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June 29, 2021

Delivered by Email & RESS

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

Dear Ms. Long:

Re: OEB File No. EB-2020-0043
North Bay Hydro Distribution Limited ("NBHDL")
2021 Rates Application
Argument-in-Chief

Pursuant to Decision and Procedural Order No. 3 dated May 31, 2021, please find enclosed NBHDL's Argument-in-Chief in regards to the above-noted proceeding.

Yours very truly,

BORDEN LADNER GERVAIS LLP

Per:

Flora Ho

cc: Intervenors of record in EB-2020-0043

EB-2020-0043

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Sched. B, as amended (the "Act");

AND IN THE MATTER OF an Application by North Bay Hydro Distribution Limited under Section 78 of the Act for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2021.

ARGUMENT-IN-CHIEF OF NORTH BAY HYDRO DISTRIBUTION LIMITED

June 29, 2021

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A. INTRODUCTION

1. North Bay Hydro Distribution Limited ("**NBHDL**") submits this written argument-in-chief ("**Argument-in-Chief**") in respect of an Application filed by NBHDL on January 5, 2021, as amended, under Section 78 of the *Ontario Energy Board Act, 1998* (the "**Act**") seeking an order of the Ontario Energy Board (the "**OEB**") approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2021 (the "**Application**"). The OEB assigned file number EB-2020-0043 to the Application.

2. On February 18, 2021, the OEB issued Procedural Order No. 1 approving Consumers Council of Canada ("**CCC**"), Donald D. Rennick ("**DDR**"), Hydro One Networks Inc. ("**HONI**"), School Energy Coalition ("**SEC**"), and Vulnerable Energy Consumers Coalition ("**VECC**") as intervenors in this proceeding.

3. On April 19, 2021, the OEB issued its Decision on Issues List with the final and approved issues list for the Application attached as Schedule A (the "**Issues List**").

4. On May 14, 2021, NBHDL filed a Settlement Proposal with the OEB representing a partial settlement of the issues in this Application (the "**Settlement Proposal**"). On May 31, 2021, the OEB issued its Decision and Procedural Order No. 3 pursuant to which the OEB accepted the Settlement Proposal subject to specific comments and conditions.

5. On June 22, 2021, in accordance with Decision and Procedural Order No. 3, a virtual transcribed oral hearing was held to hear further evidence in respect of three of the unsettled issues (Issues 1.2, 5.2 and 5.3) (the "**Oral Hearing**"). The remaining two unsettled issues (Issues 3.3 and 5.1) are to be addressed by way of written submissions.

6. This Argument-in-Chief is organized to address each of the unsettled issues, with a direct link to the Issues List, as follows:

   A. Introduction
   B. Operations, Maintenance and Administration (Issue 1.2)
   C. Rate Design (Issue 3.3)
   D. Effective Date (Issue 5.1)
   E. Previous Requirements/Agreements from EB-2014-0099 (Issues 5.2)
   F. Outcomes of the Phase 1 Transaction in EB-2019-0015 (Issue 5.3)

B. OPERATIONS, MAINTENANCE AND ADMINISTRATION (ISSUE 1.2)

1.2 OM&A

Is the level of planned OM&A expenditures appropriate and is the rationale for planning choices appropriate and adequately explained, giving due consideration to:

- *customer feedback and preferences*
- *productivity*
- *benchmarking of costs*
- *reliability and service quality*
- *impact on distribution rates*
- *trade-offs with capital spending*
- *government-mandated obligations*
- *the objectives of North Bay Hydro and its customers*
- *the distribution system plan*
- *the business plan*

7. NBHDL is seeking approval of $8,565,938 OM&A budget for the 2021 Test Year, which is 33% increase over 2015 Board-approved amount.

8. NBHDL understands that this is a significant increase.

9. However, NBHDL submits that, for the reasons set out in its evidence-in-chief and as more fully articulated below, its OM&A budget is reasonable.

B.1 OM&A Adjustments

10. At the beginning of the Oral Hearing, Ms. Melissa Casson acknowledged the increase in OM&A budget and pointed out that adjustments should be considered to the formulaic approach that the OEB uses to assess reasonableness of an applicant's OM&A increase, as there are certain incremental cost drivers that NBHDL face that are outside of management control.[1]

11. NBHDL submits that there needs to be flexibility when using the formulaic approach. This flexibility was allowed previously by the OEB, which allowed for various adjustments to

[1] Oral Hearing Transcript, June 22, 2021, [Transcript] page 20 lines 1 to 23.

the formulaic approach in the following decisions.

- In Thunder Bay Hydro Electricity Distribution Inc.'s 2017 Rates case (EB-2016-0105)[2] the OEB allowed adjustments for the following being 2016 one-time costs:
    - Legal costs related to load transfer ($50,000)
    - Renovations to operation centre ($168,000)
    - Supervisory Control and Data Acquisition (SCADA) training ($40,000)
    - Fire retardant clothing ($116,000)
    - Start of monthly billing process ($65,000)
    - Collective Bargaining costs ($12,000)
    - Electrical Safety Authority (ESA) public safety survey ($20,000)

    and the following for costs related to 2013 Actual OM&A

    - Change in affiliate costs ($175,000)
    - Correction of supervisory classification costs ($182,000)
    - Pension evaluation costs ($190,000)
- In Niagara-on-the-Lake Hydro Inc. ("**NOTL**") 2019 Rates case (EB-2018-0056)[3] the OEB allowed adjustments for the following costs in NOTL's 2019 budget to reflect the new requirements that have arisen since their last Cost of Service in 2014:
    - Cyber Security ($30,000)

[2] EB-2016-0105 - Thunder Bay Hydro Electricity Distribution Inc. Decision and Order dated September 21, 2017.
[3] EB-2018-0056 – Niagara-on-the-Lake Hydro Inc. Decision and Order dated April 11, 2019.

- OEB charges ($9,540)
- Survey ($13,988)
- Locates ($36,566)
- Pole Rental ($8,341)

- In InnPower Corporation's 2017 Rate case (EB-2016-0085)[4] the OEB allowed adjustment for incremental OM&A as a result of new building in the amount of $138,713.

12. NBHDL requests that the OEB allow for a similar flexibility in assessing the reasonableness of its OM&A budget.

13. As provided in Exhibit K1.2 Appendix A, reproduced below as Table 1, NBHDL is requesting adjustments to the formulaic approach used by the OEB to assess OM&A as set out in the table.

Table 1 – Adjustments to Formulaic Approach

2021 Test Year Adjustments to Formulaic Approach	2015 Board Approved	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual
Customer Engagement (other external costs)	$ 81,320	$ 109,730	$ 108,397	$ 92,515	$ 85,591	$ 55,676	$ 131,095
Customer Surveys (Safety & Satisfaction)	$ 21,500	$ 21,500	$ 5,150	$ 14,650	$ 11,250	$ 300	$ 10,030
Cyber Security (external costs)	$ 34,395	$ 40,442	$ 38,886	$ 899	$ 29,275	$ 35,076	$ 35,771
Employee Future Benefit Valuation	$ 10,048	$ 10,066	$ 10,360	$ 35,835	$ 39,792	$ 28,956	$ 53,661
Enhanced Vegetation Management	$ 260,033	$ 332,560	$ 250,462	$ 262,746	$ 246,787	$ 178,986	$ 127,048
Joint Use Incremental Costs	$ 32,092	$ 35,615	$ 31,994	$ 29,119	$ 31,410	$ 6,374	$ -
Labour - Accounting - Capital vs OM&A Ratios	$ 146,967	$ 5,570	$ 25,185	$ 153,372	$ 57,623	$ (16,193)	$ (79,701)
Labour - Historical Vacancies and Retasking	$ 65,534	$ 293,918	$ 237,442	$ 306,870	$ 529,056	$ 363,840	$ 383,097
Labour - New Positions	$ 306,720	$ 306,720	$ 306,720	$ 306,720	$ 306,720	$ 304,295	$ 229,698
Maintenance Programs	$ 198,525	$ 199,025	$ 189,525	$ 203,725	$ 205,525	$ 205,525	$ 205,525
OEB Assessment Fees	$ 35,583	$ 34,313	$ 34,385	$ 35,843	$ 36,691	$ 35,610	$ 35,296
Policies and Procedures	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 93,780
Smart Meter Re-verification Costs	$ 10,382	$ 9,579	$ 9,619	$ 3,845	$ 8,412	$ 5,088	$ 1,830
	$ 1,353,100	$ 1,549,037	$ 1,398,125	$ 1,596,139	$ 1,738,132	$ 1,353,533	$ 1,227,130

14. The amounts in each column (2015 Board-approved to 2020 Actual) represent the difference between the 2021 test year's values and the historical year values (i.e. incremental 2021 costs) for all categories listed in the first column, except for the labour categories, which are described below.

15. For the Labour – Accounting – Cap vs OM&A Ratios category, the amounts shown are

[4] EB-2016-0085 – InnPower Corporation - Decision and Order dated March 8, 2018.

adjustments to the historical and bridge years using the test year's assumption of capital and OM&A average split for time of NBHDL's operations staff.

16. For example, in 2018 NBHDL's Lines Department allocated 40% of their time to OM&A, while the test year allocation for OM&A is 43%. To account for this type of discrepancy for all operations departments (including Line, Engineering, Operations, Substations, Metering), for example, a $57,623 adjustment would be done to 2018 since the historical OM&A percentage allocated to OM&A was lower than the test year. As seen in Table 1, the adjustment goes the other way in 2019 and 2020.

17. For Labour – Vacancies and Re-tasking category, the adjustment are two-fold.

18. First, there is an adjustment for the historical effect of re-tasking 4 positions that existed in 2015 to 4 positions in 2021. There was an addition of two IT staff, an accountant, a substation learner and the removal of two lines staff, one customer service staff and one customer accounts staff. The two lines staff in particular previously had a large portion of their salaries allocated to capital, whereas after the re-tasking the IT staff and the accountant salaries are all allocated solely to OM&A. A failure to account for these adjustments in the formulaic approach to OM&A would effectively discourage a utility from properly re-tasking its workforce to meet the needs of the utility going forward.

19. In different years, this has a different value depending on whether or not the historical position was vacant or not.

20. Second, there is an adjustment for historical vacancies that were due to an exceptional one-time transitional event that was out of NBHDL's control and will not occur again over the forecast period. NBHDL addresses this exceptional one-time transition in more detail below. Since NBHDL's test year is a full staff complement, NBHDL is filling the historical holes to make a more apples to apples comparison.

21. As can be seen the largest adjustment year is 2018 when NBHDL's senior management team turned over and this rippled through the company.

22. For the Labour - New Positions category, this is the adjustment proposed to address the 4

new FTEs requested in the Application. This adjustment is discussed in greater detail below.

23. The adjustments set out in Table 1 are necessary and the amounts depend on the year used as the starting point. For the analysis in this Argument-in-Chief, we have used the 2015 Board-approved amounts in the sections below. However, all years and the respective adjustment amounts for each category are set out in Table 1 (regardless of which starting point is chosen).

24. The total amount of adjustments to the formulaic approach amount to $1.35 million in the 2015 Board-approved year. For the actual years between 2015 and 2020, the aggregate adjustments range from $1.23 million to $1.74 million.

25. There are an additional three reasons why NBHDL believes that the OEB should allow for flexibility to permit adjustments to the formulaic approach in this case.

26. First, as seen in Table 2 below, under the OEB's standard IRM formula NBHDL's Return on Equity ("**ROE**") indicates that for 2019 and 2020, NBHDL has been under earning **by more than 300 basis points**.

27. Put simply, the evidence is that NBHDL's costs are increasing faster than the IRM formula increases allow.

28. In this context, in this a forward test-year cost of service application, the OEB has an opportunity to assess detailed evidence of underlying cost drivers to ensure that the amounts funded in rates properly reflects the costs of actually providing service. If the OEB were to simply apply the same IRM formula to the proposed OM&A budget – it is entirely reasonable to conclude that NBHDL's ROE will most likely continue to fall well below the ROE deadband. This in turn should prompt concerns about the ongoing financial viability of the utility.

29. The evidence in this case demonstrates that rates at NBHDL are artificially low and this is the OEB's opportunity to support a management team that has put forth a concrete and sensible plan to fix this situation. This is not to say that the standard formulaic approach

has no use as a benchmarking analysis. Rather, it is to say that in this case there is evidence to support flexibility in allowing for adjustments to that formulaic approach due to the unique circumstances in this case.

Table 2 –Return on Equity (Deemed and Achieved)

Measure/Year	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Profitability: Regulatory Return on Equity – Deemed	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%
Profitability: Regulatory Return on Equity - Achieved	10.65%	9.01%	8.56%	10.17%	6.14%	4.64%
Difference	1.35%	(0.29%)	(0.74%)	0.87%	(3.16%)	(4.66%)

30. Second, as explained by Mr. Matt Payne at the Oral Hearing,[5] the intention of NBHDL is to bring the company back to a good place and a starting point that works.

31. A formulaic approach that uses a historical year or a prior test year as a starting point assumes that the utility is already on solid ground.

32. At the beginning of the Oral Hearing, Mr. Payne provided a background of the utility for context to the OEB panel.[6] NBHDL is an extremely lean organization and one of the main cost drivers for OM&A is the need for additional resources to address the risks that are tied to operating with a lean workforce, such as employee burnout, difficulty addressing customer's needs and preferences, and limitations to the amount of resources available to tackle key initiatives required to improve the business.[7]

33. If the challenges that NBHDL is currently facing are not addressed, then it will never be at the right starting point. Applying the formulaic approach would not help with placing NBHDL at the right starting point, but would drive it further away and NBHDL will never catch-up.

[5] Transcript page 42 lines 18 to 28 and page 43 lines 1 to 4.
[6] Transcript page 12 line 3 to page 13 line 4.
[7] IRR 1-DDR-3

34. Third, flexibility is supported through the additional benchmarking completed by NBHDL.

35. As shown on the evidence, NBHDL's OM&A per customer is significantly lower than its northern utility peers.

36. During the Oral Hearing, the benchmarking evidence was extensively explored. It is important to note that when comparing NBHDL against other LDCs, one needs to keep in mind the unique challenges and cost pressures that northern utilities face and allow for flexibility to account for those unique challenges and cost pressures.

37. Mr. Micheal Roth explained at the Oral Hearing that there are unique cost pressures for northern utilities and that geographic region is a relevant criteria when choosing comparators:

> *"And one of those things is, as stated multiple times by Mr. Pilon, is northern utilities tend to have greater vegetation density, so that is one cost driver that we would have separate from our counterparts. Another is the ability to have shared-service arrangements at our boundaries with other utilities. Outside of Hydro One we don't really touch with any other utilities. And the third is the ability to contract out work; not just the ability to do it, but the ability of contractors. A lot of the work we do is very specialized, and the ability to contract out certain tasks doesn't really exist around here. So functions that might to be outsourced have to be insourced for us. We would be competing for southern contractors that -- it would definitely just cost more to bring it north to do the work."*[8]

38. As such, Greater Sudbury Hydro Inc. and PUC Distribution Inc., which are also northern utilities are important to include as comparators as they would be more comparable to NBHDL. Although they may be larger in size, this can be addressed by comparing OM&A per customer. If anything, economies of scale would mean that those larger northern utilities (which face similar cost pressures to NBHDL) should have lower OM&A per

[8] Transcript page 220 lines 3 to 17.

customer that NBHDL – not the other way around. A table was provided in Exhibit K1.3 at page 11, which is reproduced below at Table 3.

Table 3 – Comparison of 2019 OM&A Values

Comparison of 2019 OM&A Values - Comparator Group

	Distributor	OM&A/Cust.	O&M/Cust	G&A/Cust	# of Customers	Gr.
1	Bluewater Power Distribution Corporation	$371.34	$112.89	$258.45	36,743	**
2	Canadian Niagara Power Inc.	$347.75	$135.12	$212.63	29,455	**
3	PUC Distribution Inc.	$340.90	$187.30	$153.59	33,647	**
4	Greater Sudbury Hydro Inc.	$330.68	$170.16	$160.51	47,725	**
5	ERTH Power Corporation	$315.50	$97.32	$218.18	23,380	**
6	Welland Hydro-Electric System Corp.	$293.74	$152.17	$141.57	23,664	**
7	Festival Hydro Inc.	$285.95	$112.60	$173.35	21,382	**
8	Halton Hills Hydro Inc.	$284.79	$69.69	$215.11	22,528	**
9	North Bay Hydro Distribution Limited	$281.43	$113.85	$167.58	24,199	**
10	Westario Power Inc.	$250.64	$89.81	$160.83	23,774	**
11	Essex Powerlines Corporation	$243.16	$86.76	$156.40	30,393	**
12	Peterborough Distribution Incorporated	$235.32	$85.32	$150.00	37,250	**
	Total Industry	**$317.59**	**$154.68**	**$162.91**		
	Total Industry excl. Toronto Hydro and Hydro One	**$267.13**	**$109.95**	**$157.17**		

Comparator Group Average	$298.43	$117.75	$180.68
North Bay Favourable Variance percentage	5.70%	3.31%	7.25%
Dollar Impact	$411,461	$94,365	$317,096

39. As seen in Table 3 above, NBHDL's OM&A per customer is $281.43, which is below the comparator group average of $298.43. Moreover, when looking at other northern utilities such as Greater Sudbury Hydro Inc. and PUC Distribution Inc., NBHDL's is significantly below their OM&A per customer, at $330.68 and $340.90 respectively.

40. This lends considerable credibility to NBHDL management's narrative that, even though they contend with similar cost pressures faced by other comparable northern utilities – NBHDL has done so by stripping down its workforce to an incredibly lean and frankly understaffed point.

41. This evidence shows that NBHDL's OM&A per customer levels are currently lower than its comparator group and substantially lower than its northern utility counterparts, which are managing substantially similar OM&A cost pressures that are unique to northern utilities.

42. NBHDL has incorporated numerous productivity initiatives in its budgeting process, with

some savings quantifiable where others are qualitative.[9]

43. Despite NBHDL's ongoing best efforts to achieve cost efficiencies and savings for ratepayers where possible, there is still an increase in OM&A budget.

44. Therefore, to fully understand how the level of planned OM&A expenditures is appropriate, one needs to understand the challenges that NBHDL has been facing as a utility and allowing flexibility to accommodate for these factors.

B.1.1 Incremental Costs

45. Most of the incremental OM&A cost pressures are attributable to NBHDL taking steps to meet the RRFE outcome of "public policy responsiveness and delivering on obligations mandated by government and the OEB."

46. Therefore, NBHDL submits that an adjustment to the OM&A formula used by the OEB to include these incremental cost drivers would be appropriate to represent the differences in the 2021 test year and the historical years, using 2015 Board-approved year as the starting point, the following are the incremental costs:

- Customer engagement costs ($81,320);
- Mandated bi-annual customer safety and satisfaction surveys ($21,500);
- Incremental cybersecurity costs (in response to OEB's cybersecurity guidelines and to protect customer data from increasing cyber threats) ($34,395);
- Incremental actuarial valuation adjustments related to employee future benefits that flow through OM&A ($10,048);
- Increased pole rental costs due to the OEB's decision to increase pole rental fees for wireline attachments (consequentially, NBHDL is charged a

[9] Interrogatory Response, Filed April 1, 2021 [IRR] CCC-5

correspondingly higher fee to attach third-party poles) ($32,092);

- OEB assessment fees ($35,583); and
- Increase in volume of smart meter re-verifications ($10,382).

47. The OEB has in the past granted adjustments to the OEB for incremental costs such as OEB assessment costs,[10] cyber security costs,[11] joint use attachment fees (pole rental costs),[12] and mandated customer safety/satisfaction surveys.[13]

48. Therefore, NBHDL submits that it is reasonable for the OEB to consider and grant similar adjustments in NBHDL's case for these incremental costs.

B.1.2 Labour - Historical Vacancies and Re-tasking

49. Due to the one-time significant transition within the executive and management team that NBHDL experienced during the historical period,[14] there were higher than normal vacancies and increased internal movement within the organization.

50. During the period of transition, NBHDL took time and effort to determine whether positions should be replaced or if resource re-tasking would provide better value. Proper assessment was required as NBHDL's collective bargaining agreement with the union does not allow the company to contract out union work. In some cases, this process spanned multiple years.[15]

51. As stated by Ms. Casson at the Oral Hearing, this higher level of vacancies is due to a one-time transitional event, where time was required to put the right people in the right seats.[16]

52. This one-time transitional event can be evidenced by the annual employee churn rate at

[10] EB-2016-0105 - Thunder Bay Hydro Electricity Distribution Inc. Decision and Order dated September 21, 2017.
[11] EB-2018-0056 – Niagara-on-the-Lake Hydro Inc. Decision and Order dated April 11, 2019.
[12] Ibid.
[13] Ibid.
[14] Exhibit 1 at page 10, line 24 to page 12, line 6.
[15] Transcript page 21, lines 8 to 25.
[16] Transcript page 22, lines 4 to 7.

NBHDL as set out in Table 5 below.

Table 5 – Annual Employee Churn Rate

2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
4%	10%	24%	32%	13%	4%

53. At present, these positions are now staffed properly and are incorporated as FTEs in NBHDL's cost structure. Going forward, NBHDL expects a similar churn rate as 2020, which is about 4%. There will not be a recurrence of the 2016-2019 situation where there were an exceptionally high number of vacancies.

54. The backfilling of vacancies and re-tasking results in an adjustment of $65,534, using 2015 Board-approved as a starting point.

B.1.3 Adjustment to Capital vs OM&A Ratios

55. Apart from incremental cost drivers, adjustments to the formulaic approach should be made to reflect the correct allocation of capital and OM&A for NBHDL's operations and engineering staff. In NBHDL's 2015 Board-approved OM&A budget, the time these staff spent on OM&A activities was underestimated.

56. For the operations department, approximately 43% of total line crew hours must be allocated to operations and the balance to capital to reflect the actual work performed, but the 2015 OM&A budget allocated 34% of time to O&M with the balance allocated to capital and recoverable work, which is inaccurate. For the engineering department, the 2015 OM&A budget allocated 33% of time related to management in this department to O&M with the balance the balance allocated to capital and recoverable work; this ratio does not reflect the allocation of time spent in O&M which is estimated to be 53% in 2021.[17]

57. Given this change in allocation of staff time, adjustment to the OM&A needs to be made

[17] Exhibit 4 s. 2.4.2.4 at page 24.

to accurately reflect what actually occurred. Any historical comparison needs to be corrected to account for this different allocation assumption used in 2015 Board-approved to ensure apples-to-apples comparison.

58. The impact of this adjustment using 2015 Board-approved as a starting point, is $146,967.

B.1.4 Labour - New Positions and Delivery of Key Initiatives

59. The lack of resources and available OM&A budget have impeded the completion of a number of initiatives that are part of NBHDL's policies and procedures update, which are important to foster improvement, drive efficiency, enhance safety, create accountability, and align NBHDL with emerging trends and best practices. These are detailed in Response to Pre-Settlement Clarification Questions at Question 4 ("**Policies and Procedures Table**"),[18] which includes an update of Conditions of Service, review of NBHDL's compensation plan, and formalization of health and safety policies and procedures.[19]

60. Subsequent to the significant turnover that occurred in 2018, the new management team, once established, took immediate action to re-align the employee complement to better meet the needs of the utility, such as eliminating positions and re-tasking positions.[20] Although this provided some temporary relief, the operational risks of a lean workforce still existed. With continued assessment, NBHDL identified the need for a complement of 53 FTEs in the 2021 Test Year to solve the issue of its resourcing requirements. As explained by Mr. Payne at the Oral Hearing, operating from an affordability perspective, NBHDL has developed hybrid positions in order to do more with less.[21] These 4 incremental FTEs over the 2015 OEB Approved 49 FTEs, composed of 3 new positions and 1 succession planning position, as follows:

a. Communications Officer

61. In 2019, NBHDL created the new position of a Communications Officer as a dedicated

[18] EB-2020-0043, Response to Pre-Settlement Clarification Questions, filed May 17, 2021 [Clarification Questions] at page 24.
[19] EB-2020-0043, Exhibit 4 dated January 5, 2021 [Exhibit 4] s. 2.4.1.3 at page 12.
[20] Exhibit 4, s. 2.4.1.1.3 at page 10.
[21] Transcript page 186 lines 11 to 18; page 77 lines 15 to 21.

resource to help NBHDL improve and formalize customer engagement, handle annual reporting requirements of the regulator, coordinate education and interaction among all customer classes, increase social media presence and awareness, ensure website content is current, creative and relevant, and to promote NBHDL and its programs to the community.[22]

62. The Communications Officer position also helps address the increasing customer expectations on increased digital and self-service options, different communication methods regarding outages, new projects and general information, digital privacy and security.[23]

63. As explained in Interrogatory Response ("**IRR**") to 1-DDR-2, if this position were eliminated, certain NBHDL's initiatives will be negatively impacted and likely significantly scaled back, such as: NBHDL's social media presence, improvements to NBHDL's website; development of new platforms for customer engagement, engagement with Commercial and Industrial customers, media and public relations, and community stewardship.[24]

64. It is imperative that NBHDL build better relationships with its customers and respond to customer preferences. In order to do so, the Communications Officer is critical.

b. Administrative Assistant

65. One of the incremental FTEs for the 2021 Test Year is a shared Administrative Assistant who will help with company-wide administration and assist the senior management and executive team, so that they are not being inundated with administrative tasks that are not reflective of their costs or skillset.[25]

66. If this position was not hired, then the senior management team would be distracted from areas where they bring value and that enable the business to meet regulatory, shareholder,

[22] Exhibit 4, s. 2.4.1.1.2 at page 8; IRR 4-DDR-17
[23] Ibid.
[24] IRR 1-DDR-2
[25] EB-2020-0043 Exhibit 1 dated January 5, 2021 [Exhibit 1], s. 2.1.7.5.3 at page 99, Exhibit 4, s. 2.4.1.1 at page 5, s. 2.4.1.1.2 at pages 8 to 9,

and customer needs and requirements, such as identifying inefficiencies and areas of improvement, providing short-term planning and oversight and long-term strategic planning and execution.[26]

67. The Administrative Assistant position would also assist the Human Resource Manager who is currently the sole HR and administrative resource. As shown in the Policies and Procedures Table and echoed by Mr. Payne at the Oral Hearing, the HR Policies have not been updated for over two decades.[27] It is important that this additional resource be added so that tasks can be directed to the right individuals and be completed.

c. Operations Coordinator

68. The Operations Department is the largest department within the organization and is led by only two management employees: an Operations Manager and an Operations Supervisor.

69. Currently, a resource gap exists in the management of the Operations Department in areas such as purchasing, planning, project management, risk management and safety.[28] The Operations Coordinator positions will provide the operations department with additional support to help find efficiencies, improve productivity, and address this resource gap. [29]

70. As explained in its IRRs,[30] given the amount of work and comparing NBHDL's organizational structure to other utilities of similar size, NBHDL can hire up to four additional resources for this resource gap, such as a Safety Officer, a Purchasing Manager, and multiple levels of supervision within the Operations Department. However, as mentioned above, NBHDL has considered affordability and in order to mitigate costs, NBHDL created one position to cover all areas.

d. Succession for Operations Manager and Supervisor

71. Again, with affordability in mind, NBHDL included one FTE in its OM&A budget to cover

[26] IRR 1-DDR-13
[27] Clarification Questions at page 24 and Transcript page 186 lines 1 to 9.
[28] Exhibit 4, s. 2.4.1.1.2 at page 9
[29] Exhibit 4, s. 2.4.1.1 at page 5,
[30] IRR 1-DDR-3

succession training for both the Operations Manager and Supervisor.[31] These two operation employees are both currently eligible for retirement and there is a need to ensure continuity and allow for sufficient time to transfer institutional knowledge and utility experience to the successor. This proposal avoids burdening the customer with the cost of two full-time positions to cover succession for each position separately and allows for flexibility to address each position based on the circumstances, such as when the retirement occurs.

72. As set out in Table 1 above, the new positions result in an adjustment of $306,720, using 2015 Board-approved as a starting point.

73. These four incremental FTEs are crucial to the continued operation of NBHDL and will assist the utility in delivering on its key initiatives, which are: (1) enhance customer engagement; (2) support improvements (formalization and modernization) of policies and procedures; (3) drive improved O&M practices and performance; and (4) support succession planning.

B.1.4.1 Enhanced Customer Engagement

74. One of NBHDL's planned objectives is to increase customer interactions and engagement on an annual basis with all customer groups through continued surveys, face-to-face meetings, creation of new working groups and annual contractor and general service breakfast meetings,[32] which is directly related to the Renewed Regulatory Framework for Electricity ("**RRFE**") outcomes of Customer Focus.

75. Apart from meeting the RRFE outcome, NBHDL also values ongoing customer engagement as it is the best avenue to understand customers' needs and priorities, which then shapes NBHDL's business and operations.

76. As detailed by Mr. Payne at the Oral Hearing,[33] there are specific programs and customer engagement activities that NBHDL has plans for, such as meeting one on one with NBHDL's top 10 to 20 customers, creating focus groups for each customer class, hosting

[31] Exhibit 4, s. 2.4.1.1 at page 5,
[32] Exhibit 1 s. 2.1.2.3.1 at page 16.
[33] Transcript page 15 lines 11 to 25.

a forum for developers, contractors and other stakeholders, and hosting an annual breakfast with C&I customers. In addition, website redesign to provide updated, relevant and interactive content and the creation of an app are among the various customer engagement initiatives that NBHDL has included in its plans.

77. Having the Communications Officer in place would help actualize these plans and ultimately benefit the customers when NBHDL takes the feedback and incorporates them into its business planning. Apart from having the Communications Officer to implement these plans, NBHDL also requires the OM&A budget to put these plans into action.

B.1.4.2 Policies, Procedures and Initiatives

78. Mr. Payne emphasized throughout the Oral Hearing that things at NBHDL are not getting done due to the lack of resources and this needs to be addressed.[34] The addition of the new resources will allow the existing FTEs to focus on the improvement of policies and procedures relevant to their department. To assist in developing policies and procedures, it is necessary for third party subject matter experts to provide expert support to ensure that industry best practices are implemented.

79. NBHDL's response to Pre-Settlement Clarification Question No. 4 provides a table of the various policies, procedures and initiatives that needs to be completed. This table is reproduced as Table 4 below. As seen in Table 4, various policies are extremely out of date and need to be addressed as soon as possible.

[34] Transcript page 41 lines 2 to 4, page 77 lines 3 to 6, page 80 lines 21 to 24, page 174 lines 19 to 24, page 177 lines 17 to 19, page 181 lines 5 to 11, page 186 lines 4 to 10

Table 4 – Summary of Policies, Procedures and Processes Requiring Update

Description	Cost per year	# of years	Comments
Compensation Review - Base	$ 25,000.00	1	
Compensation Review - Incentive	$ 25,000.00	1	OEB order from last rate applicaton
Conditions of Service Update/Overhaul	$ 50,000.00	1	2007 last update
HR Policies	$ 25,000.00	5	1 section per year - written and not updated since 90's
Customer Service Policy Update	$ 25,000.00	1	Review of all policies and procedures in Customer Service department with review of best practices (inside/outside industry) and execution of formal documentation to all customer facing documents (ex; applications, website Q&A, etc.)
Customer Service Employee Manual/Guide	$ 25,000.00	1	Update of all internal training documentation, including employee facing documentation, (process maps/steps/screen shots/etc.), guiding principles of department including priority focus on 'Customer Service' and what that means in interactions with customers in multiple formats, internal templates, etc.
Substation and Control Room Directives	$ 50,000.00	1	No official documentation to guide staff through daily processes and emergency ever
Asset Management - Annual updates and data collection	$ 20,000.00	5	Goal is to eliminate the cost of a $130k DSP every 5 years
Building assessment options	$ 10,000.00	5	Review of building and assessments of options, keeping current each year and revisiting/updating
Governance Documentation	$ 25,000.00	2	Currently no board orientation package, no code of conduct, no governance policies - In 2020 the company conducted a governance review and we are in possession of a governance improvement recommendation document that we can use to guide this process
Safety Program Creation - Tie to a recognized standard	$ 50,000.00	2	There is no formalized safety program in place at NBHDL. Documentation on Safe Work Practices, outdated or non-existent. Very little tie to risk assessment in existing documentation.
Safety Program - Annual	$ 10,000.00	5	Needed to keep program current
Purchasing Policy Update, including internal control and process documentatio	$ 25,000.00	1	Purchasing policy and process put in place in 2010 and is very vague and simple. No associated documentation to guide employees through process
Project Delivery Planning and Design Process Guidelines	$ 40,000.00	2	Currently have no process for the planning, design and execution of project delivery. Guidelines should include components of scoping, project management, design, file retention, risk management and construction. Process is currently laid out in flowchart with some directive, but more details are required. Too much in-person knowledge creates risk of lost knowledge to company.
Document Retention Policy Development including digitization	$ 50,000.00	1	Currently files are stored in multiple locations with paper and electronic copies. The development of a process and policies for consitent electronic storage and the elimination of paper documents to avoid duplication is required.
Transformer Database	$ 50,000.00	1	Current process for the inventory and management of transformers is paper based - receiving, installing, testing, reserving, tracking and scrapping is all handled with different paper processes, outside of system control. This needs to be automated and proper controls implemented.

80. Policies and processes are the foundation that keeps the day-to-day business intact, driving governance, setting expectations for both employees and the customer, and establishes practices to keep employees safe. This currently lacking at NBHDL and that is why the resourcing and third party expertise is required.

81. Proposed costs of $150,000 per year is being requested to engage external subject matter experts to provide advice implementing best practices and making NBHDL's policies and processes current.

82. The impact of adjustments related to Policies and Procedures using 2015 Board-approved as a starting point is $150,000.

B.1.4.3 Improved O&M Practices and Performance

83. The addition of the Operations Coordinator will help allow for ownership and constant attention to the safety program, ensuring best practice procurement, active contractor and third party coordination and the handling of discrete customer concerns.

84. Apart from these existing initiatives, the Operations Coordinator will be able to assist with new initiatives that are equally important but similar to the policies, procedures and processes mentioned above in Section B.1.2, have not been addressed due to lack of resources.

85. New initiatives include non-destructive pole testing and underground cable testing. Testing of assets helps optimize investment planning and identify failure risks, which will ultimately help avoid adverse impacts to system reliability and emergency replacements. As explained by Mr. Roch Pilon at the Oral Hearing,[35] the current pole inspection program is unable to collect information on the remaining strength of the poles, which is important information that will improve the health modeling of poles.

86. Another important initiative relates to safety, and that is the ARC flash study. The ARC flash study will allow NBHDL to understand ARC Flash hazards associated with the equipment in its system. With the ARC flash study, workers will be able to properly assess risk and properly protect against it when work is required.[36]

87. Subsequent to the completion of the ARC flash study in the test year, there are a variety of other projects and studies that NBHDL plans to incorporate, such as: a DER implementation study, a protection control study to verify various protection devices on NBHDL's system are coordinated properly, a yearly system optimization review, and operational review.[37] These are all important initiatives to ensure the optimal safety and operation of NBHDL.

88. In addition to the ARC flash study, NBHDL requires a better geographic information

[35] Transcript page 26 lines 22 to 26.
[36] Exhibit 4 s. 2.4.1.9 at page 16.
[37] Transcript page 133 line 14 to page 19.

system ("**GIS**") to store its data. This upgrade will improve and evolve NBHDL's management of its asset information and allows for a better method of storing and utilizing data collected from the field through inspections. With an improved GIS, it will resolve the current performance issues and data capacity constraints that NBHDL is experiencing and allow access to additional data collection and analysis applications.

89. To move the business forward and for the benefit of customers to have a safe and reliable system, it is important for NBHDL to have the budget to tackle these new initiatives. NBHDL's proposed costs of $205,000 for these new initiatives is included in its OM&A budget.

90. The impact of adjustments related to Maintenance Programs using 2015 Board-approved as a starting point is $198,525.

B.1.4.4 Succession Planning

91. Succession planning is critical to ensure continuity and business success. The operations management team of two have over 60 years of utility experience and institutional knowledge that is extremely valuable to the organization. Therefore, it is critical that NBHDL execute a succession plan that ensures successful transition; allowing sufficient time to train the new employee and to transfer knowledge. This succession position will place NBHDL in a better position to maintain safe and effective operations upon the retirement of the operations management team members.

B.1.5 Enhanced Vegetation Management

92. The vegetation management program is the largest OM&A cost that NBHDL incurs outside of labour and it significantly contributes to maintaining reliability and safety of NBHDL's overall system. Tree contact with overhead distribution circuits is a major cause of power interruptions.[38] To increase reliability, there will need to be an increase in spending in vegetation management.

93. In the past, NBHDL has struggled to complete its vegetation management program because

[38] Exhibit 4, s. 2.4.1.5 at page 14.

of contractor availability, contractor pricing volatility, and poor contractor performance in execution of work and safety because of inexperienced resourcing. Awarded contract work tends to not be completed in the given year due to contractor crew constraints.[39] In response to the unavailability of local contractors, inability of awarded contractors to complete work in given timeframes, and to mitigate price volatility in bids and ensure a consistent workforce, NBHDL's affiliate collaborated with two other northern Ontario utilities to create 17 Trees Inc., a northern utility-focused arborist service.[40] As explained in the Oral Hearing, there is an ownership arrangement but 17 Trees Inc. is not an affiliate of NBHDL.[41]

94. With the availability of 17 Trees Inc. as a contractor, NBHDL will be able to implement its plans for tree trimming. This is a pressing need as NBHDL's vegetation management cycle is now at its eleventh year for what should have been a four or five year cycle. As vegetation continues to grow, there is now more expensive, heavy tree trimming that needs to be performed. With an increase in budget for vegetation management, NBHDL will be able to complete this much needed work and aim to return to a five-year cycle. With the return to a five-year cycle, there should be less work and less costs thereafter.[42]

95. The impact of this adjustment using 2015 Board-approved as a starting point, is $260,033.

96. Despite NBHDL's focus on efficiencies and cost controls - the downloading of new and incremental responsibilities and new cost pressures are outpacing inflation in some areas of the business.

97. NBHDL has demonstrated an emphasis on operational effectiveness and achieving sustainable cost savings for ratepayers. Despite these best efforts, costs are still increasing and ROE is decreasing. NBHDL submits the OEB should approve the requested OM&A expenditures in the test year, which reflects the need to respond to new obligations mandated by government and the OEB and to address specific operational risks facing the

[39] Exhibit 4, s. 2.4.1.6 at page 14, s. 2.4.2.12 at page 29,
[40] IRR 4-Staff-53
[41] Transcript page 214 lines 10 to 22.
[42] Transcript page 144 lines 15 to 24.

utility in the near-term.

C. RATE DESIGN (ISSUE 3.3)

3.3 Are North Bay Hydro's proposals, including the proposed fixed/variable splits, for rate design appropriate?

98. NBHDL's proposal is to maintain the fixed/variable proportions assumed in the current rates to design the proposed monthly service charges. As stated in Exhibit 8 of the Application, this approach has been approved by the OEB many times before, including in EB-2014-0002, EB-2012-0113, EB-2011-0293, EB-2011-0319, EB-2010-0131, EB-2010-0132 and EB-2010-0135,[43] as well as InnPower Corporation's 2017 rate decision (EB-2016-0085).

99. This approach is consistent with the findings in *Board Policy: A New Distribution Rate Design for Residential Electricity Customers* (EB-2012-0410) where the OEB noted at page 9 of this policy that: "*The current rate design for distribution service is not reflective of the costs to distribute electricity, because costs that are mostly fixed are being recovered through charges which vary with usage.*"

100. Analogous to the facts in Horizon Utilities Corporation's ("**Horizon**") 2015 rate case (EB-2014-0002), NBHDL is proposing to maintain the current fixed/variable split in its rate design for each class and in doing so, some fixed charges are moving further above the ceiling set out in the Report of the Board, Application of Cost Allocation for Electricity Distributors, EB-2007-0667.[44] The OEB approved Horizon's proposal in that case, stating that:

> *"The Board accepts Horizon's proposal. While the Board's current policy direction is to move toward an increased fixed charge, this consideration was not the sole basis upon which the Board reached its Decision. The Settlement Agreement contains a re-opener provision*

[43] EB-2020-0043, Exhibit 8 dated January 5, 2021, s. 2.8.1.1.2 at page 4.
[44] Application of Cost Allocation for Electricity Distributors Report of the Board EB-2007-0667 dated November 28, 2007.

> *which would address any policy change related to an increased fixed charge.*
>
> *A fixed/variable split above the ceiling was approved in Horizon's last cost of service proceeding. In this application, Horizon has maintained the fixed/variable split."*[45]

101. The OEB followed Horizon's decision in InnPower Corporation's 2017 rate case and approved InnPower's proposal to maintain its current fixed-variable split that was from its 2016 approved rates. The OEB went on to state that "*maintaining the fixed-variable split results in an increase to the fixed charge which is consistent with the approach approved in past OEB decisions including the Horizon Utilities Corporation 2015 rate decision.*"[46]

102. Similarly, NBHDL's current fixed/variable split was approved in NBHDL's last cost of service proceeding. NBHDL proposes to maintain the same fixed/variable split. This is consistent with the OEB's previous decisions on this issue as listed above.

D. EFFECTIVE DATE (ISSUE 5.1)

5.1 Is the proposed effective date (i.e. May 1, 2021) for 2021 rates appropriate?

103. As stated in the Application, NBHDL requests to have rates set effective May 1, 2021.[47]

104. On April 27, 2021, the OEB issued an interim rate order that declared NBHDL's current Tariff of Rates and Charges as interim as of May 1, 2021 until the final rate order in this proceeding is issued by the OEB.[48]

105. As was discussed during the Oral Hearing, during the same time that NBHDL was preparing the Application, it was also moving in parallel to address COVID-19.

106. On March 17, 2020, the provincial government declared a state of emergency in response to the COVID-19 pandemic. This required NBHDL's management team to put a halt to its

[45] OEB Decision and Order dated Dec. 11, 2014 in EB-2014-0002 at pg. 9.
[46] EB-2016-0085 InnPower Corporation, Decision and Order dated March 8, 2018 at page 27.
[47] Exhibit 1, s. 2.1.4.8 at page 48.
[48] EB-2020-0043 Interim Rate Order dated April 27, 2021 at page 2.

work in order to maintain a safe working environment and maintain the ability to react to the constantly changing landscape.[49]

107. The immediate focus was placed on safety and business continuity, which included temporary policy development, creating workflows, work-from-home arrangements, and contingencies. All of these were changing daily as new information about the pandemic was being updated on a regular basis. This was no small task and required the primary focus of NBHDL's senior management team.[50]

108. Secondary to this was adapting to new regulatory directions and programs from the OEB such as the launching of CEAP and the GA deferral, emergency rate orders and disconnection rule changes that were rolled out all during this time. This was also in parallel to the Customer Choice Initiative that was implemented during Fall 2020.[51]

109. On top of all these changes, NBHDL maintained its commitment to its customers and community and its responsibility to help them through these challenging times. In an effort to provide relief to customers, NBHDL deferred its May 1, 2020 rates and chose to voluntarily forego the collection of that revenue. NBHDL focused on helping customers in need with creating custom payment arrangements and waived all late payment charges on arrears balances, and continue to do so at present. NBHDL will not be seeking recovery of these lost revenues.[52]

110. Taking all of this into consideration, responding to COVID-19 certainly required resources and focus that would normally have gone towards this cost of service application. Although there was a delay in filing the application, given the unprecedented year of 2020, NBHDL's dedication and effort to deliver the cost of service application cannot be overlooked.

111. For these reasons, NBHDL requests that the OEB grant a May 1, 2021 effective date and allow NBHDL to collect forgone revenue for the period following May 1, 2021.

[49] Transcript page 27 line 24 to page 28 line 7.
[50] Transcript page 28 line 8 to 14.
[51] Transcript page 28 line 15 to 20.
[52] Transcript page 28 line 21 to 28.

E. PREVIOUS REQUIREMENTS/AGREEMENTS FROM EB-2014-0099 (ISSUES 5.2)

5.2 Has North Bay Hydro responded appropriately to the requirements and agreements set out in its previous cost of service application EB-2014-0099, namely:

- *exploring the possibility of better aligning North Bay Hydro's incentive pay structure with the metrics and outcomes described in EB-2014-0099*
- *completing a comprehensive review of all North Bay Hydro's processes and systems underlying its working capital requirements*

112. As listed above, there were two previous requirements from EB-2014-0099 at issue. The parties agreed that NBHDL responded appropriately to the second requirement but were unable to reach settlement on the first requirement.

113. NBHDL takes its commitments to the OEB very seriously and endeavours to meet all obligations and commitments towards the OEB.[53]

114. As described above in this Argument-in-Chief, there were significant changes in the management team at NBHDL between 2017 and 2019, and at that time there was a decision to wait until the new management team was in place prior to exploring changes to the incentive pay structure.

115. In 2019, the NBHDL team started planning out its cost of service commitments and had plans in place to address these previous requirements in 2020. Unfortunately, COVID-19 hit and NBHDL had to divert its resources to respond to the various changes, as discussed in Section D.[54] This caused a delay in NBHDL's plans to complete these previous requirements. Ultimately, NBHDL was able to complete a comprehensive review of all of its processes and systems underlying its working capital requirements. However, the alignment of incentive pay structure with the metrics and outcomes requirement is still

[53] Transcript page 40 lines 16 to 28, page 41 lines 1 to 6 and page 24 lines 6 to 27
[54] Transcript page 124 lines 16 to 21.

underway.

116. NBHDL is committed to have this incentive pay structure requirement completed by December 18, 2021. As stated by Mr. Payne at the Oral Hearing, the matter is with NBHDL's board of directors and is being reviewed.[55]

F. OUTCOMES OF THE PHASE 1 TRANSACTION IN EB-2019-0015 (ISSUE 5.3)

5.3 Have the outcomes of the Phase 1 transaction approved by the OEB in the EB-2019-0015 proceeding been appropriately addressed?

117. On January 16, 2019, North Bay (Espanola) Acquisition Inc. ("**NBEAI**") (an affiliate of NBHDL) filed a Mergers, Amalgamations, Acquisitions and Divestitures application (EB-2019-0015) ("**MAADs Application**") which sought approval for the acquisition of Espanola Hydro Holdings Corporation ("**ERHHC**") and Espanola Regional Hydro Distribution Corporation ("**Espanola Hydro**") by NBEAI and the amalgamation of NBEAI, ERHHC and Espanola Hydro to form Espanola Regional Hydro Distribution Corporation ("**ERHDC**"). These approvals formed Phase 1 of a two-phase transaction.

118. In its August 22, 2019 Decision and Order, the OEB approved Phase 1 of the two-phase transaction. Effective October 1, 2019, the former entities amalgamated pursuant to the provisions of the *Business Corporations Act, 1990* (Ontario), to continue as one corporation under the name of Espanola Regional Hydro Distribution Corporation.

119. NBEAI included a "Proposed Rate Framework" as part of the MAADs Application, pursuant to which following the Phase 1 transaction, NBHDL and ERHDC would be permitted to continue to operate as independent utilities until 2020 (i.e. after the PUC Services Agreement between PUC Services Inc. and ERHDC expires). NBHDL would file its cost of service rebasing application and it would ensure that ERHDC file a cost of service rebasing application as well. NBHDL and ERHDC's rebasing applications would be heard independently. In its Decision and Order ("**MAADs Decision**"),[56] the OEB found

[55] Transcript page 125 at line 28 to page 125 line 8.
[56] EB-2019-0015 North Bay (Espanola) Acquisition Inc. Decision and Order dated August 22, 2019 at page 25.

that it was consistent with the OEB's policies for one utility to acquire another utility and operate it on a stand-alone basis. It also found that NBEAI's proposal to file separate cost of service rate applications for 2021 rates for NBHDL and ERHDC reasonable.

120. In the MAADs Decision, the OEB also ordered that NBEAI shall complete an analysis of accounting policies and bring forward a detailed proposal as part of ERHDC's cost of service rate application.

121. NBHDL submits that the outcomes of the Phase 1 transaction approved by the OEB in the EB-2019-0015 proceeding have been appropriately addressed.

122. NBHDL and ERHDC continue to operate separately on a stand-alone basis. ERHDC filed its 2021 Cost of Service Application on December 31, 2020 (EB-2020-0020) and a Decision and Rate Order was issued on June 10, 2021. NBHDL filed its own Cost of Service application, being this current proceeding.

123. Also in addressing the outcomes of the MAADs Decision, ERHDC included an analysis of accounting policies in comparison to NBHDL in its Cost of Service application.[57]

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 29TH DAY OF JUNE, 2021

BORDEN LADNER GERVAIS LLP

Per:

Flora Ho

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[57] EB-2020-0020 Espanola Regional Hydro Distribution Corporation, Exhibit 1 dated December 31, 2020 at page 21.