PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

**July 21, 2021** **VIA E-MAIL**

Christine E. Long
Board Secretary and Registrar (registrar@oeb.ca)
Ontario Energy Board
Toronto, ON

Dear Ms. Long:

**Re: EB-2021-0009 – Brantford Power Inc. 2021 Rates Cost of Service**
**Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)**

Please find attached the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

Mark C Garner Digitally signed by Mark C Garner
Date: 2021.07.21 17:42:11 -04'00'

Mark Garner
Consultants for VECC/PIAC

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| | |
|---|---|
| **REQUESTOR NAME** | **VECC** |
| **TO:** | **Brantford Power Inc. (BPI)** |
| **DATE:** | **July 21, 2021** |
| **CASE NO:** | **EB-2020-0009** |
| **APPLICATION NAME** | **2021 Cost of Service Rates** |

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## 1.0 ADMINISTRATION (EXHIBIT 1)

**1.0-VECC-1**
Reference: Exhibit 1, page 26
*Productivity Improvements – Review of alternative approaches to service delivery, including the potential repurposing or elimination of vacant positions. This would also reflect the annualization of any productivity savings achieved in the current fiscal year.*

a) Please provide a list of the productivity initiatives in this application and the estimated annual savings from each initiative.

**1.0-VECC-2**
Reference: Exhibit 1, page 43 (1.4.12)

a) Please provide a red-line version of the March 1, 2020 Conditions of Service as compared to that reviewed by the Board as part of the last cost of service application (EB-2016-0058).

**1.0-VECC-3**
Reference: Exhibit 1, Attachment 1-F/G

a) Please provide the 2020 Audited Financial Statements for BPI.

**1.0-VECC-4**
Reference: Exhibit 1, Attachment 1-B

a) A review of the transaction survey reports completed by Concentrix appears to show declining satisfaction of customers with BPI. For example, the February 2020 report shows both issue resolution and first contact resolution declining as compared to 2018 (page 7). Overall satisfaction (page 9) also shows a similar decline in performance. Please comment as to whether BPI agrees that recent transaction surveys are indicative of declining performance and if so what actions are being taken to rectify the situation.

**1.0-VECC-5**
Reference: Exhibit 1, Attachment 1-D, page 2

**Assessing Brantford Power's Draft 2022-2026 Plan**

| **Summary of Findings** *n-size for sample sizes <50* | **Representative Workbook** | | |
|---|---|---|---|
| | Residential | Small Business | GS >50 kW |
| **Improve service** | 24% | 20% | 3/25 |
| **Maintain increase** | 51% | 56% | 13/25 |
| **Reduce increase** | 17% | 13% | 2/25 |

a) Please explain what "improve service" is in respect to (e.g., as measured by what) and what "maintain increase and reduce increase" are referring to (e.g., rates or the proposed capital plan etc.)
b) Are the columns additive and representative of 100% of the sample?

**1.0-VECC-6**
Reference: Exhibit 1, Attachment 1-D, page 43 (PDF pg. 415)

| Option | **Poles Replaced** | **Expected Outcome** |
|---|---|---|
| **Accelerated Pace** ***Additional*** *$0.01 per month annually ($0.12 more per year)* | 80 per year | This approach is in line with the past few years, and would lead to similar outage experiences |
| **Status Quo** ***Additional*** *$0.01 per month annually ($0.06 more per year)* | 70 per year | This approach is in line with the expected recommendations from the utility's prioritization system. |
| **Included in Draft Plan** *Within the proposed increase* | 60 per year | This approach reduces the budget but may lead to a slight increase in risk of outages. |
| **Slower Pace** ***Decrease*** *of $0.01 per month annually ($0.06 less per year)* | 50 per year | This is the option with the lowest cost impact but a higher risk of outages. |

| Option | Transformers Replaced | Expected Outcome |
|---|---|---|
| **Accelerated Pace**<br>***Additional*** *$0.01 per month annually ($0.08 more per year)* | 40 per year | Reduce the risk of outage to the 1,200 customers per year connected to the highest risk transformers. |
| **Included in Draft Plan**<br>*Within the proposed increase* | 27 per year | Reduce the risk of outage to the 810 customers connected to the highest risk transformers |
| **Slower Pace**<br>***Decrease*** *of $0.01 per month annually ($0.04 less per year)* | 20 per year | Continue with status quo, reducing the risk of outage each year to the 600 customers connected to the highest risk transformers |

a) please show how the annual increase (column 1) for pole replacements was calculated.
b) Please show the same for the same for transformer replacements.

**1.0-VECC-7**

Reference: Exhibit 1 / Exhibit 2, 2.2.4, page 55 / Exhibit 2, Attachment 2-A, DSP, page 25

Preamble: *As part of its facility relocation (subject of the ICM), BPI has liaised with customers regarding its plans for the new building. In 2016, a facility proposal was highlighted in a DSP consultation in which customers provided "social permission" for BPI to proceed with its plans. In 2018, BPI followed up on this consultation with a set of focus groups targeted on customer feedback on the facility relocation including providing feedback on the proposed bill impacts. Customers in the focus groups typically responded as either supportive or at least understanding the need for the proposed increase.*

a) What surveys or other customer engagement did BPI undertake specifically with respect to new facilities?

b) Where the results of these surveys included in this application (please provide reference) or were they provided in the ICM application EB-2019-0022/0031?

**1.0-VECC-8**

Reference: Exhibit 1, Attachment 1-L / December 16, 2020 REPORT NO. BPI-2012-003

Pre-amble: In discussing with the Board of Directors the possibility of a merger with Energy+ the following statements were made:

> *Notwithstanding this, Management has found it necessary to make certain accommodations and assumptions regarding this going concern assumption in BPI's 2021 Budget and Multi-Year Forecasts. Among these include the following:*

- *Executive and Vacant Position Recruiting: Delay the recruitment of core Executive and other vacant positions until later in the year. Although these roles are essential to sustain a stand-alone utility, the reality is such positions will not be filled in early 2021 while the merger is being considered;*
- *Delay of Possibly Redundant Capital projects: Certain capital projects that are required under the going concern assumption could be redundant or result in throw away costs should a merger proceed. Such projects will be intentionally scheduled for later in 2021 or beyond e.g., GIS system procurement, implementation of certain Cybersecurity program investments*

a) How many positions are unfilled at BPI and how many of these positions are being delayed pending resolution of the merger issue?

b) Please list the capital projects were are being considered for delay pending the resolution of the merger issue.

## 2.0 RATE BASE (EXHIBIT 2)

### 2.0-VECC -9

Reference: EB-2016-0058, Exhibit 2, Attachment A – DSP pages 3, 21

Preamble: The following was provided in the last filed distribution system plan:

**Customer Information System Implementation**

| A. General Information | | | |
|---|---|---|---|
| Project ID | MP-020 | Project/Activity Name | Customer Information System (CIS) |
| Investment Category | | General Plant | |
| Project Description | | | |
| System Integration Study completed 2014 identified CIS replacement as a critical project. Primarily due to current Daffron systems being very old (based on green screens) with poor integration capabilities, inability to upgrade to version without significant investment, limited regulatory reporting/support and high effort to perform enhancements/ changes and maintain the system. | | | |
| Total Capital and O&M Costs (5.4.5.2 A1) | | | |

| Item | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|
| **Capital** | | | | | | $682,149 |
| **O&M – Implementation** | | | | | | $846,626 |

| | | | |
|---|---|---|---|
| Customer Attachments and Load (5.4.5.2 A2) | | | |
| Not Applicable | | | |
| Project Start Date: (5.4.5.2 A3) | Jan. 1, 2017 | Project in Service Date: (5.4.5.2 A3) | Dec. 31, 2017 |
| Expenditure Timing (5.4.5.2 A3) | Capital: Q1-44%, Q2-20%, Q3-18%, Q4-18%<br>O&M: Q1-21%, Q2-28%, Q3-24%, Q4-26% | | |

a) In the event, BPI spend $2,163,533 on implementing a new CIS in 2019. Please provide the actual amounts as per the table above and an explanation of the variance in this project as compared to the prior DSP.

### 2.0-VECC -10

Reference: Exhibit 2, page 11

a) How were the $898,674 in spares treated prior to be transferred to the opening balance of 2017 fixed assets?

b) Please show the accounting balance for spares for the years 2015 and 2016.

**2.0-VECC -11**
Reference: Exhibit 2, page 4 /EB-2016-0058, Exhibit 1/Tab2/Schedule 3, pages 5-6

In the application EB-2016—0058 BPI wrote: "*Beginning January 1 2015, BPI has used Modified IFRS as its accounting standard. A discussion of the impacts of BPI's change in accounting standard to MIFRS from CGAAP in 2015 can be found in Tab 5 of the revenue requirement impact of early disposals on pooled assets and 1 the impact of prepaid expenses written off for IFRS purposes*."

a) Please explain why there are IFRS adjustments made in 2017 given the conversation was made in 2015 and adjusted for in the prior application?

**2.0-VECC -12**
Reference: Exhibit 2, 2.2.2, page 4

a) Actual spending (net of capital contributions) for the 2017 – 2021 period is forecast to be approximately $41.5 million. The prior Distribution Plan reviewed by the Board in EB-2016-0058 forecast the spending for that same period (net of capital expenditures) as approximately $23 million (EB-2016-0058 Exhibit 2-Attachment A – DSP page 15).

b) Please identify how much of this $18.5 million (80%) difference -above budget spending was related to (i) new buildings and facilities; (ii) CIS overspending; (iii) Hydro One related facilities not undertaken.

**2.0-VECC -13**
Reference: Exhibit 2, Attachment 2-A, DSP, page 19

a) Is the Optimized Decision Model (ODM) asset management system a new initiative as compared to the prior DSP?

b) Please outline the major methodological differences adopted in the current DSP as compared to the previous plan.

c) In general, how have these methodological changes impacted the forecast of capital expenditures over the next 5 years as compared to the previous DSP?

**2.0-VECC -14**

Reference: Exhibit 2, Attachment 2-A, DSP, page 25

Preamble: "*On December 13, 2016, City of Brantford Mayor Chris Friel and County of Brant Mayor Ron Eddy announced that the "Boundary Restructuring Order" has been officially signed by The Honourable Bill Mauro, Minster of Municipal Affairs*."

a) Why does the change in City boundary affect BPI? Specifically does BPI's licence currently include this area? If not who is the current licenced service provider?

**2.0-VECC -15**

Reference: Exhibit 2, Attachment 2-A, DSP, page 28, 150

**Figure 91: BPI Technology Based Projects**

| OEB Category | Project | Project Benefits | In Service Year |
|---|---|---|---|
| SS | Automated Reclosers | Improved reliability, increased operational effectiveness | 2022-2026 |
| SS | Fault Indicators | Improved reliability, increased operational effectiveness | 2022-2026 |
| GP | Geographical Information System (GIS) | Improved asset management, increased operational effectiveness | 2022 |
| GP | Outage Management System (OMS) | Improved reliability, enhanced operational effectiveness and outage communication | 2023 |
| GP | Mobile Work Force Management (WFM) | Improved reliability, enhanced operational effectiveness, enhanced service to customers | 2024 |

a) Why is BPI proposing to replace its GIS system prior to resolution of the issue of merger?

b) Has BPI undertaken a review of IT systems with Energy+? Specifically, which of the technology projects listed in the table above might be delayed pending resolution of the merger.

c) Is there a schedule for the resolution of the merger? For example, have reports been commissioned and have due dates?

**2.0-VECC -16**
Reference: Exhibit 2, Attachment 2-A, DSP, page 53

Figure 29: ESA Due Diligence Inspection Performance

| DDI Results | 2016 | 2017 | 2018 | 2019 | 2020 | Average |
|---|---|---|---|---|---|---|
| A – Imminent Fire/Shock/ Explosion Hazard | 0 | 0 | 0 | 0 | 0 | 0 |
| B – Non-Compliance to O. Reg. 22/04 | 0 | 0 | 0 | 0 | 0 | 0 |
| C – Needs Improvement | 1 | 1 | 0 | 1 | 3 | 1.2 |
| Number of Sites Inspected | 6 | 4 | 3 | 3 | 4 | 4 |

a) What was the cause(s) of the increase in "need improvement" safety performance?

**2.0-VECC -17**
Reference: Exhibit 2, Attachment 2-A, DSP, page 98

Preamble: "*The System Renewal expenditures are expected to be 97.9% higher compared to the plan. In BPI's previous plan it had planned to replace 26 poles per year, however BPI plans to replace poles as a result of the level of poles identified for replacement by the ODM. This resulted in higher system renewal budgeted spending in 2021 than originally planned*."

a) Please provide the number of poles replaced as of August 2, 2021.

b) The DSP and customer engagement speak about number of utility poles to be replaced. Is it BPI's practice to replace single poles on a non-reactive basis or are poles replace as part of a circuit/path?

**2.0-VECC -18**
Reference: Exhibit 2, Attachment 2-A, DSP, page 98

a) What is the estimate value of the Empey Street property?
b) What is the address of this property?
c) Is this property part of BPI's rate base?

**2.0-VECC -19**
Reference: Reference: Exhibit 2, Attachment 2-A, DSP, page 143

a) Please confirm (or correct) that the entire capital budget over the DSP period associated with meeting the OEB's Cyber Security Framework is $221,565 which will be spent in Q4 of 2021.
b) Did BPI produce a cyber security IT plan? If so please provide that plan.

**2.0-VECC -20**
Reference: Exhibit 2, Attachment 2-A, DSP

a) Please provide a table showing the capital contribution actual and forecast by OEB investment category (Access/Renewal/Service and General Plant) for the period 2017 through 2026.
b) Please explain how the capital contributions for the DSP period 2021-2026 period were estimated.

**2.0-VECC -21**
Reference: Reference: Exhibit 2, Appendix 2-AA

a) Please update Appendix 2-AA to show the actual 2021 spending to date (July 31) and the expected spending to year-end. Please update 2022 spending accordingly.
b) Please list with the forecast capital expenditures and expected capital contribution for all the subdivisions under System Access under development in 2021 and expected to be energized in that year.
c) Please provide an update of the Oak Park Road extension explaining what portion of this project has been completed to date and the expected in-service of the project.
d) Is this project the same as that which the Brantford City council had authorized in June 2021 an EA phase 2 study?

**2.0-VECC -22**
Reference: Reference: Exhibit 2, pages 16, 56/ Table 2.1.1 Fixed Asset Continuity

| | Included in ICM | 2020 Savannah Oaks Spending | 2021 Savannah Oaks Budget | Actual Spending | Variance | Variance % |
|---|---|---|---|---|---|---|
| **Building** | $ 14,378,438 | $ 12,092,502 | $ 1,846,424 | **$ 13,938,926** | $ (439,512) | -3.06% |
| **Furniture and Fixtures** | $ 649,750 | $ 599,031 | $ 291,159 | **$ 890,190** | $ 240,440 | 37.01% |
| | $ 15,028,188 | $ 12,691,534 | $ 2,137,583 | **$ 14,829,117** | $ (199,071) | -1.32% |

a) Please reconcile the cost of $12,691,534 in 2020 spending on the Savannah Oaks site with Table 2.1 (Fixed Asset Continuity) showing additions in 2020 for building and fixtures (1908) of $10,250,833, land rights (1806) of $29,280 and Office Furniture and Equipment (1915) of $53,620 and or other asset accounts as required.

**2.0-VECC -23**

Reference: Reference: Exhibit 2, Attachment 2-A, DSP, page 193 – SA-4

b) Please list all of the 2021" non -residential connections – underground" and the provide the associated capital expenditures and capital contributions (group those below the materiality threshold).
c) Please indicate how many of these connections have been made as of July 31, 2021.
d) Please provide a forecast of the year-end in-service for this project ID

**2.0-VECC -24**

Reference: Reference: Exhibit 2, Attachment 2-A, DSP, page 193 – SA-8

a) Please list all of the 2021 new subdivisions and townhomes and provide the associated capital expenditures and capital contributions (group those below the materiality threshold).
b) Please indicate how many of these connections have been made as of July 31, 2021.
c) Please provide a forecast of the year-end in-service for this project ID

**2.0-VECC -25**

Reference: Reference: Exhibit 2, Attachment 2-A, DSP, page 198, SA-4

a) Please explain why subsequent to 2021 the capital costs of new metering increase by approximately 40% as compared to the prior four years.

**2.0-VECC -26**

Reference: Reference: Exhibit 2, Attachment 2-A, DSP, page 214, SS-13

a) Please provide the spending to date on the 12M13 Feeder Egress Brant TS and the current forecast cost to completion.
b) Please provide an update on the expected in-service date for this project.

## 3.0 OPERATING REVENUE (EXHIBIT 3)

**3.0-VECC -27**

Reference: Exhibit 3, pages 6-7
Load Forecast Model, Rate Class Customer Model Tab

Preamble: At page 6 the Application states: "*Total customer and connections are on a yearly average basis and streetlight, sentinel lights and unmetered loads are measured as connections*."

a) Please explain how yearly averages were calculated (e.g., are they based on an average of the 12 months, an average of the January and December values or some other average)?

b) For each customer class please provide the June 30, 2021 customer/connection count, excluding market participants (i.e., similar to Table 3.2-C).

**3.0-VECC-28**

Reference: Exhibit 3, pages 3-4 & 7-10
Load Forecast Model, Purchased Power Model Tab

Preamble: The Application states: "*BPI has the data for the amount of electricity (in kWh) purchased from the IESO and other suppliers for use by BPI's customers*."

a) Do the historical Wholesale Purchase values set out in the Purchased Power Model Tab include Fit and microFIT purchases by BPI as well as the purchases from Energy+?

**3.0-VECC-29**

Reference: Exhibit 3, page 10
Exhibit 4, page 115
3-Staff-39 b)/ Load Forecast Model, Purchased Power Model Tab
Chapter 2 Appendices, Appendix 2-I (LF_CDM)
EB-2016-0058, Undertaking JT1 Load Forecast, CDM Results Tab

Preamble: The Application states (Exhibit 3, page 10):
"*As of Q1 of 2019, BPI no longer has access to consistent reporting related to the CDM results in its service territory, which continue to be provided by the IESO (with some CFF extended programs being provided by BPI)*."
The Application also states (Exhibit 4, page 115):

"*At the time of budgeting for the 2021 Bridge and 2022 Test Years, BPI anticipated that CDM programs would be complete and no further CDM costs and revenues would be incurred. BPI is aware that some limited CDM activity continues to occur in 2021. BPI was notified in July of 2020 that program participants in certain CFF programs would be eligible for program extensions to June 30, 2021 (originally the deadline had been December 31, 2020). BPI understands this to mean that further CDM results will occur as a result of the CFF into 2021).*"

a) Are the CDM savings set out in Appendix 2-I from programs implemented in 2015-2019 based on actual reported savings consistent with the IESO CDM results reporting?

b) Please provide any information BPI has on the CDM programs that the IESO has/will continue to provide in its service territory.

c) If not provided in response to 3-Staff-39 b), please complete the following table based on BPI's reported CDM results, plans for extended CCF programs and the anticipated IESO programs.

| Impact of Historical CDM (kWh) | | | | | |
|---|---|---|---|---|---|
| Calendar Year/ CDM Program Year | 2010 | Columns for Each Subsequent Year up to 2021 | | | 2022 |
| 2010 CDM Program Impacts | | | | | |
| Actual CDM impacts for each year to 2020 – one row per year | | | | | |
| 2021 Anticipated Program Impacts | | | | | |
| 2022 Anticipated Program Impacts (if any) | | | | | |
| Total | | | | | |

d) Is it BPI's expectation that the increase in CDM savings in 2021 and 2020 due to programs provided by the IESO will match the savings achieved annually from the previous CCF programs implemented directly by BPI? If yes, please explain why.

e) Please a revised Load Forecast Model that includes both a CDM activity variable similar to that used in EB-2016-0058 (based on the responses to parts (b) and (c)) and a trend variable.

**3.0-VECC-30**

Reference: Exhibit 3, page 13

Preamble: The Application states: "*This adjustment has been made by BPI using the average loss factor from 2011 to 2020 of 1.0279*."

a) What is the average loss factor over 2010 to 2019 (i.e., the same period as used to estimate the load forecast model)?

**3.0-VECC-31**

Reference: Exhibit 3, pages 15-17
Load Forecast Model, Rate Class Energy Model Tab

a) Please explain why for purposes of the Load Forecast Model the GS>50 class is treated as being weather sensitive whereas for purposes of establishing the load profiles to be used in the Cost Allocation Model the GS>50 class is treated as not being weather sensitive (per Attachments 7-B, 7-C and 7-D).

**3.0-VECC-32**

Reference: Exhibit 3, page 18
Load Forecast Model, Rate Class Load Model Tab

Preamble: The Application states: "*An adjustment factor was applied to Streetlights because of the City of Brantford's efforts to continually improve the efficiencies of street lighting*"

a) What is the basis for the adjustment to the 2021 and 2022 billing demand for Streetlights?
b) If the adjustment is based on improved efficiencies for street lighting why weren't the 2021 and 2022 kWh forecasts also adjusted?

**3.0-VECC-33**

Reference: Exhibit 3, page 18
Load Forecast Model, Rate Class Load Model Tab

Preamble: The Application states: "*The forecast of 11,674 kW for 2021 and 2022 for WMPs is consistent with 2020 actuals*."

a) Please provide the billing kW for WMPs for the first six months of 2019, 2020 and 2021.

**3.0-VECC-34**

Reference: Exhibit 3, pages 36-39

Preamble: With respect to 2019 vs. 2018 variances, the Application states (page 36): "*BPI purchased its new facility in 2019. BPI notes there is no offsetting entry included in 4375 because BPI did not have any tenants and therefore did not collect any lease/rental revenue in 2019*."

With respect to 2020 vs. 2019 variances, the Application states (page 37): "*Non-Utility facility costs increased in 2020 as BPI owned the facility for the entire year, and the building became occupied, increasing operating costs as compared to a vacant building in 2019*."

With respect to the 2021 vs. 2020 variances, the Application states (page 37): "*BPI will also collect a projected 630k in rental income in 2021*" and "*BPI also expects a further increase in facility OM&A costs allocated as non-utility*."

With respect to the 2022 vs. 2021 variances, the Application states (page 38): "*BPI has included the revenues to offset the components of the OM&A facilities budget which have been allocated as non-affiliate" and "BPI has included the components of the OM&A facilities budget which have been allocated as non-affiliate*."

a) Is there a distinction between "non-utility" (used when discussing the 2021 vs. 2020 variances) and "non-affiliate" (used when discussing the 2022 vs. 2021 variances)? As part of the response, please indicate how many different tenants BPI rented/will rent to in each year (2019-2022) and whether any of them are affiliates.

b) Please provide a schedule that for each of the 2019-2022 sets out: i) the rent received – broken down between affiliates and non-affiliates if applicable) and ii) the OM&A facilities budget allocated to the rental facilities.

As part of the response, please indicate the USOA account(s) the amounts are recorded in.

c) Please confirm that the 2022 OM&A facilities costs included as an offset to Other Revenues were not included in the 2022 OM&A forecast described in Exhibit 4 (Table 4.2-A).

## 4.0 OPERATING COSTS (EXHIBIT 4)

**4.0-VECC-35**
Reference: Exhibit 4, 4.1.1 /page 21

a) Please identify any costs related to this application shown in the 2020, 2021 or 2022 test years in Table 4.1-A (Appendix 2-JA).
b) BPI identifies two temporary roles in regulatory and finance departments in 2021 in amount of $259k. Are these costs (or similar costs) expected to be incurred in 2022?

**4.0-VECC-36**
Reference: Exhibit 4 Bad debt, page 18, page 37

a) Please clarify if the amounts shown for bad debt expense in Appendix 2-JC represent actual bad debts in each year or the provision for bad debt in that year. If the latter please provide the actual bad debt incurred in each year 2017 through to 2020.
b) Please explain what steps BPI is taking to reduce its bad debt costs.
c) For 2019 and 2020 please breakdown the bad debt figures into residential and non-residential amounts.
d) What is BPI's bad debt cost for the first 6 months of 2021 (Jan-June)?
e) BPI is seeking $260,141 in incremental bad debt due to the pandemic (Exhibit 9, page 23) in 2021. The bad debt included in OM&A for 2022 is the same as that shown for 2020. Does this mean that BPI is including in 2022 OM&A an assumption that pandemic related levels of bad debt will continue unabated?

**4.0-VECC-37**
Reference: Exhibit 4, pages 13-14, 43

a) What were the overlapping costs of leasing and maintaining the old facilities prior to the occupation of 150 Savannah Oaks in 2020, 2021 and 2022 (forecast)?
b) In what year will BPI completely vacate and have no liabilities for any prior location (City, affiliate or BPI owned) which are redundant now given the Savannah Oaks facilities?
c) What is the total incremental OM&A cost for the Savannah Oaks location as compared to 2017? Please show how this cost is calculated.

**4.0-VECC-38**
Reference: Exhibit 4, pages 13-14, 43

a) For the 150 Savannah Oaks in 2022 please provide of January 1, 2021:
    I. The total square footage of building property – separating garage/storage from office facilities.
    II. The amount of that space allocated to all occupants (please identify occupant and type of space allocated).
    III. The total cost of operating and maintaining Savannah Oaks facility for the calendar year 2020 (please identify property tax separately).
    IV. Any mortgage/financing costs of 150 Savannah Oak
b) Has BPI engaged a third party reviewed the proposed allocation methodology for 150 Savannah Oak? If so please provide that report.

**4.0-VECC-39**
Reference: Exhibit 4, pages 13-14 / Exhibit 9 page 23

a) What was the lease cost of the Airport Hanger in each of 2020 and 2021?

**4.0-VECC-40**
Reference: Exhibit 4, page 15

a) What are the annual costs (excluding internal labour) of operating the FIS for each year 2019 thought 2022 (forecast)?
b) What is the incremental internal labour cost of operating the new FIS in 2022 as compared to 2017?

**4.0-VECC-41**
Reference: Exhibit 4, pages 16, 42-43

a) Please explain what portion of the $329,870 increase in cyber security costs are one-time and which are ongoing. Specifically, please explain how the network migration projection is ongoing after 2021.
b) Please provide the budget/plan for implementing the OEB cyber security requirements.

**4.0-VECC-42**
Reference: Exhibit 4, page 12&36 /Appendix 2-JC

a) Customer Billing/Supervision is projected to increase from the last Board approved amount of $959k to over $1.4 million. Please provide a breakdown of this increase into the following cost categories:
   i. internal labour;
   ii. external consulting;
   iii. postage & other materials;
   iv. Incremental CIS or other costs (please identify).

**4.0-VECC-43**
Reference: Exhibit 4, page 26 /Appendix 2-JC

a) What portion of the increase from 372k (2017) to 582k (2022)in meter reading costs are due to the accounting allocation change (to Operations-Meter Expense) and what amount are incremental costs?

**4.0-VECC-44**
Reference: Exhibit 4, Tables 4.2-D/E/F (Capitalization – Appendix 2-D)

a) Please amend Tables 4.2-D/E/F to include 2017 actuals.

**4.0-VECC-45**
Reference: Exhibit 4, page 33 /Appendix 2-JC

a) Please identify the amount of incremental cost increases in Operations Supervision and Engineering as between 2017 Board approved and the 2022 test year (as differentiated from the accounting adjustments described).

**4.0-VECC-46**
Reference: Exhibit 4, page 50-

Preamble: In 2019 BPI reviewed its compensation program from which resulted in "*five incumbents which were identified as requiring increases due to market adjustment. Compensation for three incumbents was adjusted upwards (i.e., due to the job increasing in scope of responsibility or the job is new to the organization*."

a) What was the incremental total compensation cost in 2020 related to this review?

**4.0-VECC-47**
Reference: Exhibit 4, Table 4.3.1-G (Appendix 2-K)

a) Please amend Appendix 2-K to include rows showing the amount of total compensation capitalized and expensed.

**4.0-VECC-48**
Reference: Exhibit 4, page 54

a) What was BPI's average annual churn (vacancy) rate between 2017 and 2020?

**4.0-VECC-49**
Reference: Exhibit 4, page 57-

a) Please provide an FTE table for the period 2017 to 2022 (forecast) which is divided into each program area (i.e., Operations/ Maintenance/ Customer/ Administration) and shows each FTE which was added or removed over the period. For each position, please indicate whether that FTE was internal, allocated as part of the SLA or a 3rd party consultant/temporary contract. The purpose of the table is to show the complete transition from 56 FTEs in 2017 to 71 FTEs in 2022.

**4.0-VECC-50**
Reference: Exhibit 4, page 72

a) What are the net savings forecast in hiring an in-house mechanic in 2021?

**4.0-VECC-51**
Reference: Exhibit 4, page 79

a) In 2017 BEC to BPI corporate cost allocations were $97,910 (72%) in 2022 the costs are forecast as $555,727 (90%). Please provide the details of this increase and explain what figure the associated percentages relate to and any reductions in BPI costs as a result of this change.
b) Where/how are corporate management fees shown in Appendix 2-JC?

**4.0-VECC-52**
Reference: Exhibit 4, page 79

a) Please explain how the revenues for BPI services to BHI Executive/Admin and Other Services) was estimated for 2022.
b) Are these revenues shown as an offset in OM&A or under "Other Revenues"?

**4.0-VECC-53**
Reference: Exhibit 4, 4.3.3

a) Does BPI purchase insurance from MEARIE?

**4.0-VECC-54**
Reference: Exhibit 4, 4.3.3

a) If BPI is a member of the EDA please provide the annual membership fees for the years 2017 through 2022 (forecast).

**4.0-VECC-55**
Reference: Exhibit 4, 4.3.5

a) Has BPI received its 2021 OEB cost assessment invoice? If so what is the actual 2021 assessment?

**4.0-VECC-56**
Reference: Exhibit 4, 4.3.4

**Table 4.3.4 .1-A: One-time Costs**

| One-Time Cost | Total Cost | Years Incurred | 2017 Test Year Amount (Amortized) |
|---|---|---|---|
| Cost of Service Application | $ 521,982 | 2020 &2021 | $ 104,396 |

a) Please breakdown the cost of this application into the following components:
   i. Consulting Costs – other than reports
   ii. Consulting Reports
   iii. Legal fees
   iv. Incremental internal costs
   v. Intervenor Costs
   vi. Hearing or other Costs (please specific)
b) Please provide the costs incurred to date for these costs and the year (2020 or 2021) that the cost has or will be incurred.

**4.0-VECC-57**
Reference: Exhibit 4, 4.3.5

a) Table 4.3.5 lists the 2022 ongoing regulatory costs as $602,711. The OM&A programs table list 2022 regulatory costs as $583,007. Please explain the difference (we are only interested in understanding whether the figures are generally comparable and do no require a detailed cost variance for immaterial amounts).

**4.0-VECC-58**
Reference: Exhibit 4,

**Table 4.5.2-A: Regulated Property Tax**

| Item | 2017 Actual | 2018 Actual | 2019 Actual | 2020 Actual | 2021 Bridge | 2022 Test |
|---|---|---|---|---|---|---|
| **Property Tax- "Regulated" Only** | $ 19,257.70 | $ 19,703.70 | $ 141,510.66 | $ 205,218.51 | $ 256,900.17 | $ 261,988.48 |

a) What accounts for the significant increase in property taxes as between 2020 and 2022?
b) What was the most recent annualized property tax assessment for 150 Savannah Oaks?

## 5.0 COST OF CAPITAL AND RATE OF RETURN (EXHIBIT 5)

### 5.0-VECC-59

Reference: Exhibit 5, page 7

**Table 5.2-A – Notional Debt**

| Rate Base | Deemed Debt Rate | Deemed Debt | 2022 Test Year Long Term Debt | Notional Debt |
|---|---|---|---|---|
| $ 98,178,340 | 60% | $ 58,907,004 | $ 47,841,469 | $ 11,065,535 |

a) Please recalculate the long-term debt rate on the assumption that the amount of notional debt (i.e., $11,065,535) attracts the Board's long-term debt rate of 2.85%.
b) Please calculate the reduction in revenue requirement (all other things staying the same) that this would have.

### 5.0-VECC-60

Reference: Exhibit 5, Exhibit 1/page 88 BPI Scorecard

a) Please provide the financial ratios from the Scorecard for 2020.

## 6.0 CALCULATION OF REVENUE DEFICIENCY/SURPLUS (EXHIBIT 6)

**N/A**

## 7.0 COST ALLOCATION (EXHIBIT 7)

**7.0-VECC-61**

Reference: Exhibit 7, page 9

Preamble: The Application states:

"*BPI does not record the cost of service drops for USL, Street Lighting, Sentinel Lighting or Embedded Distributor in account 1855. This practice has resulted in a services weighting factor of 0 for those classes. Further, BPI does not record the cost of service drops on underground General Service assets in 1855. This has been reflected in the services weighting factor calculation for those classes*."

a) Are USL, Street Light, Sentinel Lighting and Embedded Distributors responsible for the costs of their Services assets?
   i. If yes, is this through a capital contribution such that LUI owns the Services assets or do these customers own the assets? If BPI owns the assets, in what account(s) are the costs of the service drops and the offsetting contributions recorded?
   ii. If no, in what account(s) are the costs of service drops for USL, Street Lights, Sentinel Lights and Embedded Distributors recorded?
   iii. If BPI owns the assets, please provide a schedule setting out the gross book value and accumulated depreciation of the Service assets associated with each of these four classes.

**7.0-VECC-62**

Reference: Exhibit 7, pages 9-10

Preamble: The Application states:

"*The weight factors for Billing and Collecting were updated by conducting an analysis on Accounts 5315-19 5340 and excluding 5335*."

a) Please provide a copy of the analysis that supports the proposed Billing and Collection weighting factors.

**7.0-VECC-63**

Reference: Exhibit 7, pages 10-11
Cost Allocation Model, Tabs I6.2, I7.1 and I7.2

Preamble: The Application states:

"*BPI completed an analysis of the costs included in account 5310 and assigned the costs to the appropriate classes based on the nature of the cost. Based on this analysis, BPI calculated*

*the overall cost per class by customer and assigned a weighting factor of 1 for the costs relating to Smart Meters for the residential class*."

a) It is noted that the Embedded Distributor is not allocated any meter capital costs (Tab I7.1) or any meter reading costs (Tab I7.2). Please explain why.

b) Please provide a copy of the analysis of the costs included in account 5310 that supports the relative weightings assigned to the reading of smart meter, interval phone line, and interval meters.

c) Please provide an explanation as to why the reading of interval meters costs less (per meter) than the reading of smart meters.

**7.0-VECC-64**

Reference: Exhibit 7, page 12

a) Please describe the BPI assets used to service the two Embedded Distributor connections.

b) Did BPI receive a response from E+ to its April 14, 2021 letter? If so, please provide a copy.

c) Did BPI make any changes to its proposed cost allocation or rates as a result of input from E+? If so, please outline what changes were made and the rationale for the changes.

**7.0-VECC-65**

Reference: Exhibit 7, page 6
Cost Allocation Model, Tabs I6.1, I6.2 and I8

a) With respect to the GS<50 class, Tab I6.1 indicates that none of the load in this class is eligible for the Transformer Ownership Allowance (TOA). However, in Table I6.2, the Line Transformer Customer Base is less than the Primary Customer Base. Similarly, in Tab I8, the 4NCP Line Transformer value is less than the 4NCP Primary value. Both of these later cases (Tabs I6.2 and I8) suggest that some of the GS<50 load is eligible for the TOA. Please reconcile.

**7.0-VECC-66**

Reference: Exhibit 7, pages 3-5
Attachments 7B, 7C and 7D, Tab 3c.
Load Forecast Model, HDD&CDD Tab

Preamble: In Tab 3c. BPI treats the GS>50 and Embedded Distributor classes as not being weather sensitive.

a) In developing the load profiles BPI has treated both the GS>50 class and the Embedded Distributor class as not being weather sensitive. Did BPI undertake any analysis to demonstrate that this was actually the case?
b) If yes, please describe the analysis performed and provide the results.
c) If not, please undertake the following for each of these two classes:
   i. Using the data in Attachments 7B, 7C and 7D, derive the class' monthly use over the period 2017-2019.
   ii. Using the data from part (i) and the monthly HDD and CDD data from the Load Forecast model, develop a regression model where the class' monthly use is the dependent variable and (along with an intercept value) the HDD and CDD monthly values are the independent variables.
   iii. Report the results of the regression analysis including the regression statistics.
   iv. Based on the results comment on whether either the HDD variable or the CDD variable is statistically significant.

**7.0-VECC-67**

Reference: Exhibit 7, pages 3-5
Attachments 7A, pages 23-26 and page 44
Attachments 7B, 7C and 7D, Tab 3a. & 3b.
Load Forecast Model, HDD&CDD Tab

Preamble: In Attachment 7A (page 44) the evidence indicates that the USF methodology uses, for each month, the same HDD and CDD adjustment factors for the Residential and GS<50 classes.

a) Did BPI undertake any analysis to determine whether the load for the Residential and GS<50 classes had the same level of weather sensitivity (i.e., both responded the same to a change in HDD or CDD)?

b) If yes, please explain the analysis that was undertaken and provide the results.

c) If not, please undertake the following for each of these two classes:
   i. Using the data in Attachments 7B, 7C and 7D, derive the class' monthly use over the period 2017-2019.
   ii. Using the data from part (i) and the monthly HDD and CDD data from the Load Forecast model, develop a regression model where the class' monthly use is the dependent variable and (along with an intercept value) the HDD and CDD monthly values are the independent variables.
   iii. Report the results of the regression analysis including the regression statistics.
   iv. Based on the results comment on whether the two classes load have the same "weather sensitivity".

d) Please confirm that, for the Residential and GS<50 classes, the basis for the percentage of load that is weather sensitive in each month is based on the load forecast model developed for wholesale purchases which includes usage by the "non-weather sensitive" customer classes (per page 23).
   i. If confirmed, why are these percentages appropriate given they include the loads for customer classes that are not considered to be weather sensitive?

**7.0-VECC-68**

Reference: Exhibit 7, pages 3-5 /
Attachments 7A, page 26
Attachments 7B, 7C and 7D, Tab 3a. & 3b.

a) Please confirm that, for the Residential and GS<50 classes, the weather normal load in each hour is determined by adjusting the weather sensitive portion of the hourly load by the ratio of the average (i.e., weather normal) HDD/CDD value for that day to the actual HDD/CDD value for that day (per page 26).

b) Please confirm that the value of the ratio will be "zero" (such that there will be no adjustment) when the actual HDD/CDD value is zero.

c) Please confirm that such results occur even if there is a difference between the actual HDD/CDD value and the weather normal HDD/CDD value which would suggest that an "adjustment" should be made.

d) Please confirm that this situation arises in the data set used by BPI.

e) Please confirm that by using "ratio" to determine the weather adjustment, the per degree day adjustment depends on the actual HDD/CDD value for the day/month and will vary accordingly.

**7.0-VECC-69**

Reference: Exhibit 7, pages 3-5 /
Attachments 7A, page 26
Attachments 7B, 7C and 7D, Tab 4

Preamble: The following table sets out the monthly 4NCP values derived using the 2017 data per Attachment 7B, Tab 4.

| | Residential | General Service <50kW | General Service >50kW | Embedded Distributor | StreetLights | Sentinel Lights | USL |
|---|---|---|---|---|---|---|---|
| Jan | 60,507 | 13,367 | 67,954 | 8,044 | 1,857 | 39 | 149 |
| Feb | 55,036 | 14,228 | 72,850 | 7,717 | 1,857 | 39 | 258 |
| Mar | 49,376 | 14,986 | 71,013 | 7,448 | 1,857 | 39 | 204 |
| Apr | 44,450 | 13,858 | 69,865 | 6,888 | 1,857 | 39 | 259 |
| May | 46,031 | 14,862 | 81,922 | 7,391 | 1,842 | 39 | 218 |
| Jun | 71,312 | 16,020 | 80,030 | 8,098 | 1,842 | 39 | 242 |
| Jul | 78,164 | 17,697 | 79,772 | 7,924 | 1,842 | 39 | 225 |
| Aug | 136,753 | 24,502 | 81,851 | 7,384 | 1,842 | 39 | 223 |
| Sep | 81,499 | 16,198 | 95,193 | 6,974 | 1,842 | 39 | 213 |
| Oct | 44,766 | 13,587 | 89,465 | 8,954 | 1,842 | 39 | 198 |
| Nov | 53,442 | 12,437 | 87,778 | 8,345 | 1,830 | 39 | 197 |
| Dec | 59,200 | 13,029 | 88,404 | 7,547 | 1,830 | 39 | 186 |
| | | | | | | | |
| **1NCP** | **136,753** | **24,502** | **95,193** | **8,954** | **1,857** | **39** | **259** |
| **4NCP** | **367,728** | **74,417** | **360,840** | **33,441** | **7,429** | **157** | **984** |
| **12NCP** | **780,537** | **184,772** | **966,097** | **92,714** | **22,144** | **471** | **2,572** |

a) It is noted that the August 2017 NCP value for Residential (136,753 kW) is significantly higher than that for any of the other months. A review of Attachments 7C and 7D indicates that the August value for 2017 is also materially higher than that for August 2018 (75,840 kW) or August 2019 (74,999 kW). Can BPI explain/rationalize why the August 2017 value is so high and so different?

b) For each of the Residential and GS<50 classes, please complete the following table for each of the years 2017, 2018, 2019:

| | June | July | August | September |
|---|---|---|---|---|
| A. Day of Actual Monthly Peak | | | | |
| B. Hour of Actual Monthly Peak | | | | |
| C. Actual Value of Monthly Peak (kW) | | | | |
| D. Actual CDD for Actual Peak Day | | | | |
| E. Normalized CDD for Actual Peak Day | | | | |
| F. Difference Between Normalized and Actual CDD (F=E-D) | | | | |
| G. Actual CDD Related Load for Actual Peak Hour/Day | | | | |
| H. Normalized CDD Load for Actual Peak Hour/Day | | | | |
| I. Peak Load Adjustment (I=H-G) | | | | |
| J. Peak Load Adjustment per CDD Change (J=I/F) | | | | |
| Notes: All kW values should be based on actual data for the year and not the values after adjusting to the 2022 load forecast. | | | | |

c) Please identify any of the months June, July, August or September in 2017, 2018 or 2019 where the Residential weather normalized peak did not occur on the same day/hour as the actual Residential peak for the month.

i. For these months, please complete the following table

| | | | |
|---|---|---|---|
| A. Year/Month | | | |
| B. Day of Normalized Monthly Peak | | | |
| C. Hour of Normalized Monthly Peak | | | |
| D. Value of Normalized Monthly Peak (kW) | | | |
| E. Actual CDD for the Normalized Peak Day | | | |
| F. Normalized CDD for the Normalized Peak Day | | | |
| G. Difference Between Normalized and Actual CDD (F=F-E) | | | |
| H. Actual CDD Related Load for the Normalized Peak Hour/Day | | | |
| I. Normalized CDD Load for Normalized Peak Hour/Day | | | |
| J. Peak Load Adjustment (J=I-H) | | | |
| K. Normalized Peak Load Adjustment per CDD Change (K=J/G) | | | |

d) Please identify any of the months June, July, August or September in 2017, 2018 or 2019 where the GS<50 weather normalized peak did not occur on the same day/hour as the actual GS<50 peak for the month.

i. For these months, please complete the following table

| | | | |
|---|---|---|---|
| A. Year/Month | | | |
| B. Day of Normalized Monthly Peak | | | |
| C. Hour of Normalized Monthly Peak | | | |
| D. Value of Normalized Monthly Peak (kW) | | | |
| E. Actual CDD for the Normalized Peak Day | | | |
| F. Normalized CDD for the Normalized Peak Day | | | |
| G. Difference Between Normalized and Actual CDD (F=F-E) | | | |
| H. Actual CDD Related Load for the Normalized Peak Hour/Day | | | |
| I. Normalized CDD Load for Normalized Peak Hour/Day | | | |
| J. Peak Load Adjustment (J=I-H) | | | |
| K. Normalized Peak Load Adjustment per CDD Change (K=J/G) | | | |

## 8.0 RATE DESIGN (EXHIBIT 8)

**8.0-VECC-70**

Reference: Exhibit 8, page 9
Exhibit 1, pages 50-51

Preamble: The Application states (Exhibit 1): "BPI is a Host Distributor to Energy+ and the load purchases are less than 0.1% of BPI's total load."
The Application also states: "*Energy+ is the only customer in BPI's Embedded Distributor Class, and represents a material amount of distribution revenue*."

a) With respect to the first referenced sentence in the Preamble, is this meant to state that Energy+ is a Host Distributor to BPI for a very small portion of BPI's load?
   i. If yes, please explain the supply arrangements by which BPI receives power from Energy+. As part of the explanation, please explain why this does not result in BPI needing to charge Low Voltage Rates.

b) In the RTSR WorkForm, does the difference between the Line Connection billing units and the Transformation Connection billing units by the IESO (Tab 5) reflect the fact that part of BPI's load is delivered using the Powerline Transformer Station jointly owned with Energy +?

**8.0-VECC-71**

Reference: Exhibit 8, page 9

Preamble: The Application states: "BPI has used projected 2020 RRR statistics and 2020 Wholesale and Host Distributor Billings for the actual data" in the RTSR WorkForm.

a) Are the actual 2020 RRR statistics now available?
   i. If yes, please update the RTSR WorkForm.
   ii. If not, please provide a version of the RTSR based on 2019 actual RRR statistics and 2019 actual Wholesale and Host Distributor Billings.

**8.0-VECC-72**

Reference: Exhibit 8, page 14
Load Forecast Model, Summary Tab

a) Please explain the difference between the purchase values set out in the Load Forecast Model (e.g., 959,330,221 kWh for 2019) versus the whole purchase values set out in Table 8.9-A (e.g., A(1) value is 1,006,263,33 kWh and the A(2) value is 1,005,432,730 kWh for 2019).

**8.0-VECC-73**

Reference: Exhibit 8, page 17
Exhibit 7, Appendix 7-F

Preamble: The Application states (Exhibit 8) that the Embedded Distributor Classification "*refers to an account of a distributor who is not a wholesale market participant and is provided electricity by a host distributor.*"
Appendix 7-F indicates that BPI does not bill Energy + for any kWh related rates and charges.

a) Are the Energy+ delivery points wholesale market participants?
   i. If not, why doesn't BPI bill them for commodity costs?
   ii. If yes, please reconcile this with BPI's definition of the Embedded Distributor Classification as not being market participants.

## 9.0 DEFERRAL AND VARIANCE ACCOUNTS (EXHIBIT 9)

**9.0 –VECC -74**

Reference: Exhibit 9, page 23

a) Why does BPI believe that changes in capitalization of OM&A are eligible pandemic costs to be recovered? Does BPI not typically make adjustments in capitalization of labour due to changes in its capital program expenditures?
b) Please explain how the $30,000 is derived and why it should be considered a material change.

**End of document**