



**BY EMAIL and RESS**

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2300 Yonge Street  
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July 21, 2021  
Our File: EB20210009

**Attn: Christine Long, Registrar**

Dear Ms. Long:

**Re: EB-2021-0009 – Brantford Power Inc. – SEC Interrogatories**

We are counsel to the School Energy Coalition (“SEC”). Attached, please find a copy of SEC’s interrogatories in the above-captioned matter.

Yours very truly,  
**Shepherd Rubenstein P.C.**

Fred Zheng

cc: Ted Doherty, SEC (by email)  
Applicant and intervenors (by email)

**ONTARIO ENERGY BOARD**

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

**AND IN THE MATTER OF** an Application by Brantford Power Inc. under Section 78 of the OEB Act to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of January 1, 2022.

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

**1-SEC-1**

[Ex.1] Please provide copies of all benchmarking studies, reports, and analyses that the Applicant has undertaken or participated in since its last rebasing application, that are not already included in the application.

**1-SEC-2**

[Ex.1, 15] With respect to the BPI’s goals and planning:

- a. BPI states that it did not create a new strategic plan since its last rebasing in 2017 which was developed in 2014, yet it lists “key strategic goals of the 2018-2022 strategic plan”. Please clarify and provide a copy of the most recent strategic plan document.
- b. For each year since 2017, please provide a copy of the BPI’s KPI targets and results.
- c. For each since 2017, please provide a copy of the referenced Balanced Scorecard.

**1-SEC-3**

[Ex.1] Please provide details of all productivity and efficiency measures the Applicant has undertaken since its last rebasing application in 2017. Please quantify the savings and explain how they were calculated.

**1-SEC-4**

[Ex.1] Please provide details of all productivity and efficiency measures the Applicant plans to undertake in the test year. Please quantify the savings and explain how they were calculated.

**1-SEC-5**

[Ex.1, p.17] BPI’s evidence that over the coming years it is transitioning to become more independent, from an IT standpoint, through the use of in-house resources as opposed to that of its Affiliate the City of Brantford:

- a. Has BPI undertaken a business case or similar analysis for this transition? If so, please provide a copy.
- b. BPI states that certain IT costs will be offset by the reduction in the Shared Services Agreement fees paid to the City of Brantford. Please provide a table that shows each year from 2019 to the end of the transition, BPI’s total spending on IT. Please breakdown those amounts by OM&A and capital, and if paid directly by BPI or through its Shared Services Agreement.
- c. Please provide a copy of the referenced Cyber Security Road Map.

**1-SEC-6**

[Ex.1, p.18] With respect to the executive vacancies:

- a. How long was each of these positions vacant?
- b. What is the status of the BPI recruitment for these positions and when in 2021 is it forecasting that it will fill the positions?

**1-SEC-7**

[Ex.1, p.27] Please provide a copy of any budget guidance documents provided to departments.

**1-SEC-8**

[Ex.1, p.54] BPI states that it “has generally budgeted reflecting continued economic impacts from the pandemic, including the continuation of a high level of arrears and increased costs related to health and safety measures”. Please list all costs/revenue impacts of the pandemic that it has incorporated into the 2022 test year budget.

**1-SEC-9**

[Ex. 1, p.104] BPI states that it has “excluded the estimated value of excess, severable land from the net book value for the facility used for rate base purposes” as the “land has not been subject to any rate recover.” Is BPI referring to the surplus property on the 150 Savannah Oaks site referenced at Ex.1, Attach 1-L, p.9? If not, please explain.

**1-SEC-10**

[Ex.1, p.106; Ex.2, Attachment 2-A, p.28] With respect to a potential merger between BPI and Energy+:

- a. Please provide an update on any merger discussions between BPI and Energy+.
- b. [Ex.2, Attachment 2-A, p.28] Please provide a copy of the referenced joint memorandum of understanding.
- c. [Ex.2, Attachment 2-A, p.28] BPI states: “BPI has already chosen to briefly delay some such projects, for example GIS implementation, in order to determine the best course forward under each scenario, which will optimize spending and resource use and synchronization, and minimize re-work or lost investment.” Please provide further details, including a list of projects/expenditures that have been delayed, when they were initially forecast to be completed, and any revised date in the application.

## **1-SEC-11**

[Ex.1, Attach 1-L] With respect to the 2021/2022 Budget Reports:

- a. [p.7] BPI states that due to its merger discussions it delayed additional long-term financing. How much additional long-term debt would BPI have financed if there had not been any merger discussions?
- b. [p.18] Please provide a copy of the referenced “original system integration report”.
- c. [p.25] Please provide a copy of BPI’s “recent business plan”.

## **2-SEC-12**

[Ex.2, p.44] Please provide a revised version of Appendix 2-AB that includes 2021 year-to-date actuals, as well as at the same point in time in the year, both 2019 and 2020 year-to-actuals.

## **2-SEC-13**

[Ex.2, p.44] Please provide a revised version of Appendix 2-AB on an in-service addition basis.

## **2-SEC-14**

[Ex.2, p.52] Please provide a revised version of Appendix 2-AA that shows material capital projects for the entire DSP period (2022-2026).

## **2-SEC-15**

[Ex.2, p.58] Please revise Table 2.2.4-E and 2.2.4-F to show the 2020 year-end incremental capital expenditures, depreciation, PILS impact and return based on an effective date of March 1, 2020, consistent with the OEB’s decision in EB-2019-0022/0031.

## **2-SEC-16**

[Ex.2, 59] BPI states that: “Due to the immateriality of this variance BPI has not recorded any amount in account 1508 Other Regulatory Assets and does not propose to recover any additional funding from customers with regards to this variance”. Please confirm that the variance is a credit of \$53,187, and so BPI is not proposing to refund customers this variance. If confirmed, please explain why not.

## **2-SEC-17**

[Ex.2, Attachment 2-A, p.57] With respect to cost effectiveness and efficiency:

- a. BPI states that: “BPI monitors progress of capital projects in the current budget year. This measure does not have a direct impact on the projects included in this DSP. This measure is an internal measure that allows BPI to better manage project progress and respond earlier in the year should the progress fall behind the required pace to ensure successful completion within the applicable year.” Please provide further details of this measure(s), and the most recent results and reporting of the measure(s).
- b. BPI states that: “BPI monitors progress of spending on capital projects in the current budget year. This measure does not have a direct impact on the projects included in this DSP. This measure is an internal measure that allows BPI to better manage project spending and respond earlier in the year should the spending deviate from the approved budget within the applicable year.” Please provide further details of this measure(s), and the most recent results and reporting of the measure(s).

**2-SEC-18**

Ex.2, Attachment 2-A, p.70-71] How has BPI determined the Expected Remaining Life % based on the various condition factors? Has BPI calibrated this based on actual data?

**2-SEC-19**

[Ex.2, Attachment 2-A, p.82] Please provide a table that shows for each major asset category, the number of total assets, and the number in each of the BPI's condition health index category (Unknown, Good, Fair, Poor, Very Poor).

**2-SEC-20**

[Ex.2, Attachment 2-A, p.114] Please provide a list of major asset types and note which assets do not include condition in its ESL calculation. For each, please explain why they do not.

**2-SEC-21**

[Ex.2, Attachment 2-A, p.122] BPI states that it plans to review and develop deterioration curves for all its assets. When does BPI expect to do this?

**2-SEC-22**

[Ex.2, Attachment 2-A, p.168] BPI notes that Downtown Automation project was originally forecast to cost \$250,000 but actually cost \$1,327,913:

- a. Please explain the need for the redesign and required increase in the number of switches.
- b. Please provide further details on the cause of the per switch cost increase.

**2-SEC-23**

[Ex.2, Attachment 2-A] Please provide a table that shows, for each of BPI's a) pole replacement, b) value and junction box replacement, c) transformer replacement, d) conductor replacement, e) meter replacement, and f) porcelain device replacement programs, for each year between 2017 and 2026, the number of assets replaced, and the program cost.

**2-SEC-24**

[Ex.2, p.53; EB-2016-0058, Ex.2, Attachment 2-A, p.192] BPI's 2017 Cost of Service application included a forecast total capital cost of \$682,149 for a new CIS system. The actual capital cost over the 2017 to 2021 period appears to be \$2,310,456.

- a. Please confirm the above summary is correct.
- b. Please explain in detail, the reason for the significant variance in cost.
- c. Please provide the original business case (or similar documents) for the CIS system and any revised business cases (or similar documents) that were developed subsequent to the filing of the 2017 Cost of Service application.
- d. Please provide any reporting to BPI's Board of Directors related to the increase in cost of the new CIS system.
- e. Please provide evidence to justify the variance in cost is prudent.

**2-SEC-25**

[Ex.2, Attachment 2-A, p.175] Please provide a revised version of Figure 110 that removes BPI's approved ICM.

**2-SEC-26**

[Ex.2, Attachment 2-A, p.176; Appendix 2-AA] Please provide a revised version of Figure 111/Appendix 2-AA that shows forecast capital expenditures for the entire DSP period (2022-26).

**2-SEC-27**

[Ex.2, Attachment 2-A, p.176; Appendix 2-AA] BPI has included two programs in Appendix 2-AA, “OH Inspections” and “UG Inspections”. Please explain why these programs are categorized as capital and not OM&A.

**3-SEC-28**

[Ex.3, p.32] With respect to Account 4235:

- a. What is the difference between ‘Field Collection Charge’ and ‘Reg MVNT- Field Collection charge’?
- b. Please explain why there is no forecasted revenue from either in 2022.

**4-SEC-29**

[Ex.4, p.5] Please provide the positions where working from home was not possible and for which BPI had to rent additional operations work space in order to meet COVID-19 health and safety requirements.

**4-SEC-30**

[Ex.4, Appendix 2-JC] Please provide a revised version of Appendix 2-JC that includes 2021 year-to-date actuals, as well as at the same point in time during the year, both 2019 and 2020 year-to-actuals

**4-SEC-31**

[Ex.4, p.9-10] With respect to the budgeting process:

- a. [p.9] Please provide the “initial departmental business plan summary” of each department that was submitted to the Executive Team.
- b. [p.10] Please provide the Capital and Operating Plans each department Manger developed in the budgeting process.
- c. [p.10] Please provide the Labour Budget each department prepared in the budgeting process.

**4-SEC-32**

[Ex.4, p.14] Please provide the amount of rental payments BPI has paid for 150 Savannah Oaks during the overlap period.

**4-SEC-33**

[Ex.4, p.16] With respect to the Security and Network Migration project:

- a. Please provide the cost details for and tasks completed in such project.
- b. Please provide any work product produced during the project.
- c. Please provide the name and website information of the third party that completes the project.

**4-SEC-34**

[Ex.4, p.16] Please provide the details for the reduction in SLA IT charges in the years from 2019 to 2022.

**4-SEC-35**

[Ex.4, p.22] With respect to the increase of \$363,555 of General and Admin Salaries and Expenses in 2020:

- a. Please provide cost breakdowns and justifications for the increases in Short Term Variable Pay levels, the increased compensation amount for the Health and Safety Manager, and the costs for each vacant position that was filled.
- b. Other than those listed under Operations and Maintenance section of Exhibit 4, please provide a cost breakdown for all the administrative items and administrative impact related to the COVID-19 pandemic.

**4-SEC-36**

[Ex.4, p.25] Please provide details of BPI's plan with regard to developing in-house labour on maintenance of overhead and underground assets, including without limitation cost breakdowns and tasks proposed.

**4-SEC-37**

[Ex.4, Table 4.2-C, p.26] SEC notes BPI consistently had lower number of FTEs than the Board Approved amount since 2017 but suddenly added 11.3, or 19.3%, of FTEs in 2021 alone. However, this increase in FTEs did not correspond to increase of customers of BPI as Customers/FTEs dropped 107, or 15.5%, in 2021. Please explain the significant increase of number of FTEs in the year of application when there is no increase of customers.

**4-SEC-38**

[Ex.4, p.34] Please indicate the programs in which the increase of \$153,591 in Maintenance – Supervision and Engineering cost of 2022 is offset.

**4-SEC-39**

[Ex.4, p.35] With respect to the increase of \$192,025 in Maintenance – Overhead Distribution Lines and Feeders (2022 vs 2020 Actual):

- a. Please provide the cost details for the expected maintenance costs related to Overhead and Underground Lines and feeders.
- b. Please provide planning and budget details, including without limitation proposed completion schedules, for the “catch up” maintenance work.

#### **4-SEC-40**

[Ex.4] With respect to new positions added since 2017:

- a. [p.22] Please provide a costs breakdown and descriptions for the temporary roles in the Regulatory and Finance Departments as well as the two partly vacant Executive roles that contributed to the increase of \$259,611 in General and Admin Salaries and Expenses (2020 Actual vs 2021 Bridge Year).
- b. [p.24] Please provide the costs related to the Billing Supervisor and its impact on the increase of \$177,927 in Customer Billing cost in 2018.
- c. [p.25] Please provide a list of then vacant positions that was filled in 2021 and the costs related to these positions.
- d. [p.25] Please provide the details of the temporary call centre staff in early 2021, including without limitation the cost of and tasks completed by the call centre.
- e. [p.33] How much does the Senior Manager, Engineering and Operations Planning contribute to the increase of \$571,156 in Operations Supervision and Engineering cost (2017 Board Approved vs 2022 Test Year).
- f. [p.62] Please provide the costs related to the new Senior Manager of Engineering and Operations, Health and Safety Manager, and the part-time Facility Manager positions. Please also explain the reason to add these positions to the existing management team in 2020.
- g. [p.63] With respect to the two President/Executive roles that was filled in 2020:
  - i. Please provide the costs and job descriptions for these two positions.
  - ii. Where these positions included in BPI's previous cost of service application. If so, please provide the variance in the costs included in that application and actual costs once the positions were filed.
- h. [p.66] Please provide job descriptions and the increased workload that justifies the new Foreman role in 2022.

#### **4-SEC-41**

[Ex.4, p.36] With respect to the increase of \$464,893 in Customer Service – Customer Billing/Supervision cost (2022 vs 2017 Board Approved):

- a. Please explain how much does the new role of Senior Manager, Revenue Assurance contribute to the abovementioned total cost increase.
- b. Please confirm if the cost for the new role mentioned above is offset by the retirement of VP of Customer Service and Communications. If not, please provide cost details.

#### **4-SEC-42**

[Ex.4, p.39] Please provide the details of BPI's Board of Directors expenses and any benchmarking analysis conducted by BPI to justify the increase.

#### **4-SEC-43**

[Ex.4, p.40] Please provide the annual cost breakdown for the HR and Health and Safety services previously purchased from the City of Brantford. Please also provide cost details for the new FTEs related to HR and Health and Safety.



#### **4-SEC-44**

[Ex.4, p.42] With respect to the proposed increase of IT cost:

- a. Please provide BPI's cost details for IT services, including without limitation both in-house staffing and any third-party vendor support resources in years from 2017 to 2022.
- b. Please provide cost details for and a detailed list of projects that BPI needs to complete to be in compliance with OEB Cyber Security requirements, including without limitation the migration from City IT Services and cybersecurity third party fees.
- c. Please provide the cost and job descriptions for Senior Network/Systems Administrator and Technology and Application Support Analyst.
- d. If not already included in part (a) and (b), please provide the cost breakdown of the \$1.1M increase with respect to the migration from City SLA to in-house IT department.

#### **4-SEC-45**

[Ex.4, p.58] Please confirm the number of Operations Management FTEs BPI anticipated to retire and the number of actually retired since 2018.

#### **4-SEC-46**

[Ex.4, p.64] Please provide details with respect to the increased need of support for 2020 and 2021 Financial Reporting and Cost of Service preparation.

#### **4-SEC-47**

[Ex.4, p.65] with respect to the increase in non-management FTEs, salaries and benefits in 2021:

- a. Please provide the details for the increased workload needed to support 2020 and 2021 Financial Reporting and Cost of Service preparation.
- b. Please provide the breakdown of the increase of 100k in wages and 28k in benefits.
- c. Please provide the details with respect to the high level of turnover in the Operations department, including without limitation the number and time of FTEs' retirements and resignations.

#### **4-SEC-48**

[Ex.4, Appendix 2-K] Please provide a revised version of Appendix 2-K that includes two additional rows showing total compensation amounts allocated to capital and OM&A.

#### **4-SEC-49**

[Ex.4] Please confirm that all incremental costs for related to COVID-19 for 2020 and 2021 are included in Account 1509 and not the OM&A tables (Appendix 2-JA, 2-JB, 2-JC, or 2-K). If not confirmed, please identify those COVID-19 related costs included in the tables.

#### **5-SEC-50**

[Ex.5, p.7] Please explain why BPI proposes that the notional debt should attract the actual long-term debt rate rather than the current deemed rate.

#### **8-SEC-51**

[Ex.8, p.6] Please confirm that BPI is seeking to increase the GS>50kw fixed charge, which is already above the Board's ceiling (Minimum System with PLCC adjustment). If so, please explain why that is appropriate.

**9-SEC-52**

[Ex.9, p.8] With respect to Account 1592:

- a. Please update Table 9-C to include the forecast of the 2021 balance.
- b. Please provide the CCA continuity schedules used to calculate the accelerated CCA for 2018 to 2020, and the requested 2021 information in part (a).

Respectfully submitted on behalf of the School Energy Coalition this July 21, 2021.

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Mark Rubenstein  
Fred Zheng  
Counsel for the School Energy Coalition