



BY EMAIL and RESS

Fred Zheng
fred@shepherdubenstein.com
(416) 483-3300

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

September 7, 2021
Our File: EB20210011

Attn: Christine Long, Registrar

Dear Ms. Long:

Re: EB-2021-0011 – Canadian Niagara 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 Canadian Niagara 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] Please provide a copy of all documents that were provided to the Board of Directors in approving the underlying budgets contained in the Business Plan and this Application.

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] Does the Applicant have a corporate scorecard or similar document? If so, please provide a copy for each year beginning in 2017. If the Applicant does not, please explain how its Board of Directors measures its performance.

1-SEC-6

[Ex.1, Appendix 1-B, p.36] With respect to BPI’s Debt-to-Equity Ratio:

- a. Please provide its 2020 and forecast 2021 Debt-to-Equity Ratio.
- b. Does CNPI have plans to bring its Debt-to-Equity Ratio closer in line with the Board’s deemed capital structure? Please explain your response.

2-SEC-7

[Ex.2] Please explain how the Applicant prioritizes end of life replacement tasks.

2-SEC-8

[Ex.2] Please provide any benchmarking for the overall health index of the Applicant assets and service reliability of CNPI against other comparable utilities.

2-SEX-9

[Ex.2, Appendix 2-A, p.63-66] Please provide the health index of the assets that the Applicant has proactively replaced.

2-SEX-10

[Ex.2, Appendix 2-A, p.63-66] Please provide a list of assets that CNPI has proactively replaced. Please also provide the timeline of completing all of the identified proactive replacements.

2-SEC-11

[Ex.2, Appendix 2-A, p.51] Please explain why the Data Availability Index (DAI) is very low for wood poles and circuit breakers. Please explain what steps the Applicant is undertaking to increase the DAI for those assets.

2-SEC-12

[Ex.2, Appendix 2-A, p.63-66] The 2022 Test Year has the highest level of proposed capital expenditures in the 2022-2026 DSP period. Please provide a table showing evenly paced capital expenditures during the DSP period.

2-SEC-13

[Ex.2, Appendix 2-AB] If different, please provide a revised version of Appendix 2-AB on an in-service additions basis.

2-SEC-14

[Ex.2, Appendix 2-AB] 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-15

[EB-2016-0061, Ex.2, Appendix A DSP, p.95] Please provide a table that shows for each material capital project identified in the Applicant's last DSP, the total final actual cost and actual in-service date. Please explain all cost variances +/-10%, and schedule variances of greater than 1 year.

2-SEC-16

[Ex.2, Appendix 2-A, p.65] With respect to the Voltage Conversion Program:

- a. Please provide a detailed breakdown of the Voltage Conversion Program in the years between 2017 and 2026.
- b. Please explain the difference between the System Renewal and System Service Voltage Conversion programs.

2-SEC-17

[Ex.2, Appendix 2-A, p.65; Appendix 2-AA] With respect to the Line Rebuilds/Upgrade/Replacement Program: (Note: For the purposes of this interrogatory, replace included rebuild and upgrading of an asset):

- a. For each year between 2017 and 2026, please set out the number of assets by major asset category replaced under the program.
- b. Please explain the difference between the System Renewal and System Service Line Rebuilds/Upgrade/Replacement programs.
- c. For each major asset, please provide a table that shows for each year between 2017 and 2026, the number of assets replaced or planned to be replaced under this program.
- d. For each major asset included in this program, please provide the actual or forecast unit cost for each year between 2017 and 2026.
- e. Please explain how the Applicant will determine which assets to replace in any given year.

2-SEC-18

[Ex.2, Appendix 2-AA] Please explain why the Applicant has not included any budgeted amount for storms.

2-SEC-19

[Ex.2, Appendix 2-A, p.82] With respect to 2017-2021 capital expenditures in the System Access category:

- a. Please explain the reason of the increase in residential development activity over the historic 2017-2021 period, and the Applicant's expectation of the level of residential/subdivision development activity in the 2022-2026 rate period.
- b. Please provide cost details and a breakdown of the increase in customer-driven and third-party driven investments in this category.

2-SEC-20

[Ex.2, Appendix 2A, p.84 - 85] With respect to 2017-2021 capital expenditure in the System Renewal category:

- a. Please justify the need to accelerate voltage conversion efforts and provide details of the cost breakdown for the voltage conversion program.
- b. Please provide any cost/benefit analysis on the construction of the two new substations in Fort Erie South and Port Colborne South.
- c. Please explain the reason for the inability to secure land for the new substations in Port Colborne.
- d. Please provide details and a cost breakdown of the Jefferson DS and Catharine DS substation projects.

2-SEC-21

[Ex.2, Appendix 2-A, p.105, 107, 109, 113, 115] Please provide the system planning studies and analysis the Applicant consulted for the Gananoque, Oakes, Stevensville, and Killalyn projects. Please also provide any analysis or reports CNPI has related to the Line Rebuilds projects.

2-SEC-22

[Ex.2, DSP Appendix F: CNPI Reliability Study, p.38] Please provide the Applicant's most recent Reliability Scorecard.

2-SEC-23

[Ex.2, DSP Appendix F: CNPI Reliability Study, p.2-4, 29-30] Please provide details of the Applicant's efforts to address other major causes of reliability issues such as vegetation management in each year from 2017 to 2026. Please include cost details and project descriptions.

3-SEC-24

[Ex.3, p.10] Please provide a revised version of Table 3-2 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.

3-SEC-25

[Ex.3, p.57] Please provide a revised version of Table 3-33/Appendix 2-H 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-26

[Ex.4, Ex.4, p.24; 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-27

[Ex.4, p.24; Appendix 2-JC] Has the Applicant included any COVID-19 related costs in Appendix 2-JC or are all costs currently included in Account 1509? If not, please provide a breakdown of the costs included for each of 2020, 2021 and any forecasted 2022 costs.

4-SEC-28

[Ex.4, p.17] Please provide a table that shows for each year between 2017 and 2022, the Applicant's total IT costs, and any shared IT offsets. Please explain any material variance year-to-year in either costs or offsets.

4-SEC-29

[Ex.4, p.32-33] Please provide the details and explain the change in allocation of shared services to CNPI that caused the change in FTE numbers in 2017 and 2018 respectively.

4-SEC-30

[Ex.4, p.21,26] Please provide cost details and project descriptions for IT and cybersecurity expenditures since 2018.

4-SEC-31

[Ex.4, p.29] For each year between 2017 and 2021, please provide the annual corporate targets and actuals.

4-SEC-32

[Ex.4, p.29] With respect to the STI:

- a. For each year between 2017 and 2022, please provide the actual/forecast STI amount that could be achieved (i.e. if all eligible employees reach rating of 150%).
- b. For each year between 2017 and 2022, please provide the actual/forecast STI costs.

4-SEC-33

[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-34

[Ex.4, p.72] With respect to the Applicant's proposed CCA smoothing adjustment:

- a. Please provide underlying CCA continuity schedules for each of 2024 to 2026 used to calculate the 'CCA Using Test Year Rates' and 'CCA Using 2024 Rates per Bill C-97' lines.
- b. Please provide a revised calculation that shows assumes in 2024 to 2026, the planned capital expenditures were identical to the 2022 planned capital expenditures.

8-SEC-35

[Ex.8, p.21] Please provide annual distribution losses from 2011-2015.

9-SEC-36

[Ex.9] The Applicant has provided no information regarding how it has calculated the balance in Account 1592 – CCA Sub-Account.:

- a. Please provide a detailed explanation of the calculation, including all supporting calculations and CCA continuity schedules.
- b. Please forecast the balance for 2021, and provide similar detailed support calculations and CCA continuity scheduled requested in part (a).

Respectfully submitted on behalf of the School Energy Coalition this September 7, 2021.

Fred Zheng
Mark Rubenstein
Counsel for the School Energy Coalition