**INTERROGATORIES FOR BURLINGTON HYDRO INC.**

**FROM THE CONSUMERS COUNCIL OF CANADA**

**RE: EB-2020-0007 – 2021 ELECTRICITY DISTRIBUTION RATES**

**CCC-1**

**Ex. 1**

Please provide all materials provide to BHI’s Board of Directors related to this Application.

**CCC-2**

**Ex. 1/p. 11**

BHI’s last Cost of Service application and DSP was filed October 1, 2013 for rates effective May 1, 2014. Please explain why BHI continued to defer its rebasing.

**CCC-3**

**Ex. 1/p. 32**

The Asset Condition Assessment indicates that 26% of BHI’s asset base is Very Poor, Poor or Fair. For the last 10 years please provide the percentage of the asset base that was in Very Poor, Poor or Fair condition.

**CCC-4**

**Ex. 1/p. 36**

The evidence states that during the period 2014-2019 BHI has experienced a workforce turnover rate of 49% with 50% of its workforce having less than five year’s tenure/experience with the organization. Please explain why BHI has experienced such a high turnover rate during the 2014-2019 period. How does this compare to other Ontario LDC’s? What have been the implications of such a high turnover rate?

**CCC-5**

**Ex. 1/p. 38**

BHI refers to a number of regulatory and policy changes that have put an upward pressure on costs. Incremental costs and/or reduction in revenue were associated with some of these changes have been recorded in a DVA since inception to the present and are contributing to the proposed rate increase. Please set out specifically all of the costs and/or revenue reductions that are contributing to the proposed rate increase.

**CCC-6**

**Ex. 1/pp. 39-46**

BHI has provided a detailed discussion of the impacts of COVID-19 on its costs, revenues and operations in 2020 and 2021. Please set out a list of all the COVID-19 impacts in 2020. Please provide a complete list of how COVID-19 has impacted the proposed 2021 costs and revenues.

**CCC-7**

**Ex. 1/p. 47**

BHI has provided a list of “realized efficiencies and made improvements to its business processes since 2014. Please quantify these impacts and set out their impact on the 2021 revenue requirement. Please provide a schedule setting out all proposed productivity savings for the period 2021-2025.

**CCC-8**

**Ex. 1/p. 65**

Please fully describe what activities Burlington Electricity Services Inc. undertakes. Please explain all of the relationships between BHI and Burlington Electricity Services Inc. What specific services does BHI provide to Burlington Electricity Services Inc.? What specific services does Burlington Electricity Service Inc. provide to BHI?

**CCC-9**

**Ex. 1/p. 78**

The evidence indicates that BHI prepares an annual budget and 10-year plan that is reviewed and approved by its Board of Directors. Please provide all directives provided to staff regarding the development of the annual budget for 2021and the 10-year plan.

**CCC-10**

**Ex. 1/p. 81**

The evidence states that BHI intends to update its load forecast before a decision is rendered on this Application – once full 2020 data is available and may consider adjustments at this time if they are material. Please indicate when the updated load forecast is expected to be filed. Does BHI expect to update any other components of the Application based on 2020 actual data? If so what components? If not, why not?

**CCC-11**

**Ex. 1/p. 85**

For each year 2014-2020 please provide forecast and actual Capital Expenditures in the same format as Table 14.

**CCC-12**

**Ex. 1/p. 90**

The increase in Total Compensation in 2021 relative to 2014 is $3,028,725. Please provide a detailed explanation for that variance.

**CCC-13**

**Ex. 1/p. 98**

BH retained Innovative Research Group to support its customer engagement and outreach and help assess customer needs and preferences with respect to BHI’s Distribution System and Business Plans. Was that engagement subject to an RFP process? If not, why not? Please provide the terms of reference for the work and the expected total cost. How will those costs be recovered?

**CCC-14**

**Ex. 1/p. 125**

Please provide the 2020 Scorecard.

**CCC-15**

**Ex. 2/Appendix 12/ Customer Engagement Overview**

Did BHI or Innovative Research Group ever inform customers that embedded in rates is allowed rate of return of approximately 8.5%? If why is this not relevant information for customers? Please describe BHI’s involvement in the work undertaken by Innovative Research Group.

**CCC-16**

**Ex. 2/p. 73**

BHI is seeking approval of an ACM for its planned replacement of its legacy ERP System. Please explain how the OEB can at this time assess the prudence of this project? How was the $2 million cost derived? What are the expected annual savings for the years 2022-2025?

**CCC-17**

**Ex. 3/p. 9**

Please indicate if BHI’s load forecast methodology differs from the methodology used in previous years. If so, to what extent has it changed.

**CCC-18**

**Ex. 5/p. 8**

BHI expects to issue long-term debt in 2021 in the amount of $10 million to support its ongoing capital expenditure requirements as presented in the Application. Please indicate the specific timing of that issuance.

**CCC-19**

**Ex. 5**

Please provide the Board approved and actual ROE for each year 2014-2020.

**CCCC-20**

**Ex. 4/p. 13**

The evidence states that BHI had 9 vacancies at the end of 2019 which it plans to fill by 2021. Please provide a complete list of these positions. How many have been filled and when does BHI expect to fill the remaining positions? What is the current level of vacancies?

**CCC-21**

**Ex. 4/p. 14 – Table 3**

Please recast Table 3 – OM&A cost drivers and include 2020 actuals.

**CCC-22**

**Ex. 4/p. 19 – Table 4**

Please provide a schedule setting out FTEs from 2014 to 2021 in the same format as Table 4.

**CCC-23**

**Ex. 4/p. 19 – Table 4**

Please provide a schedule setting out the number of vacancies for each year 2014-2021 in the same format as Table 4 (which is broken down by department).

**CCC-24**

**Ex. 4/p. 25-27**

For all of the efficiencies identified in section 4.1.1.12 please provide a dollar value. Are all of these reductions reflected in the 2021 revenue requirement? If not, please explain.

**CCC-25**

**Ex. 4/p. 32**

Please provide the Willis Towers Watson Report. What is the total incentive pay included in the 2021 Revenue Requirement? Please provide the assumptions regarding that amount.

**CCC-26**

**Ex. 4/p. 37**

OM&A per customer has been increasing since 2014. In developing the 2021 budget did BHI compare itself to other LDCs? If not, why not?

**CCC-27**

**Ex. 4/p. 13 and pp. 57-58**

The evidence refers to $279,802 related to the conversion to monthly billing. When was the conversion fully completed? For each year since the conversion was undertaken please set out the OM&A costs.

**CCC-28**

**Ex. 4/p. 88**

Does BHI benchmark its vegetation management costs? If not, why not?