

**ONTARIO ENERGY BOARD**

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

**AND IN THE MATTER OF** an Application by Lakefront  
Utilities Inc. “LUI” for an Order or Orders approving or  
fixing just and reasonable rates and other service charges for  
the distribution of electricity, effective January 1, 2022.

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

**1. 1-SEC-1**

[Ex.1, p. 6, 15, Ex. 9, p. 11] With respect to Covid-19:

- a. Please provide an estimate of the impact of Covid-19 on Test Year operating costs.
- b. Please explain how, if at all, LUI has taken into account the impacts of COVID-19 on the 2022 Load Forecast included in the Application. If it has, please provide details.
- c. Please provide details of the amount included in Account 1509 for Covid related expenses.

**2. 1-SEC-2**

[Ex.1, p.9] Please provide the “comprehensive review of its cost structure” referred to.

**3. 1-SEC-3**

[Ex.1, p. 23, 34, Business Plan p. 14, Ex. 4, p. 38] With respect to Lakefront Utilities Services Inc.:

- a. Please confirm that Mr. Paul and Mr. Giddings work for LUSI, and not for LUI.
- b. Please provide a list of employees (by position) of LUI.
- c. Please provide the most recent financial statements of LUSI.

**4. 1-SEC-4**

[Ex.1, p. 38] Please provide a copy of the Shareholders Agreement referred to.

**5. 1-SEC-5**

[Ex.1, p.51-52] With respect to the “examination of operating costs”:

- a) Please explain how the review of operating costs differs in a cost of service year versus an IRM year.
- b) Please provide documentation and analysis reports prepared as part of the OM&A budget process, including without limitation, any senior staff evaluation of overall spending of LUI, any internal expense analysis, and any external expense analysis.

**6. 1-SEC-6**

[Ex.1, p.52] Please provide a list of mandated projects by the Town of Cobourg.

**7. 1-SEC-7**

[Ex. 1, p. 53] Please provide the benchmarking report and results referred to.

**8. 1-SEC-8**

[Ex. 1, p. 58] Please provide an example of an actual lifecycle cost analysis prepared by the Applicant in the past year.

**9. 1-SEC-9**

[Ex.1, p.60-61, 95] Attached to these interrogatories is a table of OM&A costs per customer from the 2019 OEB Electricity Distributor Yearbook. With respect to this table and the comparison of the Applicant's OM&A per customer to that of other LDCs:

- a. Please confirm that, to the best of the Applicant's knowledge, the figures in the table are accurate.
- b. Please confirm that 12 distributors had lower OM&A per customer than the Applicant, and 46 distributors had higher OM&A per customer than the Applicant.
- c. Please confirm that, when compared to the ten LDCs closest in size to the Applicant, only one (E.L.K) had lower OM&A per customer than the Applicant.
- d. Please confirm that, when outliers Toronto Hydro and Hydro One are removed, the Applicant's 2019 OM&A per customer was:
  - i. 4.56% lower than the weighted average of the industry, and
  - ii. 22.60% lower than the simple average of other LDCs.

**10. 1-SEC-10**

[Ex.1, p.61-62] Please provide any benchmark analysis of LUI's compensation against other comparable utilities that has been done in the last five years.

**11. 1-SEC-11**

[Ex. 1, p. 88] SEC is surprised by the report by the Applicant that its customers are more concerned with reliability than with price, as this is inconsistent with all customer surveys we has seen previously. Please provide any information in the possession of the Applicant that explains this phenomenon, or in the alternative provide any other customer surveys that show reliability as more important to customers than price.

**12. 1-SEC-12**

[Ex. 1, p. 94] Please provide an analysis of the large jump in Total Cost per customer and Total Cost per km. of line from 2019 to 2020.

**13. 1-SEC-13**

[Ex. 1, App. A, Succession Plan] Please explain why any of the costs associated with the succession planning for LUSI are the responsibility of the regulated utility, which is not the employer of any of LUSI's employees.

**14. 1-SEC-14**

[Ex. 1, App. P, Succession Plan, p. 9] Please advise how many of the 7 people eligible to retire in 2020 actually retired in 2020.

**15. 2-SEC-1**

[Ex.2, p30] Please provide an explanation and details of the unplanned additional costs incurred in Durham and Victoria substations projects.

**16. 2-SEC-2**

[Ex.2, p.34] Please provide cost details for the Pebble Beach project as well as the analysis that justified shifting the project from renewal to a service category.

**17. 2-SEC-3**

[Ex.2, Appendix B, p.65, p74] Please provide records and analysis reports, if any, created during the capital budgeting process for Capital Planning for 2022-2026.

**18. 2-SEC-4**

[Ex.2, Appendix B, p.67] Please provide the study of the current system loading capacity and future growth potential commissioned by LUI that identified constraints within the load forecast period.

**19. 4-SEC-1**

[Ex.4, p.6] Please provide the names and website information of the third party that conducted the IT gap analysis . Please also provide any work product that this third party produced.

**20. 4-SEC-2**

[Ex.4, p.11] Please provide costs details for and tasks completed in the IT services provided for complying with OEB cybersecurity requirements.

**21. 4-SEC-3**

[Ex.4, p.26] Please provide further details relating to the costs of shared control room, including the identity and nature of the relationship with the other party, cost sharing arrangements, etc. Please also provide the factors other than cost that LUI took into consideration when it decided to choose the shared control room option.

**22. 4-SEC-4**

[Ex.4, Appendix B, p. 7] Please provide the amendment to this Agreement that removes LUI's obligation in the last sentence of Section 4.1.

**23. 7-SEC-1**

[Ex. 7, p. 9] Please provide the data supporting the 10.0 Services weighting factor for GS>50 and GS>3000.

**24. 7-SEC-2**

[Ex. 7, p. 18] With respect to the proposed Standby Charge, please confirm that:

- a. A school with solar rooftop or battery storage, or both, would be subject to the proposed Standby Charge.

- b. A solar generating facility would be assumed to deliver peak power at its nameplate capacity, even though solar installations do not actually deliver peak power at nameplate.
- c. A school that uses battery storage to reduce its peak demand would be assumed to require backup supply from the Applicant for the full capacity of the storage battery, whether or not the customer actually ever needed, or relied on, that backup supply.

Respectfully submitted on behalf of the School Energy Coalition this July 5, 2021.

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Fred Zheng  
Counsel for the School Energy Coalition

## Comparison of 2019 OM&A Values

Distributor	OM&A/Cust.	O&M/Cust	G&A/Cust	# of Customers	Lower
1 Hydro One Networks Inc.	\$419.58	\$265.06	\$154.51	1,343,959	
2 Alectra Utilities Corporation	\$253.93	\$111.21	\$142.71	1,054,613	***
3 Toronto Hydro-Electric System Limited	\$344.50	\$144.01	\$200.49	777,904	
4 Hydro Ottawa Limited	\$254.69	\$84.05	\$170.65	339,771	
5 Elexicon Energy Inc.	\$187.19	\$72.24	\$114.95	167,653	***
6 London Hydro Inc.	\$250.00	\$119.21	\$130.78	160,598	***
7 Kitchener-Wilmot Hydro Inc.	\$202.23	\$119.88	\$82.35	97,695	***
8 ENWIN Utilities Ltd.	\$292.94	\$107.25	\$185.69	89,561	
9 Oakville Hydro Electricity Distribution Inc.	\$256.42	\$118.78	\$137.64	73,133	
10 Burlington Hydro Inc.	\$288.18	\$141.24	\$146.93	68,205	
11 Energy+ Inc.	\$281.45	\$92.77	\$188.68	66,521	
12 Entegrus Powerlines Inc.	\$237.59	\$72.57	\$165.02	59,810	***
13 Oshawa PUC Networks Inc.	\$220.36	\$50.94	\$169.42	59,183	***
14 Waterloo North Hydro Inc.	\$258.57	\$134.24	\$124.33	57,855	
15 Synergy North Corporation	\$302.64	\$156.68	\$145.96	56,700	
16 Niagara Peninsula Energy Inc.	\$340.98	\$136.70	\$204.28	56,067	
17 Greater Sudbury Hydro Inc.	\$330.68	\$170.16	\$160.51	47,725	
18 Newmarket-Tay Power Distribution Ltd.	\$294.57	\$102.10	\$192.47	43,931	
19 Milton Hydro Distribution Inc.	\$249.63	\$98.38	\$151.25	40,388	***
20 Brantford Power Inc.	\$278.30	\$89.57	\$188.73	40,124	
21 Peterborough Distribution Incorporated	\$235.32	\$85.32	\$150.00	37,250	
22 Bluewater Power Distribution Corporation	\$371.34	\$112.89	\$258.45	36,743	
23 PUC Distribution Inc.	\$340.90	\$187.30	\$153.59	33,647	
24 Essex Powerlines Corporation	\$243.16	\$86.76	\$156.40	30,393	***
25 Canadian Niagara Power Inc.	\$347.75	\$135.12	\$212.63	29,455	
26 Kingston Hydro Corporation	\$259.62	\$124.88	\$134.74	27,778	
27 North Bay Hydro Distribution Limited	\$281.43	\$113.85	\$167.58	24,199	
28 Westario Power Inc.	\$250.64	\$89.81	\$160.83	23,774	***
29 Welland Hydro-Electric System Corp.	\$293.74	\$152.17	\$141.57	23,664	
30 EARTH Power Corporation	\$315.50	\$97.32	\$218.18	23,380	
31 Halton Hills Hydro Inc.	\$284.79	\$69.69	\$215.11	22,528	
32 Festival Hydro Inc.	\$285.95	\$112.60	\$173.35	21,382	
33 Innpower Corporation	\$312.27	\$105.54	\$206.72	18,632	
34 EPCOR Electricity Distribution Ontario Inc.	\$366.13	\$126.06	\$240.07	17,916	
35 Orillia Power Distribution Corporation	\$352.91	\$153.07	\$199.84	14,366	
36 Wasaga Distribution Inc.	\$249.97	\$63.82	\$186.14	14,003	***
37 Lakeland Power Distribution Ltd.	\$351.32	\$124.30	\$227.02	13,762	
38 Orangeville Hydro Limited	\$275.36	\$75.80	\$199.56	12,652	
39 E.L.K. Energy Inc.	\$231.66	\$87.02	\$144.64	12,478	***
40 Algoma Power Inc.	\$1,047.24	\$564.65	\$482.59	11,732	
41 Grimsby Power Incorporated	\$276.58	\$126.55	\$150.04	11,631	
42 Ottawa River Power Corporation	\$296.83	\$102.38	\$194.46	11,320	
43 Lakefront Utilities Inc.	\$254.29	\$93.46	\$160.83	10,546	
44 Niagara-on-the-Lake Hydro Inc.	\$300.81	\$119.77	\$181.04	9,558	
45 Centre Wellington Hydro Ltd.	\$362.98	\$118.92	\$244.06	7,156	
46 Tillsonburg Hydro Inc.	\$403.02	\$119.92	\$283.10	7,129	
47 Northern Ontario Wires Inc.	\$464.54	\$236.90	\$227.64	5,977	
48 Rideau St. Lawrence Distribution Inc.	\$385.26	\$136.35	\$248.91	5,910	
49 Hydro Hawkesbury Inc.	\$201.03	\$31.76	\$169.27	5,549	***
50 Renfrew Hydro Inc.	\$315.32	\$97.70	\$217.62	4,325	
51 Wellington North Power Inc.	\$478.24	\$162.23	\$316.01	3,830	
52 Fort Frances Power Corporation	\$471.27	\$202.77	\$268.50	3,773	
53 Espanola Regional Hydro Distribution Corporation	\$501.73	\$217.89	\$283.84	3,309	
54 Sioux Lookout Hydro Inc.	\$546.28	\$252.95	\$293.33	2,848	
55 Hearst Power Distribution Company Limited	\$408.05	\$175.84	\$232.22	2,700	
56 Cooperative Hydro Embrun Inc.	\$296.26	\$34.99	\$261.28	2,366	
57 Atikokan Hydro Inc.	\$681.34	\$304.13	\$377.21	1,629	
58 Hydro 2000 Inc.	\$408.60	\$33.39	\$375.20	1,244	
59 Chapeau Public Utilities Corporation	\$680.90	\$148.40	\$532.50	1,222	
<b>Total Industry (Weighted Average)</b>	<b>\$317.59</b>	<b>\$154.68</b>	<b>\$162.91</b>	<b>5,253,152</b>	
<b>Toronto Hydro and Hydro One</b>	<b>\$392.05</b>	<b>\$220.68</b>	<b>\$171.37</b>	<b>2,121,863</b>	
<b>Total Industry excl. Toronto Hydro and Hydro One</b>	<b>\$267.13</b>	<b>\$109.95</b>	<b>\$157.17</b>	<b>3,131,289</b>	

<b>Lakefront Favourable Variance to Adj. Industry</b>	\$12.84	\$16.49	-\$3.65
<b>Percentage Favourable Variance</b>	4.56%	14.48%	-2.18%
<b>Dollar Impact</b>	\$135,374	\$173,900	-\$38,526

Averages of Individual LDCs	\$338.55	\$131.72	\$206.84
Averages without THESL and H1	\$337.03	\$129.16	\$207.87

<b>Lakefront Favourable Variance to Adj. Average</b>	\$82.74	\$35.70	\$47.04
<b>Percentage Favourable Variance</b>	22.60%	28.32%	19.59%
<b>Dollar Impact</b>	\$872,546	\$376,458	\$496,088