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BY EMAIL and RESS

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Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
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July 5, 2021
Our File: CO20200015

Attn: Christine Long, Registrar

Dear Ms. Long:

Re: EB-2021-0039 – Lakefront Utilities Inc. 2022 Rates – NHH Notice of Intervention

We are counsel to Northumberland Hills Hospital ("NHH"). Attached, please find NHH's interrogatories in the above-captioned matter.

Yours very truly,
Shepherd Rubenstein P.C.

Mark Rubenstein
2021.07.05 16:24:16-04'00'

Mark Rubenstein

cc: NHH (by email)
Applicant and intervenors (by email)

EB-2021-0039

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an application by Lakefront Utilities Inc. ("LUI") for an Order or Orders approving or fixing just and reasonable distribution rates effective January 1, 2022.

INTERROGATORIES

ON BEHALF OF THE

NORTHUMBERLAND HILLS HOSPITAL ("NHH")

3.4-NHH-1
[Ex.1, p.82; Ex.7, p.18, Exhibit 8, Appendix B] In Exhibit 1 (p.82), LUI discusses calculating a standby charge based on a methodology which includes establishing contracted capacity reserve value. In the explanation provided in Exhibit 7 (p.18) and the draft standby charge tariff in Exhibit 8 (Appendix B) the standby charge methodology appears to be entirely different and there is no mention of establishing a contracted capacity reserve value. Please explain the discrepancy and explain in detail what LUI is proposing as the standby charge methodology.

3.4-NHH-2
[Ex. 1, p.82; Ex.7, p.18] NHH seeks to better understand the proposed standby charge proposal design:

a. Please provide a copy of all documents, including but not limited to, memorandums, presentations, reports, and modelling, that outlines LUI's analysis, including all options considered, for the proposed standby charge.
b. Please provide any analysis and/or modelling that LUI has undertaken regarding the demand diversity of customers who require backup power. Please explain how that modelling or analysis impacted its standby charge design proposal.
c. Please confirm that if a customer installs a load management system, as opposed to load displacement generation or storage, and still requires backup power for when their system is offline, it would not be required to pay a standby charge.
d. Please confirm that under LUI's proposed standby charge the cost to provide backup power during an infrequent maintenance outage taken during off-peak hours is treated the same as the cost to provide the same quantity of power, at all times, including during peak hours.

3.4-NHH-3
[Ex.1, p.82] LUI states:

> "As part of the process when a customer installs LDG, LUI consults with the customer to determine whether the supply of power from the distribution system will be needed when the generation is not running. Assuming this is the case, a contracted capacity reserve value would be established. This value will be determined on a monthly basis by taking the customer's peak load

from the load reading meter. The peak load will be charged the Distribution Volumetric Rate for the applicable rate class, forming the customer's Standby Rate.

The following charge would be:

1. If the load taken is less than the contracted capacity reserve value – the difference between that value and the load taken will be charged a Standby Rate which will be equivalent to the distribution volumetric rate for the applicable rate class.

2. If the load taken is equal to or greater than the contracted capacity reserve value – the Standby Rate will not be applied."

a. Please explain in detail the process for establishing the contracted capacity reserve value and how it will be determined. Without limiting your response, please explain who ultimately makes the determination on the appropriate contracted capacity value, the customer or LUI? If it is the latter, please explain the basis for the determination of the contracted capacity value and what recourse does the customer have if they do not agree with the decision.
b. Please confirm that under LUI's proposed capacity reserve value approach, if a customer who installs LDG or storage reduces its monthly peak demand, for any reason, it will pay a standby charge on the difference between its actual monthly peak demand and the contracted capacity reserve value. If so, please explain why that is appropriate.
c. Please confirm the OEB rejected a similar approach to a standby charge in its Decision and Order on an application by Energy+ Inc in EB-2018-0028.

3.4-NHH-4
[Ex. 1, p.83] LUI states: "As indicated above, 67% of customers either agree or strongly agree with the proposed standby rate. Further, the groups representing low-income customers were disheartened to discover that if Lakefront were not able to be kept whole through the standby rate, other rate classes of customers would eventually experience rate increases to make up the difference, effectively subsidizing those customers with load displacement projects.":

a. Please confirm a total of only 9 customers participated in the survey.
b. Please list the groups that LUI is referring to and the basis for the statement that they were "disheartened".
c. Please provide the "rate increase", by rate class, that LUI believes would be required if there was no standby rate established. Please provide a step-by-step breakdown of the calculations and include any revised Cost Allocation and Load Forecast model.
d. Please explain why it is appropriate to have a standby charge that it intended to ensure LUI is "to be kept whole" from reduced revenue that may occur from a customer installing an LDG facility.
e. Please confirm that reduced revenue that occurs between cost of service applications from a customer installing load displacement generation and/or storage is potentially recoverable through the existing Lost Revenue Adjustment Mechanism (LRAM).

3.4-NHH-5
[Ex.1, p.83] With respect to customer engagement of customers who have, or may plan to install, load displacement generation or storage:

a. Please explain why no reference is made to any feedback from customers who have or may plan to install load displacement generation or storage in the application.
b. Please provide all feedback received regarding the proposed standby charge from customers who have or may in the future install load displacement generation or storage.

c. Please provide the number of customers who received the "Standby Rate 2022" Workbook.
d. Please confirm that NHH met with LUI on January 29, 2021, where NHH expressed numerous objections to the proposed standby charge.

3.4-NHH-6
[Ex.1, p.122, Appendix I] With respect to the "Standby Rate 2022" Workbook:

a. [p.6] In the table, LUI shows a customer with a generator nameplate capacity of 300 kW, who is estimated to save 50 kW per month. Please explain why the standby electricity is 250 kW and not 50 kW?
b. [p.5-7] Please provide a copy of the excel spreadsheet underlying the scenarios included in the Workbook.
c. [p.8] What consultation is LUI referring to when it uses the heading "OEB Consultation on Standby Rate"?
d. Please explain why LUI did not include any information in the Workbook regarding the OEB's consultation on a Capacity Reserve Charge as part of its Rate Design for Commercial and Industrial Customers policy consultation (EB-2015-0043).
e. Please explain why the LUI did not include any information in the Workbook regarding the OEB's policy consultation on the Framework for Energy Innovation: Distributed Resources and Utility Incentives (EB-2021-0118) or the previous Utility Remuneration (EB-2018-0287)/Responding to Distributed Energy Resources (EB-2018-0288) consultations.
f. Please explain why the Workbook is not included in Appendix 2-AC/Table 1.36.

3.4-NHH-7
[Ex. 1, p.82; Ex.7, p.18] Please explain how LUI's proposed standby charge facilitates innovation in the electricity sector.

3.4-NHH-8
[Ex.7, p.18] NHH seeks to understand LUI's actual and forecast load displacement generation and storage:

a. Please provide a list that shows for each behind-the-meter load displacement generation and/or storage facility currently installed in LUI's service territory, its size, type (i.e. solar, CHP etc.), the rate class of the customer, and if it would be subject to the proposed standby charge.
b. Please provide the forecast additional behind-the-meter load displacement generation and storage that LUI expects will be installed in LUI's service territory in each of the next 5 years that would be subject to the standby charge (both by number of facilities and MW). Please provide the basis for the forecast.

3.4-NHH-9
[Ex.7, p.18] Does LUI believe that behind-the-meter load displacement generation and/or storage provides a benefit to the distribution system? Please explain your response.

3.4-NHH-10
[Ex.7, p.18] Please identify all feeders and upstream transformers which serve NHH, for each, please provide their capacity, and each of their actual monthly peak demand for each of the last 36 months. Please provide a forecast of any incremental new load that LUI forecasts to be added on the feeder(s) and upstream transformer(s) during the next five years. Please provide the basis for the forecast.

3.4-NHH-11
[Ex.7, p.18] NHH seeks to understand how LUI has incorporated its proposed standby charge, if at all, into its application:

a. Please explain how the standby charge is incorporated, if at all, into LUI's load forecast and cost allocation model.
b. How much revenue is LUI forecasting to generate in 2022 from the standby charge and how is that revenue reflected in the application?

3.4-NHH-12
[Ex.7, p.18] Please provide a copy the changes to LUI's Conditions of Service that it believes is required to implement its proposed standby charge.

3.4-NHH-13
[Ex.1, p.82; Ex.7, p.18] NHH seeks to understand the impetus for LUI's decision to propose a standby charge Please explain when LUI first considered proposing a standby charge.

3.4-NHH-14
[Ex.7, p.18] NHH seeks to understand the relationship between LUSI and LUI in the creation of the standby charge.

a. Please confirm that Lakefront Utility Services Inc. (LUSI) is an affiliate of LUI.
b. Please confirm that, under a shared service agreement, significant functions of LUI are undertaken by LUSI.
c. LUI's evidence states that "LUSI is not an energy service provider" (Ex.1, p.14). Has LUSI directly or indirectly been an "energy services provider", as defined by the Affiliate Relationship Code, at any time since its last cost of service application? If so, please provide details.
d. [https://www.cobourgblog.com/assets/2018/Venture-13-Solar-Presentation.pdf; p.7; Notice of Proposal, March 4, 2019, section 1.2.2] Please explain how the activities undertaken pursuant to Memorandum of Understanding with Veridian Connections Inc. and Solera Sustainable Energies Companies Limited dated October 2016 for the purposes of "Generation opportunities", and the Joint Venture dated November 15, 2018, does not make LUSI an energy service provider.
e. Please describe all activities undertaken under both agreements discussed in part (d).
f. Please provide a copy of all correspondence, memorandums, emails, and any other communications between LUSI and LUI, or within LUSI and LUI if undertaken by individuals either employed or providing services to both LUSI or LUI, related to both load displacement generation (including storage) and the creation of standby charge, before it was first proposed by LUI when it filed its application in EB-2018-0049.
g. [Ex. 4, Appendix B, section 5.3] Considering that LUI and LUSI share personnel, what internal policies, if any, do both entities have in place to ensure the requirements of section 5.3 of the Management, Operations, and Maintenance Agreement are met.

Respectfully submitted on behalf of Northumberland Hills Hospital, July 5th, 2021.

Mark Rubenstein
Counsel for NHH