the same historical year.

8.0 –VECC -76

Reference: Exhibit 8, pages 15-16 and Appendix C

Preamble: The Application states (page 15):

“BHI is proposing modifications to its Tariff of Rates and Charges to distinguish between the specific service charge for pole attachments for carriers and non-carriers.”

- a) What is BHI definition of a “carrier” vs. a “non-carrier” and where is or will this definition be documented?
- b) It is noted that in Appendix C the proposed tariff for non-carriers is \$22.35 which is different from that for carriers (\$44.50). Why is this the case?

End of document