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Ref 1: IRR 1-Staff-1
Ref 2: IRR 3-Staff-45

Brantford Power lists changes to certain models/appendices in response to the interrogatory noted in reference 1. Part of the response in 1(a) indicates that "Adjustments were also required to Appendix 2-AA and 2-AB as a result these are included as attachment 2-Staff-20a and 2-Staff-20b, respectably." Another interrogatory response (reference 2) indicated that updates were made to tab 2-H of the Chapter 2 Appendices.

Please file an updated Chapter 2 Appendices reflecting **all** applicable changes resulting from Brantford Power's interrogatory responses. Please utilize the most recent version (i.e., which was filed in response to OEB staff's error checking questions on June 24, 2021).

BPI Response:

BPI has included the updated Ch2 appendix in excel as "Brantford_Chapter2_App_20210827" BPI has updated the following tabs:

- 2-AA_Capital Projects
  - Updated 2019 Spares as per 2-Staff-20
- 2-AB_Capital Expenditures
  - Updated 2019 to reflect changes from 2-AA
- 2-BA_Fixed Asset Cont
  - Updated 2019 Spares
  - Update to standby assets per 2-Staff-20
  - Amortization of Furniture account 1915 as per 2-Staff-16
  - Updated disposal amounts per 2-Staff-21
- 2-C_DepExp
  - Updated for 2-BA updates
  - Corrected software fully depreciated amount as per 4-Staff-79
- 2-H_Other_Oper_Rev
  - Updated the 4380 breakdown as per 3-Staff-45
- 2-IB_Load_Forecast_Analysis
  - Updated in correspondence with the load forecast
- 2-ZA_Com. Exp. Forecast
  - Updated the RPP rates
  - Updated with the load forecast
- 2-ZB_Cost of Power
  - Updated with 2-ZA

1-Staff-112

Ref: IRR 1-Staff-6

Regarding Brantford Power's 2020 regulated return on equity (ROE) as shown in Table 1-Staff-6a:

a) Brantford Power's response relating to "Actuarial Gains/Losses on OPEB and/or Pensions not approved by the OEB" indicated that Brantford Power falls into scenario D, where no adjustment is required to Reporting and Record Keeping Requirements (RRR) 2.1.5.6 relating to these actuarial gains/losses as regulated net income will be consistent with the exclusion of actuarial gains/losses in Brantford Power's last cost of service proceeding.

   In Table 1-Staff-6a, the "as filed" column shows that Net Income After Tax and Regulatory Balances was adjusted by $128,826 for actuarial gains and losses. In the "revised" column, this adjustment is removed and is consistent with the instructions for scenario D.
   In Table 1-Staff-6a, the "as filed" column for operating expenses used to calculate Working Capital Allowance that forms part of rate base is $12,192,307.

   Assuming that the "as filed" operating expense of $12,192,307 excludes actuarial gains and losses as they would be included in Other Comprehensive Income, please explain why an adjustment of $128,826 to the "as filed" operating expense is required. Please revise the regulated ROE calculation as necessary.

b) Unregulated adjustments equal $12,633. Please confirm that this includes the removal of non-regulated revenues, expenses and depreciation relating to Brantford Power's ICM for the Savannah Oaks property.

BPI Response:

a) In the RRR_2.1.5.6_ROE_Excel_Template the operating expenses is equal to the sum of accounts 4505-4640, 4805-5695, 6105, 6105, 5210 and 6225 minus cell d (Actuarial (gains)/losses on OPEB and/or Pensions not approved by the OEB) and e(Non-recoverable donations (Appendix 2)). As a result the OPEB adjustment does impact the Operating expenses and the calculation shown in the table 1-Staff-6a is consistent with the ROE Template calculation.
b) BPI confirms that these unregulated adjustment include the removal of all unregulated revenues and expenses including those related to BPI's Savannah Oaks property.

1-Staff-113

Ref 1: IRR 1-Staff-9
Ref 2: Chapter 2 Appendix 2-BA

In Table 1-Staff-9 Appendix 2-BA Reconciliation to Audited Financial Statements, the table shows capital contributions of $4,502,662 being added back. In the Chapter 2 Appendix 2-BA for 2020, Account 1995 Contribution and Grants has a net book value of $7,679,051 and Account 2440 Deferred Revenues has a net book value of $0. Please explain the difference in capital contributions between Table 1-Staff-9 and Appendix 2-BA.

BPI Response:

$4,502,662 is the ending 2020 NBV of the capital contributions post 2013, when BPI adopted IFRS. The difference of $3,176,389 is the 2020 NBV of capital contributions from 2013 and prior, these are grouped with the PP&E on the financial statements and as a result are not a reconciling item between the Audited Financial Statements Ending NBV and the Appendix 2-BA Ending NBV. BPI has provided an update to table 1-Staff-9 below with updated labeling on the contributions line.

	NBV 2020 Closing	
PP&E	$	97,184,815
Intangible	$	2,924,832
Total 2020	**$**	**100,109,647**
Appendix 2-BA	$	83,152,196
Work in Progress - 2055	$	934,744
Add Back Capital Contributions post 2013	$	4,502,662
Electric Plant held for future use - 2040	$	48,256
Unregulated Building - 2075	$	11,521,134
Difference recorded in Spares	-$	50,292
Other Minor Items	$	947
Total 2020	**$**	**100,109,647**
Variance	*-$*	*0*

1-Staff-114

Ref: IRR 1-Staff-1

Tab 14 – Tracking_Sheet of the updated Revenue Requirement Work Form (RRWF) shows an updated Grossed up Revenue Deficiency/Sufficiency of $4,171,716. Tabs 8 and 9 of the updated RRWF show the figure as $4,901,837 under the "Interrogatory Response" column.

Please explain the discrepancy.

BPI Response:

During its application BPI identified a formula error in line 13 the calculation of the income tax on taxable income caused by the negative PILs in the "at current approved rates" column resulting in the value to be zero. This was updated in the initial application section of tab 8 but not in the interrogatory response section. This error had no impact on the overall revenue requirement just on the revenue deficiency; BPI has included this update in the RRWF filing on August 25, 2021.

1-Staff-115

Ref: IRR 1-Staff-1
Ref: Regulated Price Plan Price Report, May 1, 2021 to April 30, 2022
Ref: Tariff and Bill Impact Model

In part 3(b) of 1-Staff-1, Brantford Power stated that it incorporated the updated RPP and updated COP pricing into the cost of power model as a general update provided with the response to this interrogatory.

OEB staff notes there is a slight discrepancy between the forecasted commodity prices in Tab 2-ZA and the Regulated Price Plan Price Report, May 1, 2021 to April 30, 2022. OEB staff also notes that the Ontario Electricity Rebate (OER) requires updating.

Please confirm Brantford Power will make the required adjustments to the COP and OER rates, as applicable, when announced by the OEB for rates effective January 1, 2022.

BPI Response:

BPI has included the correction to the RPP pricing with the corrections to the IRR submitted August 25th. BPI confirms it will make the required adjustments to the RPP and OER rates as applicable when the rates are announced.

2-Staff-116

Ref: IRR 2-Staff-14(a)

Brantford Power's response stated that other approaches to pacing were considered at budget time reductions to 2022 were made compared to the initial budget.
Please provide a table summarizing the changes to the initial budget vs. the budget after the deferral of certain capital projects.

BPI Response:

The Table below outlines the changes made and their quantification.

Capital Expenditure Eliminated/Deferred from 2022 Budget	Budget Impact
Roof and HVAC Replacement for New Facility moved to 2025	(3,721,684)
OMS deferred to 2023 as a result of GIS deferral	(537,290)
Remove further automation projects	(200,000)
Discounted subdivision/townhomes budget and capital contributions	(220,800)
Reduce 12M13 Feeder Egress via relocation/coordination with other utilities	(500,000)
Removed Conversion Projects (4KV to 27KV)	(126,000)
	(5,305,774)

2-Staff-117

Pole Replacement Program
Ref 1: IRR 2-Staff-23
Ref 2: Distribution System Plan, SR1: Pole Replacement Page 219
Ref 3: IRR 2-Staff-26 (b)

In 2-Staff-23, Brantford Power indicates that it "does not have actual field data related to poles that failed". This includes during "Major Events" when the weather causes many outages. This would indicate that the model to predict which poles need to be replaced is very effective in removing poles that could fail and following the recommendations does a more than adequate job of replacing poles before they fail.

(a) Given this information why did Brantford Power include an option in the customer consultation to increase the rate of replacing poles when there not improvement in outage performance?
(b) (Ref2) By not proceeding with an accelerated rate of pole replacement, Brantford Power could save about 20 poles x $7650/pole =$153,000 in capital expenditures. Has Brantford Power performed a cost/benefit analysis to justify the accelerated pole replacement project.

BPI Response:

a) The pole replacement rate of 70 poles per year was established using the output of Asset Management Optimal Decision Model (ODM) tool that identified Very High Risk assets requiring immediate replacement. Replacing poles at this rate achieves the goal of maintaining BPI's current level of reliability for the next 5-years and mitigating the risk of imminent pole failure and. However, this approach does not address the long-term (greater than 5-years) system needs of rapidly aging pole population. BPI included the accelerated option to provide the customers with a choice to address the immediate pole replacements and proactively replacing additional poles as part the future system needs.
b) BPI did not perform a detailed cost/benefit analysis on the accelerated pole replacement project. BPI estimates that replacing the poles at an accelerated pace will help to mitigate the rate of future pole replacements, benefit the long-term system needs and yield positive impact on sustaining strong reliability and safety performance.
BPI notes that in its response to 2-Staff-32, a calculation was outlined in which one single pole failure had the potential to contribute 2.5x BPIs SAIDI reliability **annual** target, as well as a significant portion of the **annual** SAIFI target. For BPI to maintain its current levels of reliability, measures to replace poles at risk of failure are crucial.

2-Staff-118

Transformer Replacement
Ref 1: IRR 2-Staff-24 (d)
Ref 2: IRR 2-Staff-32 (b), (c)
Ref 3: Distribution System Plan, SR4: Transformer Replacement Page 225

The response to 2-Staff-24 (d) [page 106] says in part "BPI does not actively monitor the loading on individual distribution transformers in a robust manner."

(a) How does Brantford Power monitor the load on individual distribution transformers?

In the Kinectrics Report to the OEB on Asset Amortization dated July 8, 2010, Report K-418033-RA-001-R000, concerning transformer life it indicates that life expectancy is determined by:

- Internal insulation temperature rise and duration which is caused by electrical loading profile and length of time in service.
- Mechanical damage
- Exposure to corrosive salts
- Voltage and current surges

(b) In the asset management process how does Brantford Power utilize the actual loading information in the risk of failure or account for not using the actual loading information?

BPI Response:

a) BPI uses one of the features of the Savage Outage Data System (ODS) to perform transformer loading analysis. This software uses the electrical meter data within a specified date range, to estimate the electrical loading on an individual distribution transformer. Presently, the analysis is performed during a time of transformer replacement to ensure the new replacement is adequate to support the historic loading. With addition of a new Engineering FTE, Power Distribution EIT, BPI plans to elevate the current analysis being performed on the distribution transformers by tracking historic loading curves, estimating loss of life, forecasting future demands, and investigating the feasibility of replacing or upgrading transformer during routine maintenance.

b) Brantford Power utilizes the number of customers connected, mechanical damage and exposure to corrosive salts for individual transformers in the Asset Management ODM software for Criticality Assessment and Distribution Transformer Critical Factor Scoring as shown in the DSP Figure 38 and 39. These calculations along with other data inputs are used by ODM to determine a list of assets requiring replacement. BPI is investigating the option of further utilizing transformer loading information to enhance the asset management program.

2-Staff-119

GIS and Cyber Security changes
Ref 1: IRR 2-Staff-22
Ref 2: IRR 2-Staff-35

Reference 1 indicates the investments in GIS and Cyber Security will be managed prudently but both will be moving forward. Reference 2 states that no decision to proceed with anything will take place until after the merger decision.

a) Please clarify if any GIS or Cyber Security system investments will proceed to implementation prior to the merger decision.
b) What deferral of capital and O&M planned for 2022 could take place for the GIS and Cyber Security projects?

BPI Response:

a) The GIS project has made some progress in terms of a fulsome initial scoping and procurement. BPI has received bids, performed technical evaluations and was at the stage for demonstrations from the proponents shortlisted. The project has made progress prior to the merger, however it will not proceed further prior to a merger decision.

The Cyber Security project scope is dependent on the merger decision and will only proceed once a merger decision is made. The IT migration component is required whether or not there will be a merger. BPI may proceed with some cyber security work prior to the merger decision, to the extent that changes can progress without being impacted by the merger outcome (i.e. no sunk investments).

For both projects, BPI will require project work and investments to be made regardless whether there is a merger or not, however the choice of the end state software, technologies and the approach to the migration will vary depending on the outcome of the merger. For example, the merged entity may identify additional/different needs from a GIS and based on the merged entity size resulting in a potentially different choice of software. Hence neither project will proceed further until the merger outcomes are known.

b) BPI anticipates the merger outcome will be known before the end of 2021, and therefore does not expect that deferrals will be required for these projects.

4-Staff-120

Ref 1: IRR 1-EP-2
Ref 2: IRR 1-SEC-4

The interrogatory response to 1-EP-2 provides various metrics with respect to Brantford Power's OM&A. Brantford Power indicates that projects for 2022 such as the 24/7 control room monitoring will facilitate a higher level of service and responsiveness and the network migration/cybersecurity will allow Brantford Power to mitigate risks.

Please identify any further improvements in services and outcomes Brantford Power's customers will experience in 2022 and during the subsequent IRM term as a result of increasing the provision for OM&A at the rates indicated.

BPI Response:

BPI has provided the outcomes expected for the following listing of 2022 investments.

24/7 Control Room Monitoring:

The implementation of 24/7/365 Control Room monitoring will provide a number of benefits that will have positive impact on the overall functioning of BPI Operations Department and a number of customer benefits. These benefits are as follows:

- Elevated outage response for Major Events and streamlined status reporting;
- Improved internal and external communications during large-scale emergency events;
- Enhance restoration status reporting to call takers during major events;
- Real-time updating of switching schematics leading to more efficient and safer operations;
- Elevated outage response outside normal business hours;
- Improved business continuity risk for absence of key Operations staff due to vacations;
- Reduced exposure due to workload on Manager of Operations and "freeing up" 0.2 FTE of total resources to re-focus on other productive items. ;and
- More opportunity to perform outage response drills.

Cyber Security (Including IT Migration):

The IT migration project is required for BPI to advance the Cybersecurity program and implement enhanced monitoring and protection against Cybersecurity and privacy risks. The IT migration project is a foundational project which will then set the stage for further Cybersecurity monitoring. BPI's Cybersecurity investments, beginning with the IT migration project investments, benefit BPI and its customers in the following manner:

Investing in a Cybersecurity program will allow BPI to formalize and implement a number of security areas such as:

- Security policy and governance
- IT Risk management
- Business Continuity and Disaster Recovery
- Third party Risk management including vendor management
- Vulnerability scanning
- Patch management
- Incident response
- Monitoring and Operations (that covers network, server infrastructure, computers, mobiles and all technology devices)
- Security awareness
- Privacy program
- Security compliance

A formal and structured approach in the above areas will allow BPI to manage the risk around cybersecurity and, while no Cybersecurity program provides an absolute guarantee for protection, it will certainly enhance the defence and help manage the extent of impact

- BPI expects current generation monitoring tools to identify, detect, respond and recover from Cybersecurity incidents (such as malware attack, ransomware, etc.) in a shorter timeline and with far less impact to business. This is likely to result in potential savings on costs; which otherwise will be higher due to a longer response time and the more pervasive impact to business. For example, a number of the current generation monitoring tools are able to identify and quarantine a portion of the network (files, servers etc.) and contain the impact before it spreads through the entire network and impacts business adversely. This has the potential to avoid or significantly reduce the downtime on customer facing systems and other systems that support customer service delivery.
- BPI's expects to benefit with improved service levels and security measures that are part of the baseline offering by most third party hosting providers that are in the business of managing and running data centres for numerous clients. In order to maintain their reputation and retain their client base, most hosting providers have higher security standards and take measures such as vulnerability scanning, audits and other assessments. In addition, BPI is able to pick enhanced monitoring services or security measures that can be tailored and applied to BPI's environment within the hosting provider infrastructure and thereby improve BPI's Cybersecurity posture
- IT services migration and enhanced cybersecurity controls will allow BPI to show progress and improvements in BPI's Cybersecurity posture in its annual reporting requirements under OEB's Cyber Security Framework.
- BPI collects and stores personally identifiable information and sensitive information from customers, vendors, employees and other stakeholders. Implementing improved cybersecurity controls will allow BPI to better protect customer and other stakeholder data and sensitive information;

- Improved risk mitigation protecting the grid against cyberattack to protect customers of BPI and the broader electricity grid from long-term outages;
- Outsourcing a larger part of the cybersecurity and IT services to proven third party providers will allow BPI to advance the Cybersecurity program faster and catch up to industry levels
- Outsourcing will also allow BPI to channel internal resource investments and time in supporting core operations and customer service delivery
- Outsourcing will allow BPI an increased ability to scale where it is possible to increase servers/capacities by adding infrastructure without significant building and construction costs to expand the internal data centre. This will allow BPI to handle direct growth in customer base and/or respond to increasing customer appetite for digital tools by scaling up the infrastructure and existing capacity.
- Outsourcing will allow BPI to avoid expensive upgrades/investments as technological advancements are made in security or data centre management. Hosting vendors typically keep up-to-date with these advancements by making those investments.
- Outsourcing takes away the need for BPI to invest in a large IT and security team and rely on external professional expertise in these areas. This saves a significant effort and time in employee recruitment, retention, training/upskilling and performance management

GIS Implementation

At present BPI's GIS system is considered legacy software by the vendor is and not supported. Due to this only a select number of specialists around the world are able to support BPI.

Due to system age and technology incompatibility it is extremely difficult to ensure the existing GIS integrates with BPI's business critical systems such as CIS, FIS, ODM, Sensus Metering, SCADA.

Upgrading the GIS will offer:

- Increased speed(information available faster), access (more people) and reliability (update to date, less errors) of information
- Ability to have real-time/ live update of GIS information
- Reduced amount of manual integration, custom manual scripting and manual data entry
- Access to more powerful tools and technology to increase efficiency

These improvements will lead to the following Internal/External Customer benefits:

- Increase productivity of engineering planning and design work, through more information and more reliability information
    - Allows faster and higher quality Engineering designs for customer servicing
- Reduced time to enter new data and maintain existing data in GIS

    - Provides operations updated information and mapping quicker allowing: safer work, improved infield service levels and better operational decisions.
- Increase productivity of BPI's asset management program including field data collection and data processing.
    - Access to innovative mobile application with real-time connectivity back to the office
- Database to Database integration with other core BPI systems,
    - Freeing up internal resources required to maintain manual data processing to focus on other productive functions.
- Improved quality of internal and external communications during an outage.
    - Access to web applications to convey information to internal and external customers
- Improved quality and speed of regulatory and other reporting on asset numbers, types, condition which can lead to improved reliability management and cost allocations.

Additional Operational Positions:

BPI plans to fill an additional foreman position, and to fill vacancies in the lines positions, as well as adding one additional role. BPI has also included an Operations Co-Op/Student in 2022. These positions have the following service outcome goals:

- Help maintain adequate staffing levels required for routine business operations and extended outage events that may lead to depletion of resources.
- Ability to improve the redundancy in the Operations crew to help combat risk of employee turnover.
- Risk mitigation against employee engagement/ health and safety which are critical during emergency response and working with high-risk assets.
- Succession planning and knowledge transfer to ensure knowledge is passed on.
- Ability to catch up on discretionary maintenance work deferred from prior years which will help mitigate risk of asset deterioration and therefore unplanned outages;

Increased measures in the Operations area to protect knowledge, experience and employee engagement/ health are critical to maintaining employee and public safety as well as mitigating large-scale outage length.

General and Administrative:

BPI plans to fill the Executive complement vacancies to a headcount of four (FTE count will be less given allocations to affiliates). On a temporary basis, one role has been kept vacant since 2018 as the existing executive team focused on large-scale one-time projects, which in turn presented an opportunity cost for higher-level strategic management requirements of the business. Another role was temporarily vacant in 2020 however has been filled on an "Acting Director" basis due to the immediacy of the need

to address Operations and Engineering oversight on a consistent basis. Extended vacancies on the executive team does not represent a sustainable approach and BPI requires additional executive oversight for the fulsome management of the business. For example, BPI will require significant executive input into the renewal of BPI's strategic plan and subsequently the implementation of that plan. The filling of the vacancies supports the following outcomes:

- Improved oversight of decision making;
- Improved responsiveness to customer contacts (large customers, escalated items);
- With a relatively small full complement of executives at 4 roles, there is exposure as a result of succession planning risk, however the risk is compounded with the current vacancy, which can pose a significant business operation risk to the utility and its ability to serve customers.
- BPI is committing to maintain its focus on policy, governance and risk management which benefit the utility, its customers and regulatory compliance. The filling of the vacant roles will allow BPI to sustain its progress on these items.
- Filling these vacancies will assist BPI to address an increased level of customer interest in innovative alternative energy solutions and innovations in addition to responding to the projected continued electrification of the transportation sector.
- As a result of the vacancies, BPI has had to forgo opportunities to participate in industry and sector associations or stakeholder processes. This has led to missed opportunities for productivity and efficiency improvements, the advocacy of the interests of BPI and its customers.
- BPI has completed a review of the publicly available information from the websites of comparator utilities, which indicates most of the comparators with information available had 4 members of their executive team (with an average of 4.2). Please see the table below for a summary of this review.

Comparator Utilities	Execs listed on company website
Alectra	Not Comparable
Burlington Hydro Inc.	6
Energy+ Inc.	6
Entregrus Inc.	4
Essex Power Corporation	2
Festival Hydro Inc.	4
Halton Hills Hydro Inc.	Not Provided
Kitchener-Wimot Hydro Inc.	Not Provided
London Hydro	Not Provided
Milton Hydro Distribution Inc.	4
Niagara Peninsula Energy Inc.	Not Provided
Oakville Enterprises Corporation	2
Orangeville Hydeo Limited	Not Provided
Oshawa PUC Networks, Inc.	5
Utilities Kingston (Kingston Hydro Corporation)	Not Provided
Waterloo North Inc. Hydro	5
Welland Hydro-Electric System Corp.	4
Average Number of Executives	**4.20**
Mode	**4.00**

The role of **Manager of Health and Safety** assists BPI to protect its key priority of employee and public safety. Since its introduction, the role has allowed BPI to accomplish the following. The new role is partially offset by costs for H&S services previously provided through BPI's SSA/SLA with the City of Brantford, though the new role has increased in scope beyond the services provided through the SLA/SSA.

- Ability to promptly address the ongoing and evolving workplace requirements of the COVID-19 pandemic in a manner that is compliant with most recent public health recommendations and coordinated with Brant Public Health Unit;
- Increased quality and quantity of safety training- the new H&S manager has implemented monthly company-wide training sessions on key H&S requirements in addition to specialized required safety for key functions (ex: forklift operation);
- Improved efficiency of Health and Safety Committee Meetings.
- Improvement/expansion of "health"-focused programming including mental health (identified as a priority item in Employee Engagement surveys);
- Ability to focus programming on energy-industry focused H&S considerations;
- increased responsiveness/flexibility of H&S representative;
- Implementation of a new H&S program in 2019/2020 which will result in premium savings from the WSIB;
- Ability to implement H&S measures for new facility and facility relocation, implemented during COVID-19, and inclusive of previously outsourced functions such as fueling and fleet maintenance; and
- Ability to meet an increased demand in 2020 for workplace accommodations and return-to-work management.

BPI has in-sourced the work associated with the **Human Resources** department since its last Cost of Service, and is proposing to repurpose/upgrade an existing role to a Manager of HR role. BPIs' HR department has allowed BPI to address a growing HR workload including payroll and benefits administration, employee recruitment, and departures, employee engagement, and collective bargaining and grievances. BPI's approach to in-house HR has been cost-efficient compared to a potential reliance on contracted and legal services for some of the items related to recruitment, contracts, grievances, etc. Though the HR cost has increased since BPI has reduced its use of the City SLA for this function, BPI's needs have also escalated over the years, as a result of a higher degree of turnover including as a result of retirements related to an aging workforce. The prior level of available resources through the SLA would not have been sufficient to meet BPI's needs. Through the implementation of the in-house HR department, BPI has enabled the efficient operation of the utility by supporting BPI with the workforce necessary to run the utility and provide service to customers.;

The role of **Sr. Manager Engineering and Operations Planning** was introduced in 2019, and contributes to BPI's ability to more efficiently plan and implement its capital investments, respond to and report on outages, coordinate the functions of Engineering and Operations, and assisted BPI to implement and operate the new Operations Centre, including shared services arrangements with Energy+. This results in the following customer outcomes:

- Enhancements to outage response and reductions to outage frequency- as the role allows for greater outage analysis as well as coordination of response and redirecting efforts from operations in-field leadership;
- Enhancements to the promptness and quality of new customer connections as a result of enhanced coordination between Operations and Engineering, particularly as BPI has seen an increase in new connections over recent years;
- The role has contributed to implementing the new Operations centre, which enables BPI to implement cost-sharing measures with Energy+, the cost benefits of which have been passed on to BPI's customers.

BPI has also implemented new positions related to its Facility relocation. The facility costs enable BPI to operate and maintain its facility, including the warehouse, Mechanic's Bay and fuelling station. The roles have been shared with BPI's tenants and/or Energy+ in order to reduce cost impacts to customers. The roles will allow BPI to run its business in an effective manner, as well as enabling BPI to maintain its fleet in order to provide efficient and timely service and outage response.

Since its last Cost of Service, BPI undertook a restructuring in its Finance department, which has enabled BPI to stabilize the department, reducing a previously high level of turnover. The restructuring has also allowed BPI to complete the following:

- Dedicated in-house accounts payable previously completed through the City SLA/SSA, which has allowed BPI to accommodate an increased level of transactions as well as an improved level of detail and consistency with the Accounting Procedures Handbook (partially brought about through the implementation of the new FIS)
- Payroll processing in 2017-2019 which has allowed for the accurate administration of payroll reflecting multiple complex collective agreements and an increasing level of turnover and retirements, avoiding impact to BPI and its employees;
- Enhanced budgeting and budget to actual reporting, allowing BPI a greater level of detailed visibility on its spending so that management can make decisions to ensure the cost-effective operation of the business, to the ultimate benefit of rate-payers;
- BPI was able to meet the growing reporting requirements related to regulatory financial reporting, IFRS implementation;
- BPI has been able to design and establish the financial infrastructure necessary to allow BPI to tack and monitor accounting requirements for the new facility, enabling BPI to

share a significant level of fixed costs related to the new facility and thereby reducing cost to ratepayers.

increased requirements for IFRS, regulatory reporting, facility shared services and tenant administration.

BPI implemented an **enhancement to its STVP program** in 2020, as well as adjustments to the base salaries of a limited number of positions, consistent with the recommendations of Korn-Ferry (formerly the Hay Group), which found that BPI had fallen behind market rates and a higher level of STVP is necessary to bring BPI towards its target 50th percentile compensation levels (relative to comparator utilities). BPI aims to accomplish the following with these changes:

- Reduce employee turnover by bringing compensation to the 50th percentile rate. By reducing turnover, BPI and its customers stand to benefit from reduced productivity losses, overtime cost, and recruitment costs.
- Attract strong candidates by remaining competitive among comparable utilities. This will ensure that when new employees are recruited, BPI can attract qualified professionals and strong performers who will deliver BPI's customer-focused outcomes in an efficient and productive manner. Attracting and retaining strong candidates can assist BPI with cost efficiency and can impact HR-related costs such as overtime and training.
- The STVP changes increase the affected employees' incentives to deliver on the customer and regulatory outcomes included in BPI's KPIs. As shown in BPI's response to 4-Staff-67, BPI's KPIs map directly to the OEB's scorecard and include metrics which benefit customers such as safety, customer satisfaction, reliability, cost efficiency and regulatory compliance.

IBEW Market Rate Increase

BPI negotiated increases in addition to inflationary rates in its agreement with IBEW, representing a "market" adjustment. While this level exceeds typical inflationary increases, BPI required this increase in order to remain competitive with surrounding utilities, which compete for the same key skilled work force. BPI has observed turnover due to this form of competition in the recent historical years; and has also experienced challenges with recruitment for operations roles as a result of demand for these skilled roles associated with sector-wide demographic changes. The adjustments have positioned BPI closer to (but still below) parity with neighbouring utilities, to avoid being a "price leader".

- BPI has had non-retirement turnover in skilled trades in the recent past. This turnover can pose a risk to necessary maintenance and capital work, as well as emergency response.
- Turnover and limitations on existing resourcing can increase overtime requirements and costs; at the extreme this can increase health and safety risk and timeliness of outage restoration.
- Turnover can also lead to increased costs through the requirement for additional spending on recruitment, training and onboarding, as well as loss of/diminished productivity as new employees become familiar with the policies and practices of BPI and/or the sector.

4-Staff-121

Ref: IRR 4-Staff-46

Brantford Power notes that it has forecasted an ongoing high level of bad debts but has not specifically made a distinction in the amount related to COVID-19. Additionally, an ongoing incremental $4,000 annual amount of Health and Safety equipment/supplies including cleaning for a total of $129,000 is included in the 2022 OM&A costs.

Is Brantford Power able to make a distinction between the amounts related to COVID in the Bad Debt Expense line item of Tab 2-JA for 2022? If yes, please provide that breakout.

BPI Response:

BPI has not made a specific adjustment to its bad debt budget for 2022 as a result of COVID-19; BPI notes that bad debt levels exceeded the budgeted amount for 2022 in 2019, before the start of the pandemic. BPI's bad debt forecast does not include any provision for incremental bad debt arising due to COVID-19.

4-Staff-122

Ref: IRR 4-SEC-30

Brantford Power provides an updated version of Appendix 2-JC with 2021 year-to-date actuals, as well as actuals at the same point in time for both 2019 and 2020.

With respect to Bad Debt Expense, OEB staff has summarized the following:

2019 Actuals	June 2019	2020 Actuals	June 2020	2021 Bridge	June 2021	2022 Test Year
$881k	$500k	$875k	$499k	$875k	$135k	$875k

Please comment on the reasonability of the 2021 and 2022 forecast of $875k given the lower year-to-date (June) actuals for 2021 when compared to previous years.

BPI Response:

BPI has seen a lower 2021 YTD bad debt expense for the following reasons:

1. Additional one-time LEAP and CEAP funding of approximately $12,500 and $135,000 respectively, have been issued to BPI customers in 2021 to allow them to pay off old outstanding balances. The additional funding has resulted in a decrease in bad debt expense in 2021. BPI does not anticipate this level of extra CEAP/LEAP funding will be available to customers in 2022.
2. A temporary Junior Financial Analyst working in the Finance department during 2021 has made significant progress on recovering some prior year billable receivables that were provided for in previous bad debt expense, amounting to about $160k in one-time recoveries. This position was temporary for 2021 to help with additional requirements and has not been budgeted to continue into 2022. As a result, this level of bad debt savings is not expected to continue.
3. The June YTD balance does not take into account a two large customers who have recently been identified as high risk for uncollectible balances. One of these customers recently declared bankruptcy and has $85K in total owing to BPI and another is under a current payment plan to bring the status up to current, but remains at risk for approximately $45K.

The 2021 and 2022 forecasts are consistent with bad debt expense experience in the last few years prior to COVID.

4-Staff-123

Ref 1: IRR 4-Staff-51
Ref 2: IRR 4-SEC-35 (b)
Ref 3: IRR 4-SEC-49
Ref 4: IRR 9-Staff-105

At reference 1, Brantford Power lists the drivers for the increase in the "Administrative and General" line item between 2019 and 2020. Item 3 notes "STVP, Health and Safety Manager/COVID, IT Contractor".

The interrogatory in reference 2 asked to provide, with respect to the increase in 2020 in the General and Admin Salaries and Expenses line, a cost breakdown for all the administrative items and administrative impact related to COVID. Brantford Power provided this list and noted an amount of $84,768 in its COVID DVA application.

At reference 3, the question asked to confirm all incremental costs for related to COVID 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). Brantford Power responded that due to the fact that the OEB's Report on the COVID DVA treatment had not yet been released it did not allocate the related OM&A costs into Account 1509. Therefore, the amounts were included in OM&A.

It is still unclear to OEB staff what exactly is included in the OM&A tables, versus what is included in the COVID DVA Account. Please provide a breakdown specifically itemizing any COVID related costs included in the OM&A tables in 2020, 2021, and 2022 and whether they are also included in the COVID DVA Account as per interrogatory response 9-Staff-105.

BPI Response:

All amounts incurred in 2020 are also included in the COVID DVA are also included in the OM&A tables for 2020, with the exception of the incremental LEAP funding of $12,500 in 2020, as this amount is excluded from the accounts in Appendix 2-JA,J-B,JC). The amount for bad debt is also somewhat different compared to the customer's contribution to the bad debt for 2020.

For 2021, BPI has included $80,000 in further airport hangar fees in the OM&A, as well as $4,000 in incremental cleaning costs.

No COVID- related costs are included in the 2022 Test Year with the exception of the non-material incremental cleaning costs.

4-Staff-124

Ref 1: IRR 4-Staff-52
Ref 2: IRR 4-VECC-58(a)

Part of the response to reference 1 noted that:

> Property tax experienced an increase due to the reclassification of the property from Industrial to Commercial and also the presumed revaluation for additions made to the property. In 2020 the value of this property from a property tax standpoint was based on that at the time of purchase. This was classified as industrial at that time and would not take into consideration future work.

The response to reference 2 noted that the increase in property taxes between 2020 and 2022 is a result of a result of the new vehicle garage that was constructed at 150 Savannah Oaks and that MPAC is in the process of reassessing the property value.

Please reconcile the two reasons provided and clarify the driver for the increase in property taxes.

BPI Response:

Both responses are reasons for the increase in property taxes from 2020 to 2022. BPI incurred $179,408 of regulated property taxes at 150 Savannah Oaks in 2020 which was based on the industrial class that the previous owners had registered to the property. An update to a Commercial Class was completed in 2021 which resulted in a total increase of $6,500 in regulated property taxes.

BPI also anticipated an increase in property taxes as a result of the new vehicle garage constructed that is shared with E+ which required MPAC to reassess the property.

As a result of these expected increases, BPI budgeted a total of $100K for the increase in property taxes starting in 2021, of which $53K was allocated to the regulated expenses.

Although the final reassessment has not been completed, BPI has received an update from MPAC on the value and class that the additional building will be reassessed at and BPI has estimated the additional regulated property taxes from the vehicle garage to be $27,000.

4-Staff-125

Ref: IRR 4-Staff-53

With respect to the two new FTEs, Facility Manager and Warehouse and Facilities Maintenance Assistant, Brantford Power has allocated the costs for these positions based on the following assumptions:

- Facility Manager: Allocated based on percentage of exclusive floor space, 52.6% to Brantford Power
- Warehouse and Facilities Maintenance Assistant: Estimated 75% allocated to Brantford Power for 2021/2022 based on expected level of Brantford Power vs. Energy+ activities in that year.

Please confirm if a portion of the costs for each of these two FTEs are allocated to Brantford Power's other tenants (i.e., BHI, BEC and Tenant 3)? If not, please explain why given that part of the job descriptions for both include building maintenance functions, janitorial services etc.

BPI Response:

BPI has allocated a portion of the Facility Manager to the other tenants based on square footage. The 52.6% was an estimate of the exclusive space BPI was using compared to the other tenants of the building. The actual exclusive floor space BPI has in the building is 53%.

BPI has not allocated a portion of the Warehouse and Facilities Maintenance Assistant to the other tenants as the primary focus would be on BPI with services expected to be provided to E+. Instead, BPI allocated a portion of the Material Handler who was previously 100% in BPI to E+ as well.

4-Staff-126

Ref 1: IRR 4-SEC-44
Ref 2: IRR 2-Staff-34
Ref 3: IRR 4-VECC-41

Please confirm the following costs included in the 2022 test year based on OEB staff's understanding of the evidence:

- Migration from City IT: approximately $346k (excluding labour)
- Cyber Security: approximately $233k (excluding labour)

BPI Response

Yes. BPI confirms the above understanding of the OEB Staff for the costs of the IT migration and Cybersecurity for the 2022 Test year.

4-Staff-127

Ref 1: IRR 2-Staff-34(a)
Ref 2: IRR 4-Staff-54
Ref 3: IRR 2-VECC-15(b)
Ref 4: IRR 4-SEC-33

Brantford Power states that no procurement has been taken yet for the IT Migration project, and the plan is to start procurement in Q4 2021. Brantford Power is waiting to determine a merger outcome and if it continues as a standalone entity, it will develop the scope for the procurement. Brantford Power states that the IT Migration project will encompass cybersecurity monitoring.

Further, two new in-house IT roles were intended to be filled partway through 2021. One role (the Technology & Application Support Analyst) is being addressed through temporary agency labour. The other role has been updated to a Manager of IT (from a Senior Network/Systems Administrator role), and Brantford Power is actively searching for a temporary agency to fill this role.

(a) How were the costs for the IT Migration/Cyber security project which are included in the 2022 test year forecasted given that no procurement has yet to be undertaken?

(b) What prompted the need to make the Senior Network/System Administrator role a Manager of IT role?

(c) Please explain why Brantford Power has filled/or will be filling the roles with temporary agency hires? Is this an interim measure whilst waiting for the outcome of the merger discussions?

BPI Response:

(a) Brantford Power (BPI) has obtained a high level estimate from one of the existing hosting provider who hosts BPI's Financial System and provides managed IT services to a number of customers. The estimate received from the hosting provider included a range of options with high level budgetary estimates that included combinations of:
   i) infrastructure ownership
   ii) infrastructure location
   iii) leveraging a cloud based platform
   iv) managed services by the IT services provider
   v) Office 365 (cloud based Saas for Office applications only)
   vi) Costs range from increased one-time upfront (fully owned infrastructure) to increased ongoing costs (fully cloud based). BPI has chosen the lowest cost alternative (looking at a 3 year total costs) which requires owned infrastructure and lowered ongoing costs (and using Office 365)

BPI made it clear to the hosting provider that these estimates were being obtained for BPI to put in budgetary numbers together and there will be a formal procurement process where the provider will have to compete with other providers to put forth a formal proposal/tender.

(b) BPI's Chief Information and Technology Officer (CITO) has moved out of the province in June 2021 and is performing the CITO role remotely. In order to manage and execute key projects such as the IT infrastructure and services migration, Cybersecurity and other project working with business counterparts, BPI needs a 'Manager' level role onsite (at BPI location). Also, a Manager level role is required to allow direct oversight and make decisions over matters relating to the computer room and onsite building IT systems, ability to visit vendor sites locally and oversee their IT services and performance. Instead of creating a separate role, BPI thought that it is prudent to expand the Senior Network/Systems Administrator role to a more senior role with additional oversight and management responsibilities. This allows BPI to attract manager level talent with still the same expertise and experience around network and system administration but with the added experience and skills in managing projects, resources, budgets and vendors. This arrangement will be temporary, however the permanent expected need for IT is to have a department complement of 3 FTEs.

(c) Regarding the question on why BPI is filling the roles with temporary hires, this is not an interim measure whilst waiting for the outcome of the merger. BPI has taken the approach to wait and complete the IT infrastructure and services migration and establish the longer term requirement of a steady state hybrid model (outsourced and insourced services) taking into account costs, quality, timeliness and service levels to meet the business needs. BPI has got an initial understanding of the scope of services from the hosting provider who provided the high level budgeting estimate and based on this understanding, BPI has identified that these two roles will be required to continue to support the BPI business and Cybersecurity program along with the external vendor services (both existing and those procured through the IT services migration). However, the actual / specific role requirements and activities will get further crystallized as BPI evaluates the exact scope of services that vendors will offer through the detailed procurement process and then through the actual IT services migration project itself. This will allow BPI to refine the mix of internal staff versus external vendor activities and define the end-state of the IT staffing for BPI. BPI will then develop the permanent roles and their requirements and fill those roles with existing incumbents and/or new hires. BPI's assessment is that the permanent requirement will be for three FTEs (one leader and two support roles), however the precise roles and responsibilities required in the steady state may fluctuate.

4-Staff-128

Ref 1: IRR 4-Staff-52
Ref 2: IRR 4-VECC-38(a)(i)(ii)

In response to part (b) of reference 1, Brantford Power provided the following table:

Allocation of Building Space - Sq Ft	
	Total Sq. Ft Allocation
BPI	130,497
E+	90,103
BHI	3,566
BEC	246
Tenant 3	28,333

Further down in the interrogatory response, Brantford Power noted that OM&A was allocated based on square footage for each space following the reallocation of shared/common space as described above. Brantford Power then provided the table below:

Allocation of Building Space - Sq Ft								
	Exclusive Office	Exclusive TDC	Exclusive Garage	Total Exclusive Space	Shared Space Office BHI/BPI	Shared Space TDC	Shared Space Mech Bay	% non Common Space
BPI	20,723	8,998	18,642	48,363	3,554	10,805	2,071	53.01%
E+	924	2,814	12,164	15,901		10,805	2,071	23.54%
BHI	2,962	-	-	2,962	218	-		2.60%
BEC	219	-	-	219		-		0.18%
Shared - BHI/BPI	3,772	-	-					
Shared - Mech E+/BPI	-	4,142	-					
Shared - E+/BPI	-	21,610	-					
Common - All	14,855	-	-			-		
Tenant 3	25,263	-	-	25,263		-		20.67%

(a) Please confirm if the header in the first table is incorrectly labeled as it includes the total allocation of building space, plus the amounts for the shared space yard as provided in the table in the response to reference 2 (i.e., 57,829 for each of Brantford Power and Energy+).

(b) It is unclear if Brantford Power is excluding or including the allocation of this yard space from OM&A. Please confirm.

BPI Response:

a) BPI has been required to present information about the building space in multiple ways including for the purpose of lease agreements. The table above includes the shared yard space however that is not taken into consideration when allocating costs for OM&A or common space. The table below shows the Total Allocated Space by tenant which is used to allocate costs, excluding the yard space.

Total "Fully Allocated Space"						
	Allocated Office	Allocated TDC	Allocated Garage	Total Allocated Space	% of Total Allocated Space	Yard
BPI	32,152	21,874	18,642	72,668	53%	57,829
E+	4,421	15,690	12,164	32,275	24%	57,829
BHI	3,566			3,566	3%	
BEC	246			246	0%	
Tenant 3	28,333			28,333	21%	
	68,718	37,563	30,806	137,088	100%	115,657

b) BPI is not including the yard space when allocating OM&A costs.

4-Staff-129

Ref: IRR 4-Staff-57(d)

In response to the interrogatory above, Brantford Power notes that it plans to proceed with the expansion of 24/7 control room monitoring whether or not a merger occurs. Further, if the merger with Energy+ does occurs, monitoring services would likely no longer be provided by another party, however Brantford Power expects that implementation/transition costs will be incurred.

Please confirm that these implementation/transition costs would be one-time and not ongoing if a merger occurred.

BPI Response:

The specifics of the 24/7 Control Room monitoring have not yet been investigated in a robust manner. BPI is not able to confirm whether there would be only one-time or ongoing costs. It is expected that the increased service territory or other factors would require incremental control room costs or potentially increased staffing, but it has not been determined what the costs would be. Per the METSCO report included with Exhibit 4, BPI's expectation is that an in-house control room has an annual cost of $1.2M. BPI believes an incremental $100,000 per year for the incremental benefits of 24/7 control monitoring to BPI and its customers represents an attractive cost-benefit assessment, particularly as compared to the relative cost to implement an in-house control room.

4-Staff-130

Ref: IRR 4-Staff-59(a)

With respect to the new role of Senior Manager, Engineering and Operations Planning, Brantford Power states in its response that:

> Prior to the hiring of this FTE, the functions were coordinated between the incumbent management and non-management employees in the related departments. Certain functions of this position, including the coordination of these items as shared services provided to Energy+ or the in-sourcing of mechanic and fueling services were not required in prior years.

(a) Please confirm if this FTE is doing work for Energy+.

(b) If yes, have the costs for this FTE been allocated between the two utilities? If not, why not.

BPI Response:

a) The role does not complete work for Energy+. The role was expected for direct management of engineering functions and improved communication and planning effective for Operations including planning for shared service implementation at the new facility.
In early 2021, the incumbent Senior Manager was upgraded to Acting Director of Operations and Engineering, and the Supervisor, Purchasing and Facilities of Energy+ was relocated to 150 Savannah Oaks. This E+ Supervisor now reports partially to the BPI Acting Director of Operations and Engineering. The Supervisor is tasked with the implementation, monitoring and continuous improvement of the shared services between Energy+ and BPI. The role is an Energy+ employee, and BPI is billed for the time spent on BPI work.

b) No, the costs for the FTE have not been allocated between the two utilities.

4-Staff-131

Ref: IRR 4-Staff-62

For the FTEs which are coded in the "Miscellaneous Customer Accounts Expenses" line item (as noted in the table), please provide the number of budgeted FTEs for each of 2019-2021, and the number of positions vacant in those years.

BPI Response:

BPI has budgeted 8.8 FTEs which includes Customer Care Representatives (FT/PT), Cashier, Customer Care Analyst and a student.

BPI has experienced vacancies in the Customer Care Analyst role during 2020 and 2021 and student roles during 2019 and 2020. Some of these vacancies were a result of BPI's inability to onboard certain new positions due to safety considerations.

4-Staff-132

Ref: IRR 4-Staff-68

With respect to the two Executive roles discussed in the interrogatory, Brantford Power notes that one position was vacated in May of 2018 and is currently vacant. The other VP position was vacated in May of 2020. This position has been filled on an "Acting Director" basis as of February 2021.

(a) Please confirm the title of the position that was vacated in May 2018.

(b) Please confirm if the first referenced executive position has been vacant on a consecutive basis since May of 2018.

BPI Response:

a) The title of the position is Vice President Customer Service Communications and Conservation.

b) The VP CS, Communications and Conservation role has been vacant since that time. The responsibilities for this role have been divided between: the Senior Manager, Revenue Assurance and Customer Care; the Manager of Communications and Stakeholder Relations, and the CEO& President. The conservation-related aspects of the role were eliminated with the wind-down of the CDM CFF, though the Corporate Controller has maintained the responsibility of the wind-down (and the various wind-down extensions).Some discretionary activities related to the role (ex: attendance and representation at industry associations, sector stakeholder meetings), have been reduced.

4-Staff-133

Ref: IRR 4-Staff-69

Part (c) of the above referenced interrogatory asked Brantford Power to confirm how many of the total 70 FTEs shown in 2021 are currently filled. Brantford Power noted to refer to table 4-Staff-69a-2.

OEB staff notes that the referenced table shows added positions, the reasons for the added positions, and the current status of the added positions, with a total of 70.5 FTEs for 2022 (excluding affiliate allocations).

Brantford Power provided another table in part (i) which shows FTEs by department as of mid-July to be 61.4.

(a) Please confirm that currently, Brantford Power has 61.4 FTE positions filled.
(b) Please confirm if this includes temporary agency labour.
(c) If the answer to (b) is no, please confirm Brantford Power's current FTE total with agency labour included.

BPI Response:

a) BPI confirms this is the case
b) This does not include agency labour.
c) Together with agency/external labour, the amount is 62.8. Two roles, are filled via external labour – one role in IT and one role related to facilities filled partway through the year, which is an E+ role shared with BPI. BPI is currently recruiting for one further agency role, one temporary role, and one full—time permanent role. One further full time permanent role is expected to be filled imminently.

   BPI notes the FTE count provided in Appendix 2-K does not reflect any reducing entry for those roles which perform services for, and are partially funded from services to BPI's tenants (ex: Mechanic, Warehouse and Facility Manager are each shown as 1FTE)

4-Staff-134

Ref: IRR 4-Staff-73

Brantford Power indicates that negotiations for a new services agreement (of which the current one is set to expire on December 31, 2021) have not yet begun. Does Brantford Power anticipate a new agreement to be put in place before the end of the year?

BPI Response:

Yes.

4-Staff-135

Ref 1: IRR 2-EP-14
Ref 2: IRR 4-Staff-74

At reference 1, Brantford Power confirmed that it will adhere to the provisions of the OEB's Affiliate Relationships Code (ARC) in leasing the office space. These include the requirements regarding service agreements (which are currently under review, pending updates for the completion of the building project) as well as pricing. Brantford Power has applied fully allocated pricing in the provision of the office space.

At reference 2, Brantford states that Rental of Facilities- Office Space from Brantford power to BEC and BHI is based on a cost-based pricing methodology.

Section 2.3.3.6 of the ARC states:

> Where a reasonably competitive market exists for a service, product, resource or use of asset, a utility shall charge no less than the greater of (i) the market price of the service, product, resource or use of asset and (ii) the utility's fully-allocated cost to provide service, product, resource or use of asset, when selling that service, product, resource or use of asset to an affiliate.

Please confirm that the above holds true in the case of "Rental of Facilities - Office Space from Brantford power to BEC and BHI".

BPI Response:

BPI confirms this is the case.

BPI has set the affiliate rent levels on the same basis as the levels charged to its non-affiliated tenant, Energy+. The rent charged to Energy+ was arrived at through arm's length commercial negotiations and is a reflection of the market price for use of space in the building.

4-Staff-136

Ref 1: IRR 4-VECC-37(c)
Ref 2: IRR 4-EP-22 (c)

Part (c) of the interrogatory in reference 1 asked what the total incremental OM&A cost for the Savannah Oaks location is compared to 2017 and to show how this cost is calculated.

Brantford Power noted the total regulated incremental OM&A cost for Savannah Oaks in 2022 compared to 2017 actual lease expenses is $24,494, excluding property taxes paid.

(a) Please show how the $24,494 amount is calculated.

(b) Please provide a reconciliation of this amount to the replacement cost versus the "rent and facility management" provided in response to IRR 4-EP-22(c)

BPI Response:

a) The amount represents the difference in the Appendix 2-JC between the Facility Program total in 2017 (actuals) and 2022 Test Year. The two amounts are shown in the summarized Programs Table below. The Facility program total for 2017 Actuals is $390,593 and $415,087 in 2022 Test Year; the difference is an increase of $24,494.

Programs	Last Rebasing Year (2017 OEB-Approved)	Last Rebasing Year (2017 Actuals)	2018 Actuals	2019 Actuals	2020 Actuals	2021 Bridge Year	2022 Test Year	Variance (Test Year vs. 2020 Actuals)	Variance (Test Year vs. Last Rebasing Year (2017 OEB-
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Program Name #7 FACILITY									
Rent Paid to COB (SLA Property)	581,823	390,593	428,423	455,113	381,290	79,999	0	-381,290	-581,823
Facility Maintenance				96,106	161,793	401,293	415,087		
Sub-Total	581,823	390,593	428,423	551,219	543,083	481,292	415,087	-127,996	-166,736
Total	10,046,634	10,056,236	10,745,651	10,986,747	12,078,659	13,441,596	13,780,640	1,701,981	3,734,005

24,494

b) The two Interrogatories explain related but different variances between 2017 Actual costs and 2022 budgeted Facility costs. The reconciling items relate to costs which are excluded from Appendix 2-JA/JB/JC, namely non-OM&A items and Property Tax. Please see the table below for the reconciliation.

IR Reference	Description	2017 AC Cost	2022 TY Cost	Difference	
Per 4-VECC-37©	2017 Actual vs 2022 Budgeted Facility OM&A	390,593.00	415,087.00	24,494.00	
Per 4-EP-22 ©	2017 Actual SLA Billings vs 2022 Budgeted Facility "Replacement Cost"	512,435.00	646,353.00	133,918.00	
Variance		121,842.00	231,266.00	109,424.00	
Variance Explanations					
Property Tax		-	231,266.00	231,266.00	2017 Billings Included Prop Tax but amt cannot be separated
SLA Billings not shown in Facility Line Appendix 2-JC (Ex: Affiliate/Non Regulated, Stores/Fleet Clearing		121,842.00	-	- 121,842.00	
Unexplained Difference		-	$ -	-	

4-Staff-137

Ref 1: IRR 4-Staff-47
Ref 2: IRR 1-EP-1
Ref 3: IRR 1-SEC-3

The table below sets out the productivity gains and improvements achieved in OM&A between 2017-2021, which are also embedded in the 2022 budget for OM&A (provided in reference 1).

Year	Amount
CIS efficiency improvements	Est. $71k avoided costs
Elimination of Roles	Est. $200k savings
Consolidation of Facilities	Est. $120k in efficiency gains
Facility Sharing- OM&A component	As much as $620k in offset fixed costs and other avoided costs

Please itemize the $620k amount related to Facility Sharing – OM&A component and explain how it was calculated.

BPI Response:

The facility sharing represents the $620k is $626,828 in rental recoveries ($587,551 non affiliated + $39,277 affiliated) related to facility OM&A. These recoveries include such items as utilities, maintenance, landscaping/snow removal, property taxes, facility staffing, etc. A significant component of these costs would have been incurred at the same level even if BPI had occupied the facility without any tenants (examples include staffing, landscaping/maintenance, a proportion of utility costs and property tax). As a result of the sharing agreements with its tenants, BPI has offset a significant amount of these costs, removing the requirement to request incremental rate recovery for these OM&A costs. BPI has allocated most of these costs based on facility square footage, with the exception of facility and shared services staff. Please refer to 4-Staff-125 for the details of staff allocations.

Facility Cost	Assumed Tenant Recoveries -2022
Insurance	$ 20,289
Landscaping/snow removal/waste removal	$ 19,483
Security	$ 5,783
Janitorial	$ 41,099
Property Tax	$ 208,434
Utilities	$ 102,724
Facility and Equipment R&M	$ 62,715
Shared Staff- Facility/Warehouse/Mechanic	$ 151,608
Costs Recovered Through EOC Sharing	$ 6,966
Other Misc.	$ 7,727
Total	$ 626,828

4-Staff-138

Ref: IRR 4-Staff-79
Ref: Chapter 2 Appendix 2-BB, 2-BA, 2-C

Brantford Power indicated that the variance in Account 1611 – Computer Software depreciation in Appendix 2-BA and 2-C was partly due to the use of a 10-year useful life for major software systems. It appears that there was a change in useful life from 5 to 10 years, made in 2018. Per Appendix 2-BB, the useful life currently used and proposed for computer software is 5 years.

(a) Please clarify whether there are different useful lives used for different computer software assets, and what useful life has been used for each type of asset.

(b) Per Appendix 2-BB, the useful life range for computer software is 2 to 5 years. It appears that a 10-year useful life is used for the CIS. Please explain why a 10-year useful life is appropriate.

(c) Please provide the 2022 depreciation expense comparing the use of a 10-year useful life and 5 year useful life for the computer software assets. Please also provide opening 2022 net book value of the assets using a useful life of 10 years and 5 years.

BPI Response:

a) BPI uses 10 years for major software assets such as FIS and CIS. BPI uses 5 years of all other types of software assets.

b) BPI used a 10-year useful life on its CIS project due to the significant scope of the project and BPI does not intend to replace major systems like CIS every 5 years. The capital software assets installed with the CIS project are expected to last 10 years.

c) BPI has identified an inconsistency in the amortization of software in both 2021 and 2022 BPI has provided a summary of the correction below:

Account 1611 Computer Software	**2021**	**2022**
Amortization as filed	(375,515.81)	(449,303.84)
Amortization updated	(329,588.59)	(403,376.62)
Variance	**45,927.22**	**45,927.22**
Ending NBV as filed	2,151,367.29	2,743,304.74
Ending NBV Updated	2,197,294.50	2,835,159.18
Variance	**45,927.22**	**91,854.43**

BPI has provided a table below illustrating the difference in a 5-year and 10-year useful life of major software systems on both 2022 opening NBV and 2022 Depreciation expense using the updated NBV and amortization.

Account 1611 Computer Software	2022 Opening NBV	2022 Depreciation Expense
10-Year Useful Life (as in App. 2-BA)	2,197,295	(403,377)
5-Year Useful Life on Major Software Assets	1,226,798	(570,246)

4-Staff-139

Ref: IRR 4-Staff-82

Regarding the smoothing of PILs adjustment provided in Table 4-staff-82a:

(a) Brantford indicated it used 2022 additions and additions from its internal budget.
   i. Please confirm that this means for 2023 to 2026, additions forecasted in each particular year is used.
   ii. Please comment on the level of annual forecasted additions from 2023 to 2026 and how it compares to 2022 forecasted additions.

(b) Please confirm that the accelerated CCA line represents the actual CCA Brantford Power is forecasting to claim in its tax return.

(c) For the unaccelerated CCA line, please explain how the unaccelerated CCA amounts were calculated and what it represents.
   i. Please clarify whether the half year rule is used for each of 2022 to 2026. If yes, please explain why the 2022 accelerated CCA is not 3x that of 2022 unaccelerated CCA.

(d) Please explain Brantford's view on how its proposed method of calculating the smoothing adjustment results in a more appropriate CCA amount to use in the PILs model.
   i. If the half-year rule is being used for the unaccelerated CCA line as per response to part c above, please explain why it is used when the half-year rule is not in effect during 2022 to 2026 and is not reflected in Brantford's proposed 2022 rates.

(e) If Brantford Power's PILs are smoothed for the 2022 to 2026 term, please explain Brantford Power's plan to continue to use Account 1592, Sub-account CCA Changes during 2022 to 2026

BPI Response:

a) i) BPI confirms that for 2023 to 2026, additions forecasted in each of those years were used.
ii) BPI identified the 2023 to 2026 additions were not consistent with those which are included as the expected capital expenditures shown in CH.2 Appendix- AB, BPI has provided an update to the CCA Smoothing calculation to align the additions used with the 2023 to 2026 forecast additions shown in 2-AB. BPI's forecast period from CH2-AB is shown below:

CATEGORY	Forecast Period (planned)				
	2022	2023	2024	2025	2026
	$ '000				
System Access	6,279	5,496	4,322	4,401	4,349
System Renewal	1,272	1,375	1,365	1,371	1,400
System Service	1,551	259	263	267	763
General Plant	1,547	1,285	1,041	4,172	685
TOTAL EXPENDITURE	10,650	8,415	6,991	10,211	7,198
Capital Contributions	2,505	1,950	1,304	1,461	1,364
Net Capital Expenditures	8,145	6,466	5,687	8,750	5,834
System O&M	$3,685	$ 3,550	$ 3,631	$ 3,604	$ 3,676

An updated CCA smoothing adjustment is shown in the below table:

		2022	2023	2024	2025	2026
Accelerated CCA		6,604,538	6,470,870	5,908,805	5,870,276	5,722,120
Unaccelerated CCA		5,823,636	6,011,266	5,818,644	5,790,272	5,613,918
Additional CCA	**A**	**$ 780,902**	**$ 459,603**	**$ 90,160**	**$ 80,004**	**$ 108,202**
5-Year Average	**B**	**$ 303,774**				
Adjustment to smooth the CCA	**C=A-B**	**$ 477,128**				

BPI notes that the use of the incorrect additions was exclusive to this CCA smoothing adjustment calculation there is no other impact from this correction to the application.

b) The accelerated CCA line represents the actual CCA BPI is forecasting in its tax return, including the change in the Acceleration Factor in 2024.

c) The unaccelerated CCA line was calculated by applying the half-year rule to additions and applying the CCA rate to the UCC, the same additions and opening UCC were used in both the accelerated and unaccelerated CCA scenarios. The only difference between the two scenarios is the acceleration factor on the addition.

   i. The half year rule is used on the additions for each of 2022 to 2026, the 2022 accelerated CCA is not 3x that of the 2022 unaccelerated CCA because the accelerated CCA is not applied to the opening UCC, just the additions for the year. The CCA on the additions alone would be 3x that of the unaccelerated however the table shows the full CCA on both additions using the half-year rule unaccelerated and half-year rule and accelerated factor for accelerated CCA as well as the CCA on the opening UCC at the applicable CCA Rates. In addition, the CCA rate for each class has an impact on the difference between accelerated vs. unaccelerated CCA. For example, an asset at 100% CCA rate under unaccelerated CCA will not have a 3x impact when applying the accelerated CCA. BPI notes that 2022 includes the investment in GIS, for which the 100% rate applies.

d) This smoothing method normalizes the PILS to what the average level would be expected to be through the next 5-years. By not smoothing the CCA the PILS and revenue requirement amount in 2022 is understated for when the accelerated CCA ramps down beginning in 2024 when the acceleration factor changes from 3 to 2. At this time BPI's PILS will be higher than if they were set on the basis of a 3x acceleration factor for the CCA.
    i. The unaccelerated CCA line is how the CCA would be calculated if there were no accelerated CCA ie. Half year rule applied to additions. The half year rule on additions is still in affect from 2022 to 2026 there is just an acceleration factor also applied to that CCA deduction.

e) If BPI's PILs are smoothed and tax rules remain as they are there will be no amount added to account 1592. However, if there is a change to either end the accelerated CCA sooner or extend the program BPI will record the appropriate balance as compared to its approved 2022 PILs in account 1592.

4-Staff-140

Ref: IRR 4-Staff-84

Regarding the use of total depreciation or net depreciation in the derivation of regulated taxable income,

(a) Please explain whether there would be any double counting in the PILs calculation from the impact of the reallocated depreciation relating to transportation (i.e. the depreciation expense reflected in regulated taxable income before adjustments is based on net depreciation).

(b) Please explain whether the total depreciation or net depreciation amount would be used to derive taxable income in Brantford Power's tax return.

BPI Response:

a) By including the reallocated depreciation there is no double counting in the PILs calculation. The total depreciation including the allocated depreciation is added back and the CCA on these assets is deducted through class 10. If the net depreciation were used then there would be double counting because the depreciation expense added back would be understated by these transportation assets however the CCA deduction related to these assets would be deducted. This would result in both the depreciation and the CCA on these same assets reducing the taxable income.

b) The total depreciation is used to derive taxable income in BPI's tax return.

5-Staff-141

Ref 1: IRR 5-Staff-88
Ref 2: Chapter 2 Appendices, Tab 2-OB – Debt_Instruments
Ref 3: Exhibit 1, Attachment 1-G

It is not clear why the debt rate calculated based on the interest paid in each year is different from the debt rate for each of the loans as documented in the Notes to the Audited Financial Statements. Please explain why the interest rates in Tab 2-OB do not match those in the Notes to the Audited Financial Statements.

BPI Response:

The rates differ from those on the Audited Financial Statements for the following reason:

-Repayments are made on the principal balances throughout the year which lead to a declining principal amount over the course of the year;

-the rates presented in the financial statements represent the actual interest rate applied to the remaining principal balance at the time of the payment;

-as a result the total interest paid during the year differs from the amount that would be obtained by applying the AFS interest rate to the average principal balance in for the year.

This is illustrated in the simple example shown below.

Date	Principal Balance	Interest on note	Installment	Interest Component	Principal Component
Opening Balance	$3,000,000				
First installment	$3,000,000	3.90%	$200,000	$58,500	$141,500
Second installment	$2,858,500	3.90%	$200,000	$55,740.75	$144,259.25
Closing Balance	$2,714,240.75				

Average principle balance = (Opening Balance + Closing Balance) / 2 = $2,857,120.375 (A)
Total interest paid = $114,240.75 (B)
Effective interest rate = (B) / (A) = 4.00%
These adjustments were made in order to ensure the annual interest expense would be correct when applied in the models.

7-Staff-142

Ref: IRR 7-Staff-93

The interrogatory asked if Brantford Power had notified Energy+ of further amendments to its rate proposals after the filing of the Application. Brantford Power stated that it did not notify Energy+ of the updates and that it plans to provide an update to Energy+ following these Interrogatory Responses.

Please confirm if Energy+ was notified. If yes, please provide any comments provided by Energy +. If Energy+ was not notified, please explain why.

BPI Response:

Energy+ was notified of the further changes, however no further comments were received.

In addition, Energy+ is also a party to this proceeding and has received all relevant correspondence including the application and all interrogatory responses.

9-Staff-143

Ref 1: IRR 9-Staff-105
Ref 2: IRR 1-Staff-6
Ref 3: IRR 4-Staff-46
Ref 4: IRR 4-VECC-39
Ref 4: Report of the OEB – Regulatory Treatment of Impacts Arising from the COVID-19 Emergency (EB-2020-0133), June 17, 2021 (COVID Report)

Regarding Account 1509,

(a) Page 26 of the COVID Report states "The OEB does not consider it unreasonable that a utility would include its evaluation of its various business operations and the process it undertook to identify opportunities for cost reductions." Page 42 further stated "…the onus will be on the utility to demonstrate that these savings have been identified and that all reasonable avenues of cost reduction have been explored and prudently acted upon. Capital-related cost reductions will not be excluded from this consideration."

i. Brantford Power stated cost savings were generally avoided costs in 2020 related to planned incremental expenditures and were therefore not included in the quantification (with the exception of a "freeze" on discretionary travel, training, etc). Please clarify whether these avoided costs are OM&A or capital, and whether they are cost deferrals or permanent avoided costs.

ii. Please explain why they these avoided costs were not considered as savings for the purpose of the Account 1509.

iii. Please explain whether Brantford Power has considered capital related cost reductions.

iv. Brantford Power indicated that it had put on hold the hiring of new employees, except where replacements were required. Please explain whether the compensation of these new employees were included in Brantford Power's 2017 approved revenue requirement. If yes, please explain why the compensation for these forecasted employees that were not hired was not included as savings for the purpose of the Account 1509.

(b) Page 44 of the COVID Report states that the achieved regulated ROE for the purpose of calculating the means test is calculated prior to entries made to Account 1509. In response to IRR 1-Staff-6, Brantford Power indicated that some of the drivers for the increase in OM&A used in the achieved regulated ROE was attributable to COVID-19 impacts. Please confirm that the 2020 achieved ROE of 3.76% is calculated prior to entries made to Account 1509. If not, please provide a revised achieved ROE calculation if the impact of this change materially change the ROE or Brantford's COVID-19 claim eligibility.

(c) Included in Account 1509 is the incremental costs of $56,656 for Airport Hangar costs incurred to reduce operational risk.
   i. Per reference 4, Airport Hangar costs for 10 months in 2021 is $80,000. Please explain why the costs for 10 months in 2021 is higher than the 12 months 2020 cost of $56,656.
   ii. ii. Does Brantford Power plan to continue to lease the Airport Hangar going forward?
   iii. iii. Has Brantford Power included costs relating to the Airport Hangar lease in the 2022 revenue requirement? If so, please indicate the amount.

(d) Brantford Power noted that the amounts identified in Account 1509 have not been audited. The COVID Report indicates that it will require the Account 1509 balance to be audited and the OEB will consider interim disposition of unaudited balances on a case-by-case basis. Brantford Power also indicated that it is seeking final disposition of the 2020 amounts identified. Please explain why Brantford Power is seeking final disposition when the amount has not been audited.

(e) Per reference 1, Brantford Power stated that should COVID related amounts be incurred in 2022, they will be compared against the appropriate baseline, consistent with the appropriate funding levels underlying the final approved 2022 rates. Per reference 3, Brantford indicated that it has budgeted some ongoing incremental health/safety equipment supply costs and has budgeted a higher level of bad debt. The COVID Report indicated that Account 1509 will remain in effect until the utility's subsequent rebasing application. Please explain why Brantford Power is proposing to continue recording amounts in the Account after it rebases in 2022.

BPI Response:

a) i) The avoided costs largely represent OM&A cost deferrals.

ii) The avoided costs were not savings compared to BPI's prior historical spending on similar items/project and were not savings compared to the levels of spending underpinning BPI's current rates (ie: those approved in the 2017 COS adjusted for IRM increases) or the highest actual amount in the 2015-2019 period)). BPI understands from the COVID Report that these items should represent the baseline for quantification of savings. Therefore savings from new projects, positions, etc. which were deferred or canceled and which would have been incremental to prior cost levels have not been included as savings.

iii) As shown in Appendix 2-AA, capital spending in 2020 exceeded prior years' spending, as well as the levels approved in the prior COS. There were not any significant sources of capital savings available. BPI removed a contingency amount from its internal budget for a contingency project which was unlikely to materialize, however this would not be considered a savings as the funds were

not intended/expected to be spent. Any other capital reductions were made to offset higher than expected spending in another project, rather than for COVID-related reasons.

iv) The compensation for any deferred hires was incremental to the levels considered in the 2017 COS and prior years. For this reason BPI has not included the avoided costs as incremental savings.

b) It is BPI's understanding that the entries for the COVID-19 DVA would have been to reduce OM&A for the COVID-related amounts and to recognize the COVID DVA amounts as a regulatory asset. BPI's ROE calculation has been completed with the full OM&A incurred in 2020, including COVID impacts, which is consistent with the amounts prior to the DVA entries. Below, BPI has provided a calculation for comparison which shows the ROE calculation *after* the account entries, ie: reducing OM&A by the amount included in the DVA sub-accounts. BPI notes the ROE below is still below the 300 basis points and BPI's total claim still does not meet the threshold. BPI has also provided an alternative calculation, which it believes is the more appropriate comparator, which calculates the regulated ROE which recognizes its COVID DVA claim as revenue (ie: reflecting the 50% recovery factor). This scenario also leads to an ROE below the 300 basis point threshold and the total claim eligible for recovery up to this threshold.

	With COVID Costs	Without COVID OM&A	Variance
Net income After Tax and Regulatory Balances	$ 1,730,656	$ 1,945,759	$ 215,103
Unregulated Adjustments	$ 12,663	$ 12,663	$ -
Unrealized (gains)/losses on interest rate swaps	$ (14,304)	$ (14,304)	$ -
Actuarial (gains)/losses on OPEB and/or Pensions not approved by the OEB	*$ -*	*$ -*	*$ -*
Non-Recoverable Donations	$ 3,830	$ 3,830	$ -
Net Interest from DVAs	$ (90,029)	$ (90,029)	$ -
Interest Adjustment from Deemed debt	*$ (525,125)*	*$ (525,125)*	*$ -*
Future/Deferred Taxes	$ 58,302	$ 58,302	$ -
Current Income Taxes	$ 1,047,737	$ 1,047,737	$ -
LESS: Current Income tax for Regulated ROE Puposes	*$ (942,506)*	*$ (942,506)*	*$ -*
Adjusted Regulated Net Income	**$ 1,281,223**	**$ 1,496,325**	
Deemed Equity			
Rate base:			
Cost of Power	$ 121,670,001	$ 121,670,001	$ -
Operating Expenses	*$ 12,321,133*	*$ 12,106,030*	*$ (215,103)*
Total	**$ 133,991,134**	**$ 133,776,032**	**$ (215,103)**
Working Capital Allowance %	7.50%	7.50%	
Working Capital Allowance	*$ 10,049,335*	*$ 10,033,202*	*$ (16,133)*
Average PP&E	$ 75,133,924	$ 75,133,924	$ -
Rate Base	$ 85,183,259	$ 85,167,126	$ (16,133)
Regulated deemed short-term debt % and $	$ 3,407,330	$ 3,406,685	$ (645)
Regulated deemed long-term debt % and $	$ 47,702,625	$ 47,693,591	$ (9,034)
Regulated deemed equity % and $	**$ 34,073,303**	**$ 34,066,850**	**$ (6,453)**
Achieved ROE (Regulated Net income / Deemed Equit	***3.76%***	***4.39%***	***0.63%***
Net Income At bottome of Deadband	$ 1,969,436.94	$ 1,969,063.95	
Additional NI required to Reach Deadband	$ 688,214.42	**$ 472,738.68**	

		With COVID Costs	With 1509 Recovery	Variance
	Net income After Tax and Regulatory Balances	$ 1,730,656	$ 1,838,207	$ 107,551
	Unregulated Adjustments	$ 12,663	$ 12,663	$ -
	Unrealized (gains)/losses on interest rate swaps	$ (14,304)	$ (14,304)	$ -
	Actuarial (gains)/losses on OPEB and/or Pensions not approved by the OEB	*$ -*	*$ -*	*$ -*
	Non-Recoverable Donations	$ 3,830	$ 3,830	$ -
	Net Interest from DVAs	$ (90,029)	$ (90,029)	$ -
	Interest Adjustment from Deemed debt	*$ (525,125)*	*$ (525,125)*	*$ -*
	Future/Deferred Taxes	$ 58,302	$ 58,302	$ -
	Current Income Taxes	$ 1,047,737	$ 1,047,737	$ -
	LESS: Current Income tax for Regulated ROE Puposes	*$ (942,506)*	*$ (942,506)*	*$ -*
	Adjusted Regulated Net Income	**$ 1,281,223**	**$ 1,388,774**	
	Deemed Equity			
	Rate base:			
	Cost of Power	$ 121,670,001	$ 121,670,001	$ -
	Operating Expenses	*$ 12,321,133*	*$ 12,321,133*	*$ -*
	Total	**$ 133,991,134**	**$ 133,991,134**	**$ -**
	Working Capital Allowance %	7.50%	7.50%	
	Working Capital Allowance	*$ 10,049,335*	*$ 10,049,335*	*$ -*
	Average PP&E	$ 75,133,924	$ 75,133,924	$ -
	Rate Base	$ 85,183,259	$ 85,183,259	$ -
4%	Regulated deemed short-term debt % and $	$ 3,407,330	$ 3,406,685	$ (645)
56%	Regulated deemed long-term debt % and $	$ 47,702,625	$ 47,693,591	$ (9,034)
40%	**Regulated deemed equity % and $**	**$ 34,073,303**	**$ 34,066,850**	**$ (6,453)**
	Achieved ROE (Regulated Net income / Deemed Equit	***3.76%***	***4.08%***	***0.32%***
5.78%	Net Income At bottome of Deadband	$ 1,969,437	$ 1,969,064	
	Additional NI required to Reach Deadband	$ 688,214	**$ 580,290**	

c) i) The budgeted amount for 2021 represents 10 months of airport hangar costs. The amount included in 2020 actuals is not a full 12 months; BPI began renting the airport hangar in June of 2020, representing 7 months of lease payments; the monthly cost is therefore consistent with the costs budgeted for 2021.

ii) BPI has budgeted for 10 months of airport hangar fees in 2021, however BPI has concluded the lease. BPI has maintained its lease with the City at 400 Grand River for a longer term than expected in 2021, resulting in a more-than-offsetting change. Nonetheless, these adjustments do not impact the 2022 Test Year. BPI has selected to maintain its lease at 400 Grand River in 2021 rather than continuing the Airport Hangar lease because of superior working conditions to the airport hangar.

iii) No, BPI has not forecasted the need for the airport hangar into 2022. There is no amount included.

d) EB Staff's question appears to misinterpret the OEB's policy, which provides (emphasis added):

"The OEB will maintain its past practice with respect to DVA dispositions and require that balances be brought forth for disposition **following the audit of their financial statements**. The OEB will consider interim disposition of unaudited balances on a case-by-case basis, with supporting justification. **The OEB will not require any Account-specific assurances to be provided by an external audit firm**."

It is important to recognize that it is the OEB's Policy and Rationale, not OEB Staff's initial proposal, that governs the disposition of this account.

BPI confirms that it has not obtained any account-specific assurances from an external audit firm. BPI further confirms that the amounts included in the DVA relate to 2020 transactions, and that its 2020 financial statements have been audited and a copy of those audited statements have been included on the evidentiary record in this proceeding. For these reasons, BPI maintains its request for final disposition of the account balance, which is entirely consistent with the OEB's policy.

In-fact the OEB expressly notes that (emphasis added):

"The OEB will consider interim disposition requests on a case-by-case basis, with supporting justification. However, given that no utility has indicated a need yet for interim disposition, **the OEB does not currently expect any requests for such interim relief**."

e) BPI proposes to continue the account because of the ongoing uncertainty related to the COVID-19 pandemic. At the time of these supplementary Interrogatories, there is an increasing case count in the province of Ontario as a result of Delta Variant cases, and it is predicted that a "fourth wave" is imminent and/or started. BPI is not certain and is not aware of any consistent long term forecasts regarding COVID-19 impacts, particularly as those relate to further cumulative economic impacts on businesses (bad debt). It is BPI's understanding that the COVID report assumes that further COVID-

19 impacts can be forecasted and incorporated into the test year forecast upon rebasing, however this was not possible for this Application and BPI has not made any specific adjustments for COVID-19 impacts to its OM&A or capital plans.

9-Staff-144

Ref: IRR 9-Staff-106

Please confirm that Brantford Power is requesting final disposition of 2020 Group 1 balances. If not, please explain why not.

BPI Response:

Yes, BPI confirms it is requesting final disposition of the 2020 Group 1 balances.

SEC Pre-Settlement Conference Clarification Questions

SEC PS-1

[1-Staff-5a] The interrogatory asked if BPI had undertaken a business case or similar analysis regarding the transition of its IT services, and if so, to provide a copy. From the answer it is not entirely clear what BPI has provided. Please provide a copy of the actual internal business case or similar document as opposed to an excerpt or summary

BPI Response

BPI has undertaken analyses of the rationale for the transition of IT services with Cybersecurity being the primary driver. And these analyses form part of the budget discussions as part of the departmental budget submissions.

Please note the budget submission was completed at an early stage in the budget process and was subject to further updates following this step.

Also, BPI has prepared a material project evidence documentation that documents all the alternatives considered and the cost and benefits.

These documents have been included as Attachment SEC PS-1.

SEC PS-2

[1-SEC-2b] Please provide the 2021 KPI Scorecard.

BPI Response

Please see the 2021 KPIs below.

Stakeholder	KPI	MEASURE	2021 APPROVED
Shareholder	Earnings	Net Income	$1,038,000
	Efficiency	Cost Per Customer	$353.63
Customer	Reliability (excluding loss of supply)	Duration – SAIDI (Target for 2020 - reflects the OEB Scorecard Targeted Value)	0.40
		Frequency – SAIFI (Target for 2019 - reflects the OEB Scorecard Targeted Value)	0.86
	Satisfaction	Score on Transactional Customer Satisfaction Survey (Top 2 Boxes) Q - Overall, how satisfied are you with Brantford Power?	89.0%
	Shared Services with Energy+	Functional operations achieved for Shared Services with Energy+ (Vehicle fueling, Mechanics Bay, Jointly Occupied Warehouse and Yard)	30-Jun-21
		Roadmap for achieving Joint Warehouse and Yard Completed	31-Dec-21
Employee	Safety	Lost Time Accidents	Nil
		Progress towards the achievement of the Intermediate Level of the WSIB Health and Safety Excellence Program - by completing a minimum of 4 Health & Safety Topics	31-Dec-21
	Engagement	Staff Survey Score (60% in 2019)	67.0%
Regulator	Rate Application	2022 Cost of Service Rate Application Filed by OEB Deadline	30-Apr-21
		OEB 2022 Distribution Rate Decision Received	31-Dec-21
	Compliance	Major non-compliance issues with IESO, Measurement Canada, ESA & OEB (Note 1)	Nil

SEC PS-3

There appears to be a difference between what is included in the OM&A numbers in the application (i.e. Appendix 2-JA) and that included in the BPI Multi-Year Budgets (i.e. Ex.1, Attach 1-L, Attach; Attach to 1-SEC-11c). For example, 2018 actuals differ between the two categories of information. Please provide an explanation of what the difference between what costs are included in the application and the BPI Multum-Year budgets.

BPI Response

The adjustments are primarily related to mapping adjustments required to reflect regulated costs whereas the budget documents do not reflect this. Examples would be the inclusion of OM&A costs spent on affiliate work and CDM in OM&A vs with revenue offsets (expenses from non-regulated). OM&A would also include property tax and LEAP, as well as additional non-LEAP donations which are excluded for regulatory calculations. For budgets, BPI's submission is consistent with the 2021/2022 and multi-year forecast document originally included with Exhibit 1; BPI made some limited updates from this to address any inconsistencies found following the budget as well as addressing any major known changes in circumstances.

SEC PS-4

[2-SEC-15b] Please confirm that in Table 2-SEC-15b: 2.2.4-F the 10-month proration of the 2020 Year-End Incremental Revenue Requirement should be $873,215 not $731,938.63 (2020 Year End of $1,047,859 x 10/12).

BPI Response:

BPI confirms the prorated revenue requirement should have been $873,215 rather than $731,939. A formula error in the table lead to the incorrect amount being displayed, an updated table is included below:

	ICM Decision	2020 Year End Prorated based on March 1, 2020	2021 Year End	2022
Depreciation Expense (10-Months)	$ 377,292.00	$ 283,966.11	$ 414,227.95	**$ 414,227.95**
Maximum Approved	*$ 331,537.49*	*$ 249,067.20*	*$ 363,320.11*	***$ 363,320.11***
PILS Impact (10-Months)	$ 110,413.70	$ 89,524.63	$ 11,801.04	**$ 11,801**
Return (10-Months)	$ 780,284.28	$ 534,623.30	$ 767,549.75	**$ 767,550**
Incremental Revenue Requirement	**$ 1,222,235.47**	**$ 873,215.13**	**$ 1,142,670.89**	**$ 1,142,670.89**

		2020	2021	Total
Rate Rider Revenues		$ 1,021,481.11	$ 1,222,235.47	**$ 2,243,716.58**
Incremental Revenue Requirement		$ 873,215.13	$ 1,142,670.89	$ 2,015,886.02
Variance		**$ (148,265.98)**	**$ (79,564.58)**	**$ (227,830.56)**

SEC PS-5

[2-SEC-23] Please confirm the 2018 costs for the Vault/Junction Box Replacement Program and Transformer Replacement Program which in the table are the exact same.

BPI Response:

BPI confirms that there was an error in the table originally included in its response to 2-SEC-23, please see the updated table below with the correct figures highlighted in yellow:

	2017 Last Rebasing Year Actuals		2018 Actuals		2019 Actuals		2020 Actuals		2021 Bridge Year	
	Units	Cost($)	Units	Cost($)	Units	Cost($)	Units	Cost($)	Units	Cost($)
Pole Replacement	86	$ 685,940	111	$ 815,425	72	$ 506,981	40	$ 278,649	60	$ 450,000
Vault and Junction Box Replacement	35	$ 338,295	27	$ 256,852	25	$ 239,303	7	$ 66,142	10	$ 95,214
Transformer Replacement	25	$ 194,854	35	$ 252,181	10	$ 113,900	26	$ 198,198	20	$ 200,717
Conductor Replacement	0	$ -	0	$ -	0	$ -	0	$ -	1	$ 10,000
Meter Replacement	0	$ -	0	$ -	206	$ 71,876	73	$ 34,670	65	$ 30,962
Porcelain Replacement	0	$ -	0	$ -	0	$ -	60	$ 81,674	150	$ 117,745

	2022 Test Year		2023 Forecast		2024 Forecast		2025 Forecast		2026 Forecast	
	Units	Cost($)	Units	Cost($)	Units	Cost($)	Units	Cost($)	Units	Cost($)
Pole Replacement	80	$ 612,000	80	$ 624,240	80	$ 636,725	80	$ 649,459	80	$ 662,448
Vault and Junction Box Replacement	10	$ 99,092	10	$ 101,542	10	$ 103,955	10	$ 106,338	10	$ 108,465
Transformer Replacement	27	$ 216,789	28	$ 223,774	29	$ 264,478	28	$ 242,993	28	$ 247,853
Conductor Replacement	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -
Meter Replacement	67	$ 46,439	75	$ 55,229	95	$ 50,516	107	$ 58,806	107	$ 59,983
Porcelain Replacement	150	$ 118,331	150	$ 122,772	150	$ 124,910	150	$ 126,945	150	$ 129,178

SEC PS-6

[2-SEC-24a] Please explain where the OM&A costs related to CIS implementation planned in 2017, but ultimately did not occur in that year, are shown in Appendix 2-JB cost driver table.

BPI Response:

The impact is captured in the line "New Customer Information System" for 2017.

SEC PS-7

[2-SEC-24e] Please respond to part (e).

BPI Response:

BPI had provided a response with the original responses. Please see the answer copied below:

"e. Please also refer to the response provided in 2-Staff-28. BPI' replacement of the legacy CIS was a key priority in order to mitigate several significant risks to major KPIs such as billing accuracy, compliance with regulatory policy implementation, and delivering the expected service quality to customers.

BPI established its initial cost estimates for the project on the basis of an RFI, however when a fulsome RFP was undertaken, the obtained pricing was much higher than expected. The RFP methodology was designed to obtain the proposal with the best value for money for BPI and its customers. BPI negotiated with the vendor to reduce the initial project quote, however the outcome was still a cost increase compared to the budget.

As outlined above in sections a) and b) a large component of the variance was caused by a change in capitalization ratio.

BPI estimates has identified at least 71k annually in quantifiable time savings as a result of implementing the more efficient and user friendly system. These time savings have resulted in BPI focusing its customer care and billing resources on providing customers with a high level of service and meeting and exceeding customer service targets, and on implementing new regulatory and other requirements. "

SEC PS-8

[4-VECC-35a] Please response to the question as posed.

BPI Response:

Please see the table below, which is inclusive of internal staff time booked to Application-related jobs (COS, DSP). To be clear, the table below shows both one-time/incremental and ongoing related costs. The amounts included in 2022 represent 1/5th of the one-time costs included in Appendix 2-M.

	2017 Last Rebasing Year OEB Approved	2017 Last Rebasing Year Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2020 Application Cost	2021 Bridge Year	2021 Application Cost	2022 Test Year	2022 Application Cost
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS		MIFRS		MIFRS	
Operations	$ 1,574,255	$ 1,465,749	$ 1,419,351	$ 1,818,631	$ 1,927,979		$ 1,511,652		$ 1,610,720	
Maintenance	$ 1,625,012	$ 1,603,025	$ 1,799,854	$ 1,750,834	$ 1,572,474		$ 1,938,278		$ 2,033,394	
SubTotal	**$ 3,199,267**	**$ 3,068,774**	**$ 3,219,205**	**$ 3,569,465**	**$ 3,500,453**		**$ 3,449,930**		**$ 3,644,114**	
%Change (year over year)		-4.1%	4.9%	10.9%	-1.9%		-1.4%		5.6%	
%Change (Test Year vs Last Rebasing Year - Actual)									18.7%	
Billing and Collecting	$ 2,962,665	$ 3,148,316	$ 3,496,346	$ 3,533,060	$ 3,813,856		$ 3,942,490		$ 3,854,655	
Community Relations	$ 16,452	$ 38,461	$ 82,527	$ 68,295	$ 55,534		$ 142,050		$ 122,752	
Administrative and General	$ 3,868,251	$ 3,800,686	$ 3,947,573	$ 3,815,926	$ 4,708,816	397,860	$ 5,907,126	438,951	$ 6,159,120	104,396
SubTotal	**$ 6,847,367**	**$ 6,987,462**	**$ 7,526,446**	**$ 7,417,282**	**$ 8,578,206**		**$ 9,991,666**		**$10,136,526**	
%Change (year over year)		2.0%	7.7%	-1.5%	15.7%		16.5%		1.4%	
%Change (Test Year vs Last Rebasing Year - Actual)									45.1%	
Total	**$ 10,046,634**	**$ 10,056,236**	**$10,745,651**	**$10,986,747**	**$12,078,659**		**$13,441,596**		**$13,780,640**	
%Change (year over year)		0.1%	6.9%	2.2%	9.9%		11.3%		2.5%	

SEC PS-9

[4-VECC-36] Please respond to the full question as posed: "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? "

BPI Response:

No, it is BPI's assumption is that bad debts will continue at the historically high rate experienced in prior years, including the years prior to the pandemic. That is to say, yes BPI assumes that high levels of bad debt will continue (in comparison, for example, to 2017 COS levels), however BPI does not attribute this to the pandemic.

SEC PS-10

[2-Staff-31b] With respect to BPI's capitalization practices:

a. SEC is unable to locate similar overhead and underground inspection programs in BPI's 2017 Cost of Service application (EB-2016-0058). Where these costs capitalized in BPI's 2017 Cost of Service application? If so, please identify which program they were included within.
b. Please identify and quantify all changes that would be required to be made if the Board determined that these overhead and underground inspection costs should not be capitalized.
c. In addition to CIS implementation costs (2-SEC-24b), and potentially inspection costs (part (a) above), please detail all other changes in capitalization practices compared to what was included in BPI's 2017 Cost of Service. For all changes, please specifically identify them, provide the year the change was made, the specific cost, and reason or the change.

BPI Response:

a. Yes, these costs were capitalized beginning in 2015 and BPI believes major inspections were included in the COS capital, relating to Poles, Towers and Fixtures and Overhead Conductors (Accounts 1830 and 1835). BPI is unable to confirm the programs these were mapped to.
b. The following changes would be required:

BPI notes an estimate has been used for the PILS calculation rather than completing the full updated PILs model.

Calculations Impacting 2022 Rate Base	
Opening Cost	$ 589,196
Closing Cost	$ 701,327
Opening A/A	$ 417,787.74
Closing A/A	$ 532,192.07
Opening NBV	$ 171,408.02
Closing NBV	$ 169,134.88
Avg 2022 NBV	$ 170,271.45
2022 Depreciation Expense	$ 114,404.33
Calculations Impacting 2022 Revenue Requirement	
Remove Depreciation Expense from RR	-$ 114,404
Add 22 Inpections to OM&A in RR	$ 112,131
Remove Net Book Value from Rate Base	$ 170,271
Remove Return on Rate Base at 5.24% from RR	-$ 8,922
Est. PILS Impact (est @ 26.5%* 40%*8.34%)	-$ 1,505
PILS Gross UP	-$ 2,048
Working Capital Allowance Impact on Rate Base	$ 8,410
Incremental Return from WCA on RR	$ 441
Estimated Revenue Requirement Impact	**-$ 12,803**

c. The following changes were made:

-Begin capitalizing inspections of overhead and underground. BPI completes the inspection of 1/3rd of its service territory annually, or in other words, each section of the city is inspected every three years. For this reason, the asset inspections have been capitalized because they have a long-term value, with the useful life assumption being 3 years (the duration the inspection results are in use). The change was implemented in 2015.

-Update the useful lives for major software asset to 10 years. BPI completed this change for systems such as FIS, CIS and GIS, which are core utility systems. BPI reviewed the standard useful lives for software assets, and concluded it is not expected that a fulsome replacement of these systems is expected within the 5 years of the maximum standard range. BPI assessed that 10 years was a more likely typical useful life. This adjustment was made in 2018 and only applies to major software systems. Updates and improvements to these software systems are capitalized where this treatment is compliant with IFRS and amortized over a shorter useful life.

The changes made have been in full compliance with IFRS requirements, and have been part of the annual audits by KPMG since their respective years of introduction. BPI's understanding is that the OEB's accounting expectations are consistent with IFRS compliance except where deviations are otherwise specified by the OEB.

SEC PS-11

[Exhibit 9, p.15] Please update Table 9.3-A with changes with respect to BPI's proposal for DVA disposition included in the interrogatory responses.

BPI Response:

Below is the updated table 9.3-A with BPI's updated Disposition.

Account Description	USoA	Balance as at Dec. 31/20		Projected 2021 Interest	Total Claim
		Principal	Interest		
Group 1 Accounts					
LV Variance Account	1550	$ -	$ -	$ -	$ -
Smart Metering Entity Charge Variance Account	1551	$ (49,875)	$ (1,924)	$ (284)	$ (52,083)
RSVA - Wholesale Market Service Charge	1580	$ (885,815)	$ 6,850	$ (5,049)	$ (884,014)
Variance WMS – Sub-account CBR Class B	1580	$ (80,507)	$ (23,644)	$ (459)	$ (104,610)
RSVA - Retail Transmission Network Charge	1584	$ 10,017	$ (4,854)	$ 57	$ 5,221
RSVA - Retail Transmission Connection Charge	1586	$ 272,944	$ 15,473	$ 1,556	$ 289,972
RSVA - Power (excluding Global Adjustment)	1588	$ 446,903	$ 57,715	$ 2,547	$ 507,166
RSVA - Global Adjustment	1589	$ 33,071	$ 3,914	$ 189	$ 37,174
Disposition and Recovery/Refund of Regulatory Balances (2014 and pre-2014)	1595	$ -	$ -	$ -	$ -
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595	$ -	$ (50)	$ -	$ -
Disposition and Recovery/Refund of Regulatory Balances (2016)	1595	$ 1,725	$ 83	$ 10	$ -
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	$ 11,254	$ 42,989	$ 64	$ 54,307
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	$ (9,005)	$ 7,161	$ (51)	$ (1,895)
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	$ 361,511	$ (279,617)	$ 2,061	$ -
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		**$ 112,223**	**$ (175,903)**	**$ 640**	**$ (148,763)**
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		**$ 79,152**	**$ (179,817)**	**$ 451**	**$ (185,937)**
RSVA - Global Adjustment	**1589**	**$ 33,071**	**$ 3,914**	**$ 189**	**$ 37,174**

Group 2 Accounts					
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	$ -	$ -	$ -	$ -
Pole Attachment Revenue Variance	1508	$ (387,666)	$ (4,851)	$ (2,210)	$ (394,726)
Retail Service Charge Incremental Revenue	1508	$ -	$ -	$ -	$ -
Other Regulatory Assets - Sub-Account - Other	1508	$ 0	$ -	$ 0	$ 0
OPEB FORECAST CASH VS ACCRUAL	1508	$ 322,570	$ -	$ -	$ 322,570
Lost Collection of Account Revenue	1508	$ 1,257,931	$ 10,162	$ 7,170	$ 1,275,263
1509-COVID-19 Other Incremental Cost DVA	1509	$ 122,456	$ 320	$ 698	$ 61,737
1509-COVID-19 Bad Debt DVA	1509	$ 92,646	$ 6,737	$ 528	$ 49,956
Retail Cost Variance Account - Retail	1518	$ (46,228)	$ 1,073	$ (264)	$ (45,419)
Retail Cost Variance Account - STR	1548	$ 41,453	$ 1,801	$ 236	$ 43,491
Other Deferred Credits	2425	$ -	$ -	$ -	$ -
Group 2 Sub-Total		**$ 1,403,162**	**$ 15,243**	**$ 6,159**	**$ 1,312,872**
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	$ -	$ -	$ -	$ -
PILs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes	1592	$ (605,021)	$ (6,618)	$ (3,449)	$ (615,088)
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)		**$ 910,364**	**$ (167,278)**	**$ 3,350**	**$ 549,021**
LRAM Variance Account	1568	$ 76,286	$ 2,734	$ 435	$ 79,455
Total including Account 1568		**$ 986,650**	**$ (164,543)**	**$ 3,785**	**$ 628,476**
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	$ 56,954	$ 78,875	$ 325	$ 136,154
Other Accounts Sub-Total		**$ 56,954**	**$ 78,875**	**$ 325**	**$ 136,154**
Total		**$ 1,043,603**	**$ (85,668)**	**$ 4,110**	**$ 764,630**

VECC PRE-SETTLEMENT FOLLOW-UP AND CLARIFICATION QUESTIONS

VECC-75

REFERENCE: 1-Staff-1
3-EP-19

PREAMBLE: Staff-1 states: "BPI has updated the GDP in its regression to include 2020 Actual, and also updated the 2021 and 2022 forecast to use the National Banks' Ontario Real GDP forecast."

EP-19 states: "The GDP level is lower overall through 2021 than 2020 contributing to a lower output."

a) The National Bank's Monthly Economic Monitor for July-August 2021 is found at https://www.nbc.ca/content/dam/bnc/en/rates-and-analysis/economic-analysis/monthly-economic-monitor.pdf. Is this the source for the GDP forecast used to update the load forecast (per Staff-1)?

   i. If not, please provide either copy or a web-link for the National Bank forecast that was used.

b) Please explain how the National Bank's annual GDP forecast was used to determine the forecast monthly GDP values for 2021 and 2022 used in the load forecast.

c) The National Bank's GDP forecast referenced in part (a) shows a positive growth in Ontario GDP between 2020 and 2021. Please reconcile this with the response to EP-19.

BPI Response:

a) Yes, this is the correct link.

b) The method used to calculate GDP for 2021 and 2022 was:

- Change the annual GDP Index Value based on the growth rate forecast by the National Bank.
- Use the method outlined in 3-Staff-37 to calculate the monthly numbers.

Example

National Bank's GDP July-August 2021 Forecast:

	2018	2019	2020f	2021f	2022f
	Real GDP (% growth)				
Newfoundland & Labrador	-3.5	4.0	-5.3	3.9	2.6
Prince Edward Island	2.5	5.1	-3.0	4.5	4.0
Nova Scotia	1.9	2.4	-3.2	5.0	3.3
New Brunswick	0.5	1.2	-3.7	4.6	3.0
Quebec	2.9	2.7	-5.3	6.5	4.1
Ontario	2.8	2.1	-5.0	6.1	4.3
Manitoba	1.5	0.6	-4.8	5.1	3.5
Saskatchewan	1.2	-0.7	-5.2	5.4	3.5
Alberta	1.9	0.1	-8.2	6.4	4.0
British Columbia	2.7	2.7	-3.8	6.1	4.2
Canada	2.4	1.9	-5.3	6.0	4.0

Forecasted Index value from the National Banks forecast.

1) GDP Growth Forecast

Year	Real GDP (%Growth)
2021	6.1%
2022	4.3%

2) GDP Index

Year	Yearly Total	Index (Current year/Base Year * 100)
Base year: 2000	1582240	100
2020	2422088	153.08
2021*		162.42
2022*		169.40

*Year's indext is estimated using Last Periods Index times forecasted growth rate.

3) Convert to Monthly Values

Year	Month	This Year	Past Year	GDP Monthly Value =Last Month*(This Year/Past Year)^(1/12)
2021	1	162.42	153.08	153.84
2021	2	162.42	153.08	154.60
2021	3	162.42	153.08	155.36
2021	4	162.42	153.08	156.13
2021	5	162.42	153.08	156.90
2021	6	162.42	153.08	157.68
2021	7	162.42	153.08	158.46
2021	8	162.42	153.08	159.24
2021	9	162.42	153.08	160.03
2021	10	162.42	153.08	160.82
2021	11	162.42	153.08	161.62
2021	12	162.42	153.08	162.42
2022	1	169.40	162.42	162.99
2022	2	169.40	162.42	163.56
2022	3	169.40	162.42	164.14
2022	4	169.40	162.42	164.71
2022	5	169.40	162.42	165.29
2022	6	169.40	162.42	165.87
2022	7	169.40	162.42	166.46
2022	8	169.40	162.42	167.04
2022	9	169.40	162.42	167.63
2022	10	169.40	162.42	168.22
2022	11	169.40	162.42	168.81
2022	12	169.40	162.42	169.40

c) In EP-19 an adjustment was made to the filed model. The adjustment was to make the GDP Index in 2021 equal to 2020. The result was the value of a new purchase being 885,685,950 for 2021, an increase of 4,108,557. The GDP index values totaled 1,875 in 2020 and 1,867 in 2021. The difference between the GDP index totals times the coefficient from the regression equals 4,108,557.

VECC-76

REFERENCE: 1-Staff-1
3-VECC-32
3-EP-18
Load Forecast Model (updated per Staff-1)

PREAMBLE: Staff-1 states: "BPI made an adjustment to its rate class load model and rate class energy model in its load forecast to account for a reduction in consumption to match the adjustment already in place for demand in the streetlight customer class resulting from improved efficiencies."

EP-18 states: "The currently proposed load forecast methodology is not affected by the (Street Light) customer number adjustment completed in 2017."

a) It appears that, in the Rate Class Energy Model Tab of the Load Forecast, the 2021 and 2022 adjustments to the Street Light energy use for efficiency improvements have increased as opposed to decreased the class' energy use. Please review and confirm.

b) With respect to EP-18, please confirm that the 2017 adjustment in number of Street Light connections impacts the class' historic growth in use per connection and, as result, impacts the 2021 and 2022 forecast energy use for this class (i.e., if 2017 was excluded from the growth rate calculation the resulting growth rate would be negative as opposed to positive).

i. If 2017 was excluded from the growth rate calculation would the adjustments to the class' forecast demand and energy be required in order to account for continuing efficiency improvements?

BPI Response:

a. Yes, cells L59 and L60 on sheet "Rate Class Energy Model" was subtracting the adjustment on sheet "Rate Class Model" in cells H17 and H18 which had negative values, resulting in an addition. The correction has been made.

b. Using the growth rate without 2017 would produce a much more substantial drop in consumption for street lights (See table below).

	Filed	Adjustment	New Amount	Growth Rate Without 2017	Growth Rate Only 2018 to 2020
Growth Rate:	1.0568			0.9913	0.9831
Year					
2021	7,357,575	-141,639	7,215,936	6,901,833	6,844,777
2022	7,775,272	-283,277	7,491,995	6,841,873	6,729,220

The 2017 street light customer usage does have a problem. BPI has proposed to use a growth rate of "1" in for the usage per customer for street lights and to apply the adjustment to cell L54 on the "Rate Class Energy Model". Next the usage per customer was adjusted to account for future load by the efficiencies estimated on the "Rate Class Load Model" in cells H17 and H18 for the years 2021 and 2022. The resulting new forecast for street lighting would be:

	Filed	Adjustment	New Amount
Growth Rate:	1		
Year			
2021	6,962,317	-141,639	6,820,678
2022	6,962,317	-283,277	6,679,040

Please see the submitted updated load forecast model for the corrections from a and b.

VECC-77

REFERENCE: 7-Staff-90
BPI's Conditions of Service
(https://storage.googleapis.com/website-284719.appspot.com/1/2020/08/Conditions-of-Service_-Address-Updates-_August-4-2020.pdf)

a) The table provided in the response to Staff-90 indicates that for Residential customers BPI pays for Underground services assets but does not do so for the other customer classes. However, section 2.1.1.2 of BPI's Conditions of Service only makes reference to BPI providing overhead transformation and conductor as part of the basic connection for residential customers. Please reconcile.

BPI Response:

BPI pays for the underground services assets for Residential customers by providing them with a credit equivalent to supply and installation of up to thirty (30) meters of overhead secondary conductor, as per 2.1.1.2 of BPI's Conditions of Service, Basic Connection, Section b).

Where the underground residential service is in overhead area and can be supplied by installing a new overhead transformer, BPI pays for the supply and installation of the overhead transformation as part of the basic connection, as per as per 2.1.1.2 of BPI's Conditions of Service, Basic Connection, Section a).

In the event where BPI needs to install a new pad-mount transformer the customer will be responsible for paying an incremental cost to supply and install a new pad-mount transformer, as per 2.1.1.2 of BPI's Conditions of Service, Variable Connection Charges, Section a).

VECC-78

REFERENCE: 7-VECC-62

a) With respect to the table provided in the response, for each of the three columns (Billing, Collecting and Miscellaneous Customer Expense), please indicate: i) the total costs along with what they are based on and ii) the basis for the allocation to customer classes.

b) Why are there no Billing and Collecting costs allocated to the Embedded Distributor?

c) For Street Lighting the number of "customers" is 5,771 – the number of connections. However, in the determination of the weighting factors for allocating the costs of Billing and Collecting (CWNB) the number of bills for the Street Lighting class is based on a customer count of "1", not 5,771. Please recalculate the weighting factors for using the appropriate customer count for Street Lighting.

BPI Response:

a) BPI has provided a table below which shows a breakdown of the costs for the three columns provided in the original table and the allocators used to allocate each cost to the appropriate rate classes:

Expense	**Billing**	**Allocators**
Labour	$ 354,984.19	Smart meters vs Interval Smart = 15/17 days interval 2 days, unmetered classes= .5 day
Contracted Services	$ 20,909.00	# retail customers per class
Postage	$ 385,192.50	Bills/month / class
Printing	$ 138,474.42	Bills/month / class
	$ 899,560.11	
Expense	**Collecting**	**Allocators**
Contracted Services	$ 89,726.00	service orders
Postage	$ 24,360.00	Notices mailed per class
Printing	$ 9,642.50	reminder notices, disconnect - tags
Bank Service Charges	$ 60,900.00	Credit card processing report - 1.75% of transacation amount
	$ 184,628.50	
Expense	**Misc. Customer Exp**	**Allocators**
Labour	$ 678,058.69	logged calls
Contracted Service	$ 20,706.00	logged calls-External Service
	$ 698,764.69	

BPI notes that the Contracted Services expense in the billing category relates exclusively to Retail customers that is why that expense is allocated on the number of retail customers per class.

b) There are no billing and collecting expenses allocated to the Embedded Distributor because the billing and collecting activities related to this class are minimal. The Billing labour expenses for example are allocated based on the number of days spent billing certain types of meters, the Embedded Distributor class has just 2 interval meters, this allocates an immaterial amount to the class as the % of interval meters is much less than 1%. As for the remaining of the billing expenses the bill is sent electronically so no postage or printing expenses relate to this class. As

for the collection expenses these allocations are based on number of customers per class who required a reminder notice, a disconnection, paid with a credit card, etc, none of these activities related to the Embedded Distributor Class.

c) BPI has reviewed the allocation of these costs for both its Street light and Sentinel light classes and agrees that costs were not properly allocated to these classes. The updated weight factor calculation is below:

	Billing	Collecting	Misc Customer Exp	total Billing and collecting	Number of customers	Total / Customer	Weighting
GS<50	$ 63,684.40	$ 18,744.24	$ 44,684.86	$ 127,113.51	2,816	$ 45.14	1.06
GS>50	$ 44,157.18	$ 6,873.49	$ 13,938.40	$ 64,969.06	488	$ 133.13	3.14
RES	$ 779,153.66	$ 158,875.94	$ 640,141.43	$ 1,578,171.03	37,196	$ 42.43	1.00
SENT	$ 5,061.92	$ 134.83	$ -	$ 5,196.75	112	$ 46.40	1.09
STREET	$ 3,495.74	$ -	$ -	$ 3,495.74	1	$ 3,495.74	82.39
USL	$ 4,007.22	$ -	$ -	$ 4,007.22	409	$ 9.80	0.23
EMB	$ -	$ -	$ -	$ -	1	$ -	-

BPI has confirmed that the billing and collecting expenses in the cost allocation are now being appropriately allocated to all classes.

VECC-79

REFERENCE: 7-VECC-69
Exhibit 7, page 6
Cost Allocation Model (Updated per Staff-1)

a) In the response provided to VECC 69 c) & d) please confirm that:

i. The values provided in Row D are the "Actual CDD for the Normalized Peak Day" as requested and not the "Actual CDD for the Actual Peak Day" as indicated in the response. If not, please revise the table accordingly.

ii. The values provided in Row E are the "Normalized CDD for the Normalized Peak Day" as requested and not the "Normalized CDD for the Actual Peak Day" as indicated in the response. If not, please revise the table accordingly.

iii. The values provided in Row G are the "Actual CDD Related Load for the Normalized Peak Hour/Day" as requested and not the "Actual CDD Related Load for the Actual Peak Hour/Day" as indicated in the response. If not, please revise the table accordingly.

iv. The values provided in Row H are the "Normalized CDD Related Load for the Normalized Peak Hour/Day" as requested and not the "Normalized CDD Related Load for the Actual Peak Hour/Day" as indicated in the response. If not, please revise the table accordingly.

b) Please provide a revised version of the updated Cost Allocation model using the demand allocators based on the 2004 HONI Load Profiles scaled to the updated 2022 Load Forecast.

BPI Response:

a) For rows, D, E, G and H, the data was correct, although through the process of checking the data in the table in VECC 69 c) & d) line C of the table had incorrect data for the year 2017. The data use of the Load Profile for 2017 was excluded as one of the changes proposed in 1-Staff-1, and therefore this did not have any impact.

i. Yes, the values in Row D are the "Actual CDD for the Normalized Peak Day".

ii. Yes, the values in Row E are the "Normalized CDD for the Normalized Peak Day".

iii. Yes, the values in Row G are the "Actual CDD Related Load for the Normalized Peak Hour/Day".

iv. Yes, the values in Row H are the "Normalized CDD Related Load for the Normalized Peak Hour/Day".

	Residential				General Service <50kW			
	2019							
	June	July	August	September	June	July	August	September
A.Day of Normalized Monthly Peak							21	3
B. Hour of Normalized Monthly Peak							14	14
C. Value of Normalized Monthly Peak (kW)							16,755	18,973
D. Actual CDD for Normized Peak							7	0
E. Normalized CDD for Normalized Peak							9	2
F. Difference Between Normalized and Actual CDD (F=E-D)							2	2
G. Actual CDD Related Load for the Normalized Peak Hour/Day							2,839	674
H. Normalized CDD Load for Normilzed Peak Hour/Day							3,551	7,176
I. Peak Load Adjustment (I=H-G)							712	6,502
J. Normilized Peak Load Adjustment per CDD Change (J=I/F)							411.46	3,368.91
	2018							
	June	July	August		June	July	August	September
A.Day of Normalized Monthly Peak	21		28		21			
B. Hour of Normalized Monthly Peak	17		17		9			
C. Value of Normalized Monthly Peak (kW)	80,265		75,838		18,164			
D. Actual CDD for Normized Peak	0		10		0			
E. Normalized CDD for Normalized Peak	1		9		1			
F. Difference Between Normalized and Actual CDD (F=E-D)	1		-1		1			
G. Actual CDD Related Load for the Normalized Peak Hour/Day	4,350		17,081		1,296			
H. Normalized CDD Load for Normilzed Peak Hour/Day	40,017		14,741		11,923			
I. Peak Load Adjustment (I=H-G)	35,667		-2,340		10,627			
J. Normilized Peak Load Adjustment per CDD Change (J=I/F)	43,496.30		1,708.09		12,960.26			
	2017							
	June	July	August		June	July	August	September
A.Day of Normalized Monthly Peak			7		15	26	7	
B. Hour of Normalized Monthly Peak			17		14	15	14	
C. Value of Normalized Monthly Peak (kW)			136,872		16,034	17,713	24,524	
D. Actual CDD for Normized Peak			0		0	0	0	
E. Normalized CDD for Normalized Peak			2		1	1	2	
F. Difference Between Normalized and Actual CDD (F=E-D)			2		0	1	2	
G. Actual CDD Related Load for the Normalized Peak Hour/Day			5,170		1,902	2,925	1,259	
H. Normalized CDD Load for Normilzed Peak Hour/Day			89,955		5,010	8,289	21,903	
I. Peak Load Adjustment (I=H-G)			84,785		3,107	5,363	20,644	
J. Normilized Peak Load Adjustment per CDD Change (J=I/F)			51,698.40		6,341.18	9,751.65	12,587.90	

b) BPI has completed a version of its most recent cost allocation model updated using the 2004 HONI Load Profile scaled to its 2022 Load Forecast. This is attached as **Attachment VECC-79.**

VECC-80

REFERENCE: 8-VECC-70 b)
Exhibit 8, page 9
RTSR Work Form (Updated per Staff-1)
OEB Decision and Order EB-2021-0076

a) The Application indicates that BPI pays for transmission service to the Independent Electricity System Operator ("IESO") and to one host distributor - Energy+ at the point where BPI is embedded to Energy+. However, the RTSR Work Form (Historical Wholesale Tab) shows payments to the IESO and two Host distributors (each with different rates). Please reconcile.

b) The response to VECC 70 b) suggests that the differences in the billing units for Line Connection vs. Transformation Connection reflect the different basis for measurement of the billing peaks. However, in the OEB approved Transmission Rates for 2021 the billing demand for both Line Connection and Transformation Connection have the same definition: "The Billing Demand for Line and Transformation Connection Services is defined as the Non-Coincident Peak demand (MW) in any hour of the month". Please reconcile the response to VECC 70 b) with definitions in the approved 2021 Transmission Rates.

c) If the definitions are the same, please provide a revised response to VECC 70 b).

BPI Response:

a) BPI Confirms that in the RTSR Work form is showing payment to the IESO and one Host Distributor. Please see screenshots below from tab "Historical Wholesale"—only the sections for "IESO" and "add Extra Host Distributor (I)" have been populated; the section for Hydro One and "Add Extra Host Distributor (II)" are blank :

Ontario Energy Board v 1.0

2022 RTSR Workform for Electricity Distributors

IESO	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	131,721	$3.9200	516,346	148,543	$0.9700	144,087	113,078	$2.3300	263,472	$ 407,558
February	135,874	$3.9200	532,626	149,906	$0.9700	145,409	106,913	$2.3300	249,107	$ 394,516
March	128,842	$3.9200	505,061	139,106	$0.9700	134,933	97,949	$2.3300	228,221	$ 363,154
April	121,979	$3.9200	478,158	128,645	$0.9700	124,786	98,824	$2.3300	230,260	$ 355,046
May	178,565	$3.9200	699,975	180,929	$0.9700	175,501	134,448	$2.3300	313,264	$ 488,765
June	171,521	$3.9200	672,362	187,004	$0.9700	181,394	138,716	$2.3300	323,208	$ 504,602
July	204,813	$3.9200	802,867	205,946	$0.9700	199,768	153,856	$2.3300	358,484	$ 558,252
August	212,069	$3.9200	831,310	228,091	$0.9700	221,248	156,706	$2.3300	365,125	$ 586,373
September	134,803	$3.9200	528,428	173,128	$0.9700	167,934	108,929	$2.3300	253,805	$ 421,739
October	150,113	$3.5205	528,472	136,166	$0.9716	132,298	98,798	$2.3300	230,199	$ 362,497
November	139,753	$3.9263	548,714	153,875	$0.9896	152,276	117,090	$2.3366	273,598	$ 425,874
December	161,138	$3.9200	631,661	170,135	$0.9700	165,030	117,410	$2.3300	273,566	$ 438,596
Total	1,871,191	$ 3.89	$ 7,275,980	2,001,474	$ 0.97	$ 1,944,663	1,442,717	$ 2.33	$ 3,362,310	$ 5,306,972

Hydro One	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January		$0.0000			$0.0000			$0.0000		$ -
February		$0.0000			$0.0000			$0.0000		$ -
March		$0.0000			$0.0000			$0.0000		$ -
April		$0.0000			$0.0000			$0.0000		$ -
May		$0.0000			$0.0000			$0.0000		$ -
June		$0.0000			$0.0000			$0.0000		$ -
July		$0.0000			$0.0000			$0.0000		$ -
August		$0.0000			$0.0000			$0.0000		$ -
September		$0.0000			$0.0000			$0.0000		$ -
October		$0.0000			$0.0000			$0.0000		$ -
November		$0.0000			$0.0000			$0.0000		$ -
December		$0.0000			$0.0000			$0.0000		$ -
Total	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -

Add Extra Host Here (I) (if needed)	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	14	$2.7143	$ 38	14	$1.5714	$ 22		$0.0000		$ 22
February	13	$2.6923	$ 35	13	$1.6154	$ 21		$0.0000		$ 21
March	13	$2.6923	$ 35	13	$1.6154	$ 21		$0.0000		$ 21
April	16	$2.8125	$ 45	19	$1.5789	$ 30		$0.0000		$ 30
May	16	$2.6875	$ 43	19	$1.6316	$ 31		$0.0000		$ 31
June	98	$2.7551	$ 270	113	$1.6283	$ 184		$0.0000		$ 184
July	158	$2.7468	$ 434	183	$1.6230	$ 297		$0.0000		$ 297
August	152	$2.7500	$ 418	194	$1.6186	$ 314		$0.0000		$ 314
September	107	$2.7570	$ 295	115	$1.6174	$ 186		$0.0000		$ 186
October	108	$2.7593	$ 298	126	$1.5794	$ 199		$0.0000		$ 199
November	20	$2.7500	$ 55	20	$1.6000	$ 32		$0.0000		$ 32
December	18	$2.8333	$ 51	20	$1.6500	$ 33		$0.0000		$ 33
Total	733	$ 2.75	$ 2,017	849	$ 1.61	$ 1,370	-	$ -	$ -	$ 1,370

Add Extra Host Here (II) (if needed)	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January		$0.0000			$0.0000			$0.0000		$ -
February		$0.0000			$0.0000			$0.0000		$ -
March		$0.0000			$0.0000			$0.0000		$ -
April		$0.0000			$0.0000			$0.0000		$ -
May		$0.0000			$0.0000			$0.0000		$ -
June		$0.0000			$0.0000			$0.0000		$ -
July		$0.0000			$0.0000			$0.0000		$ -
August		$0.0000			$0.0000			$0.0000		$ -
September		$0.0000			$0.0000			$0.0000		$ -
October		$0.0000			$0.0000			$0.0000		$ -
November		$0.0000			$0.0000			$0.0000		$ -
December		$0.0000			$0.0000			$0.0000		$ -
Total	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -

Total	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	131,735	$3.9199	$ 516,384	148,557	$0.9701	$ 144,109	113,078	$2.3300	$ 263,472	$ 407,580
February	135,887	$3.9199	$ 532,661	149,919	$0.9701	$ 145,430	106,913	$2.3300	$ 249,107	$ 394,537
March	128,855	$3.9199	$ 505,096	139,119	$0.9701	$ 134,954	97,949	$2.3300	$ 228,221	$ 363,175
April	121,995	$3.9199	$ 478,203	128,664	$0.9701	$ 124,816	98,824	$2.3300	$ 230,260	$ 355,076
May	178,581	$3.9199	$ 700,018	180,948	$0.9701	$ 175,532	134,448	$2.3300	$ 313,264	$ 488,796
June	171,619	$3.9193	$ 672,632	187,117	$0.9704	$ 181,578	138,716	$2.3300	$ 323,208	$ 504,786
July	204,971	$3.9191	$ 803,301	206,129	$0.9706	$ 200,065	153,856	$2.3300	$ 358,484	$ 558,549
August	212,221	$3.9192	$ 831,728	228,285	$0.9706	$ 221,562	156,706	$2.3300	$ 365,125	$ 586,687
September	134,910	$3.9191	$ 528,723	173,243	$0.9704	$ 168,120	108,929	$2.3300	$ 253,805	$ 421,925
October	150,221	$3.5199	$ 528,770	136,292	$0.9722	$ 132,497	98,798	$2.3300	$ 230,199	$ 362,696
November	139,773	$3.9261	$ 548,769	153,895	$0.9897	$ 152,308	117,090	$2.3366	$ 273,598	$ 425,906
December	161,156	$3.9199	$ 631,712	170,155	$0.9701	$ 165,063	117,410	$2.3300	$ 273,566	$ 438,629
Total	1,871,924	$ 3.89	$ 7,277,997	2,002,323	$ 0.97	$ 1,946,033	1,442,717	$ 2.33	$ 3,362,310	$ 5,308,342
									Low Voltage Switchgear Credit (if applicable)	$ -
									Total including deduction for Low Voltage Switchgear Credit	$ 5,308,342

b) BPI confirms the basis for measurement of peak demand for Line Connection and Transformation connection is the same (peak Non-Coincident demand during any hour of the month). Please see the answer below for a reconciliation.

c) BPI has reviewed and confirms the difference between the billing units for Line Connection and *Transformation Connection* is related to the exclusion of the BPI-Owned Powerline MTS from the billings for Transformation Connection. The original response incorrectly referred to the reasoning for the difference between Line Connection and Network Charges (definition for network charges billing basis below).

The Network Service Billing Demand is defined as the higher of (a) customer coincident peak demand (MW) in the hour of the month when the total hourly demand of all PTS customers is highest for the month, and (b) 85 % of the customer peak demand in any hour during the peak period 7 AM to 7 PM (local time) on weekdays, excluding the holidays as defined by IESO.The peak period hours will be between 0700 hours to 1900 hours Eastern Standard Time during winter (i.e. during standard time) and 0600 hours to 1800 hours Eastern Standard Time during summer (i.e. during daylight savings time), in conformance with the meter time standard used by the IMO settlement systems.

VECC-81

REFERENCE: 7-Staff-91

a) For those GS<50 and GS>50 customer that own the transformer, do they also own the secondary assets on the customer side of the transformer?

BPI Response:

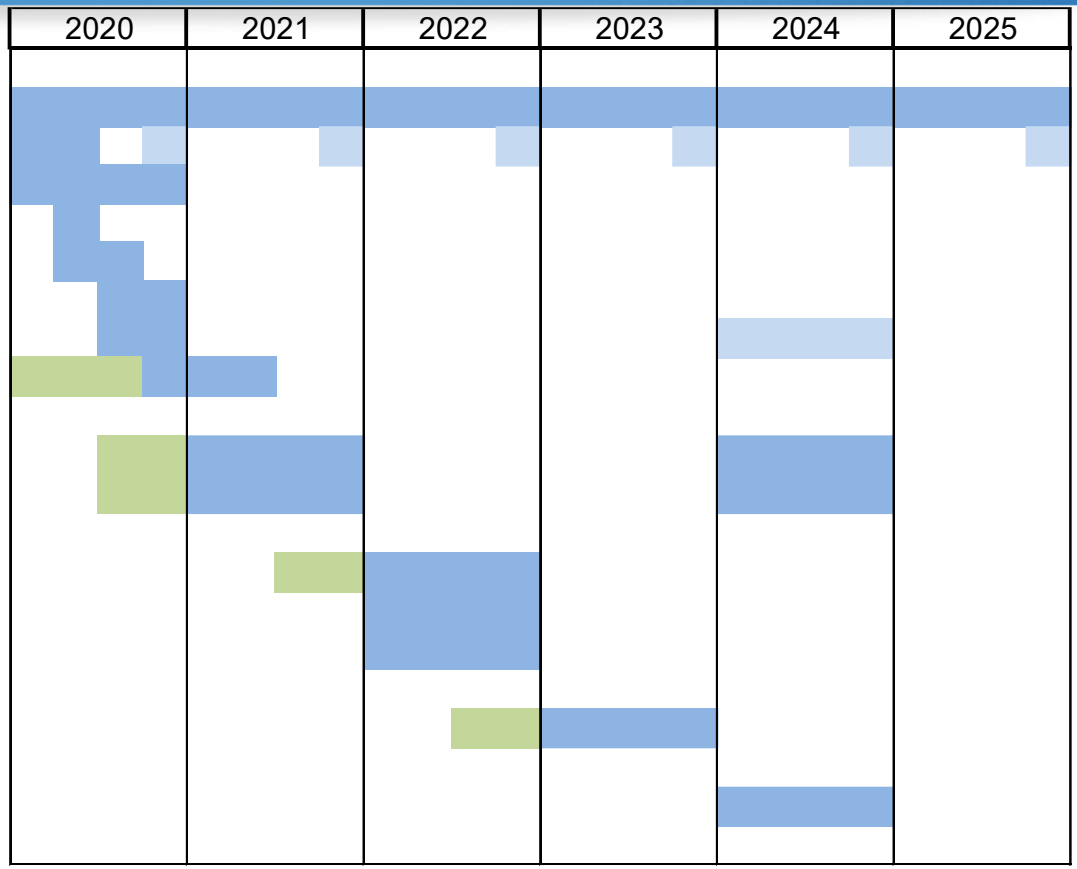
a) Yes GS<50 and GS>50 customers who own their own transformer also own the secondary assets on the customer side of the transformer.

Brantford Power Inc.
IT department budget discussion

Dept 230- Information Technology, September 8, 2020

BRANTFORD power
Your delivery company

BPI Technology roadmap – SIP / business applications



2020-21 projects
- Cybersecurity
- FIS Upgrade
- New Building IT
- Pandemic response (unplanned)
- Website cloud migration
- Daffron data archival
- CIS (phase 2, upgrade)
- GIS

2021 projects
- IT services migration*
- Cloud based phone system

2022 projects
- OMS (SIP)
- FIS improvements
- Website redesign

2023 projects
- WFM (SIP)

2024 projects
- INT (SIP)

*Migration of infrastrucuture, networking, communications and support away from City IT services

Legend:
- Procurement phase - due diligence, feasibility/option analysis, scoping, negotiations & contracting
- Implementation phase

Non-labour costs 2021-25

Project summary (updated budget Aug 17)

		One-time				
Project / System	**Yr**	**Capital**	**OM&A**	**Total**	**Recurring**	**Current $ (approx)**
GIS	2020-21	$ 182	$ 114	**$ 296**	$ 91	$ 45
IT migration*	2021	$ 263	$ -	**$ 263**	$ 337	$ 290
Cybersecurity*	2021	$ -	$ -	**$ -**	$ 209	$ -
2020-21 total		**$ 444**	**$ 114**	**$ 558**		
OMS	2022	$ 461	$ 91	**$ 551**	$ 18	$ -
FIS	2022	$ 65	$ 40	**$ 105**	$ 300	$ 275
Website Redesign	2022	$ 21	$ -	**$ 21**	$ 6	?
2022 total		**$ 547**	**$ 131**	**$ 677**		
WFM	2023	$ 237	$ 29	**$ 267**	$ 37	$ -
CIS	2023	$ -	$ 130	**$ 130**	$ 310	$ 300
INT	2024	$ 225	$ -	**$ 225**	$ -	$ -
2023-24 total		**$ 462**	**$ 159**	**$ 622**		
		$ 1,454	**$ 404**	**$ 1,857**	**$ 1,308**	

*security services costs (delivered as part of the third party services post IT migration) separated out and included in Cybersecurity line

Key updates from the July meeting:

1. *Move security services costs from IT migration line to Cybersecurity line*
2. *Make Senior Sys Admin role full time hire instead of agency starting Q3 2021*

2021 projects

- GIS – Drivers for change:
  - On an unsupported version of Hexagon – paid extended support
  - Can upgrade ($60K quote received 2-3 years back)
  - Current pain points with viewer / sync offline and ease of use of tool
- OMS – Drivers :
  - Improve outage reporting
  - Improve outage management
  - Requires some automated switching equipment investments to gain full automation in switching
- WFM – Drivers :
  - Service order scheduling – Customer service visibility into Ops/Metering calendar
  - Dispatch management
  - Other value-added features

Cybersecurity options

- Option 1: IT services migration away from City IT with cyber services embedded in new provider contract
- Option 2: Stay with City IT and try and implement the new monitoring tools required
- Option 3: In house IT with monitoring tools

Option 3 not being explored – not a long term strategic choice

Options comparison

Cost / Service	Option 1: Third party	Option 2: City IT
One-time Cost	$263K (all capital)	$ 313K for network seg (likely mostly capital?)
Recurring Cost / year	$337K ($270K plus $67K contingency)	$290K
Cyber monitoring cost / yr	$209K	$204K
Other?	Quote uncertainty?	Unknown City IT costs (for monitoring, admin etc.) – ??? $s per year / one-time
Timeline	Certainty – incorporate in contract	Uncertain – historical delays / BPI not top priority
Service Levels	SLA certainty	No SLA commitments

Rationale for roadmap change

- BPI has been with City IT services since inception. As BPI's regulatory environment and independence grew, the model for City IT serving BPI as 'another department' is not any more suitable. BPI's needs are different from the City and our pace / regulatory mandates are different. City is unable/unwilling to tailor their approach
- CIS and FIS migration were necessitated to get core solutions off City platforms. Cybersecurity regulation is the next regulatory requirement that BPI has embarked on since 2018 and committed to OEB to get all controls implemented for a medium risk profile LDC by 2023. Network infrastructure, devices, servers and email needs to be monitored for cyber incidents by BPI
- City IT has been constrained severely with their day-to-day business and with the pandemic and WFH, service levels on existing services worsened
- City IT has called out a couple of times about their inability to take on 'additional services' / tailor their approach for BPI to meet our Cyber maturity requirements
- BPI is behind on the Cyber program – 2 years in and we have not been able to advance our Cyber controls agenda
- New building – separate location could cause another layer of challenge/constraint in day to day service

GP-12: Migration of IT Services/Cyber Security

A. General Information										
Project ID	GP-12				**Investment Category**		General Plant			
Project/Activity Name	Migration of IT services/Cyber Security									
Project Description										
Migrate infrastructure, support and other IT services currently managed by City of Brantford IT under the Shared Service Agreement to a third party provider.										
Total Capital and O&M Costs (5.4.3.2 A1)										
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Capital						$ 357,333				
O & M					$380,841	$336,820	$353,661	$371,344	$389,911	$409,407
Customer Capital Contributions & Cost Recovery to Transmitter (5.4.3.2 A2)										
This program is funded through rates. There are no capital contributions to be made to a transmitter with respect to a Connection and Cost Recovery Agreement										
Customer Attachments and Load (5.4.3.2 A2)										
There are no customer attachments or load for this project.										
Project Start Date: (5.4.3.2 A3)	01/01/2021				**Project in Service Date: (5.4.3.2 A3)**		31/12/2022			
Expenditure Timing (5.4.3.2 A3)	Planning and design: Q2/2021; Infrastructure procurement and readiness Q1/2022; Migration of IT applications and systems to new infrastructure Q2-Q3/2022; Deployment and testing Q4/2022									
Risks and Mitigation (5.4.3.2 A4)										
Risk that the costs estimated may not be sufficient when we go through a full and final procurement. Additional risk that these costs may change during and after migration based on additional scope items identified by the vendor. Estimates are based on a high level budgetary estimate provided by one of our hosting providers. A full scope assessment and discovery was not complete prior to these estimates. (Mitigation: contingency included in costs above to absorb any increases up to a certain limit; perform a full procurement with detailed scope definition / discovery phase and obtain firm quotes; implement a rigorous change control governance and process for scope and budget change) Risk that migration may be delayed due to infrastructure procurement. Risk around new vendor performance - during the migration project and beyond										
Comparative Information (5.4.3.2 A5)										
No comparative project available. BPI has been using City IT services since inception. Current City IT services is forecast to cost $290 to $314,000 annually (increasing year on year). Above OMA costs based on a high level estimate are lower than or comparable to the City IT forecast cost (without the contingency amount). Additional costs relating to Cyber monitoring are not included above and part of the OMA in Cyber security project										
Capital and OM&A associated with REG (5.4.3.2 A6)										
BPI has no REG investments planned in the forecasted 2022-2026 DSP period.										
Leave to Construct (5.4.3.2 A7)										
This project does not require Leave to Construct as defined under Section 92 of the Ontario Energy Board Act, 1998 (Act).										

B. Evaluation Criteria and Information Requirements
Efficiency, Customer Value, Reliability (5.4.3.2 B1)

a)	Identify the main 'driver' ('trigger') of the project/activity, and where applicable any secondary 'drivers'	Primary driver: BPI's Cyber security roadmap requires a number of network monitoring and other monitoring tools that need to be deployed on the current systems. Migrating to a third party provider that incorporates these monitoring services will allow BPI to achieve the Cyber security roadmap and commitments to the OEB. Additional driver 1: Migrate services to a third party with defined SLAs and performance measures (for IT services delivery). Additional driver 2: Ability to scale IT services based on additional project needs (example, new servers) with a vendor that is able to scale hosting and support requirements.
	What are the related objectives and/or performance targets	Improved service levels on IT services; incorporating Cyber security monitoring requirements in the services (outsourced to the vendor); maintain outsourced IT services with ability to scale
	By reference to the distributor's asset management process, identify the source and nature of the information used to justify the investment	The IT systems support GIS and Asset Management ODM tool used on daily basis.
b)	Demonstrate good utility practice in reliability planning through designing a resilient distribution system that addresses existing reliability performance concerns.	Not Applicable
	How does good utility practice demonstrate capability of adapting to future challenges (e.g. grid modernization and climate change).	Not Applicable
c)	Indicate the priority of the investment relative to other projects	Priority Rank = 17, This investment is required in 2021/2022 to advance the Cyber security roadmap. BPI is already behind on the roadmap (as laid out during our assessment phase) and the risk on Cyber security is increasing.
	Provide reasons for assigning this priority that clearly reflect the distributor's approach to identifying, selecting, prioritizing and pacing projects in each investment category	Impact on customer: BPI holds sensitive customer information which is exposed to Cyber security risk similar to other information stored by BPI. While basic security measures are in place, a more advanced set of controls (monitoring, threat protection, etc.) are required to further protect this information.
d)	Using, where applicable, quantitative and/or qualitative analyses of the project and project alternatives involving design, scheduling, funding and/or ownership options (e.g. whole or part ownership solely by or jointly with 3rd parties):	
	• explain the effect of the investment on system operation efficiency and cost-effectiveness	Improved service levels on IT services is expected to translate to better response and efficiency in business operations
	• explain the net benefits accruing to customers as a result of the investment	Improved protection of sensitive customer information
	• explain the impact of the investment on reliability performance including on the frequency and duration of outages	No direct impact; indirectly systems used to manage reliability (like the GIS, future outage management system, etc.) will all be hosted on infrastructure procured and serviced through this migration

	Where alternatives have been considered and the ranking of a proposed project relative to alternatives has been affected by the imputed value of benefits and costs, these benefits and costs should be described and explained in relation to the proposed project and alternatives.	**Alternative 1:** Status quo - continue with City IT. BPI will likely not meet the roadmap set out for Cyber security (and reported annually through the OEB Cyber security reporting in the RRR). **Alternative 2:** In-house hosting and services. BPI has chosen to avoid building full services IT department as this will require attracting and retaining IT talent and additional administration costs for BPI. BPI has hence not pursued this alternative **Alternative 3:** A blend of in-house and hosted services. This alternative may emerge as an option and will need to be explored further through the procurement process to keep overall costs down without impacting BPI's IT services and alignment to the Cyber requirements Alternative 4: a range of options were included in the budgetary estimate from the vendor that included combinations of: - infrastructure ownership - infrastructure location - leveraging a cloud based platform - managed services by the IT services provider - Office 365 (cloud based Saas for Office applications only) Costs range from increased one-time upfront (fully owned infrastructure) to increased ongoing costs (fully cloud based). BPI has chosen the lowest cost alternative (looking at a 3 year total costs) which requires owned infrastructure and lowered ongoing costs (and using Office 365)
	Where a distributor's choices as to technical design, component characteristics, how the work is carried out, etc. have been affected by a decision to configure a project to meet both a 'trigger' driver and one or more other (secondary) drivers in a manner that affects cost as well as benefits, these effects should be highlighted.	Primary driver of Cyber security posture improvement may require that BPI has to spend additional costs for the overall bundle of services from the Service provider. This will include specifically embedded costs within the service provider model that incorporate security monitoring activities (and may not be itemizable as a separate item); also the service provider may charge a premium due to specialized security certified resources that they employ (and to cover those costs).
Safety (5.4.3.2 B2)		
Provide information on the effect of the investment on health and safety protections and performance.		No impact
Cyber-security, Privacy (5.4.3.2 B3)		
Where applicable, provide information showing that the investment conforms to all applicable laws, standards and best utility practices pertaining to customer privacy, cyber-security and grid protection		Cyber security is one of the primary drivers for this investment. BPI will be outlining the specific cyber security related controls/services required as part of this contract in the RFP/RFQ/Vendor contract
Co-ordination, Interoperability (5.4.3.2 B4)		
a)	Where applicable, explain how the investment applies recognized standards, referencing co-ordination with utilities, regional planning, and/or links with 3rd party providers and/or industry.	Not applicable
b)	Describe how the investment potentially enables future technological functionality and/or addresses future operational requirements.	The investment allows BPI to scale technological investments in future by choosing a provider that can scale IT infrastructure and support requirements

Environmental Benefits (5.4.3.2 B5)		
Where applicable, describe the effect of the investment on the use of clean technology, conservation and more efficient use of existing technologies.		Not applicable
Conservation and Demand Management (5.4.3.2 B6)		
a)	Where measurable, an assessment of the benefits of the project for customers in terms of cost impacts to customers	Not applicable
b)	The number of years the proposed CDM program would be in place and the number of years that the required infrastructure would be deferred	Not applicable
c)	A description of how advanced technology has been incorporated into the project (if applicable), including how standards relating to interoperability and cyber-security have been met	Not applicable
C. Category-specific Requirements - General Plant		
Results of Quantitative and Qualitative Analysis (5.4.3.2 Cd.1)		
a)	Provide the results of quantitative and qualitative analyses (using the tools and methods described in response to section 5.4.2 (c) where applicable) of the proposed project/activity, including assessments of financially feasible options to the proposed project (including the 'do nothing option' where applicable),	**Alternative 1**: Status quo - continue with City IT. BPI will likely not meet the roadmap set out for Cyber security (and reported annually through the OEB Cyber security reporting in the RRR). **Alternative 2**: In-house hosting and services. BPI has chosen to avoid building full services IT department as this will require attracting and retaining IT talent and additional administration costs for BPI. BPI has hence not pursued this alternative **Alternative 3**: A blend of in-house and hosted services. This alternative may emerge as an option and will need to be explored further through the procurement process to keep overall costs down without impacting BPI's IT services and alignment to the Cyber requirements Alternative 4: a range of options were included in the budgetary estimate from the vendor that included combinations of: - infrastructure ownership - infrastructure location - leveraging a cloud based platform - managed services by the IT services provider - Office 365 (cloud based Saas for Office applications only) Costs range from increased one-time upfront (fully owned infrastructure) to increased ongoing costs (fully cloud based). BPI has chosen the lowest cost alternative (looking at a 3 year total costs) which requires owned infrastructure and lowered ongoing costs (and using Office 365)
b)	Identify the (net) benefits of the proposed investment in monetary terms where practicable	Not quantifiable in monetary terms. The impact of a cyber-attack can have significant costs - depending on the attack this may range from thousands of dollars to millions of dollars; there is an impact on reputation and customer confidence which are all not quantifiable
Business Case Details - for projects substantially exceeding materiality (5.4.3.2 Cd.2)		

For projects the capital cost of which substantially exceed the materiality threshold, (e.g. CIS, GIS, new office building) the distributor shall file a thorough business case documenting the justifications for the expenditure, alternatives considered, benefits for customers (short/long term), and impact on distributor costs (short/long term).	Included in this document - see Tab A and B. In summary, this investment is 'needed' to advance BPI's cyber security posture and bring it in line with the industry standards; also provide BPI the ability to respond quickly and improve these controls with increased risk in the environment (new methods employed for intrusion/attack) Additionally, this investment (under the alternative proposed here) requires certain onetime costs (infrastructure purchase by BPI) that will help keep annual costs lower in the longer term. BPI will have the ability to scale infrastructure for new projects/systems and with defined service levels BPI will be able to monitor vendor performance better.

GP-14: Geographic Information System (GIS) Implementation

A. General Information

Project ID	GP-14	**Investment Category**	General Plant
Project/Activity Name	Geographic Information System (GIS) Implementation		

Project Description

Upgrade/Implement a new Geographic Information System (GIS)

Total Capital and O&M Costs (5.4.3.2 A1)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Capital						$494,645				
O & M	$40,308	$43,391	$40,655	$44,017	$44,897	$185,166	$130,017	$136,518	$143,344	$150,511

Customer Capital Contributions & Cost Recovery to Transmitter (5.4.3.2 A2)

This program is funded through rates. There are no capital contributions to be made to a transmitter with respect to a Connection and Cost Recovery Agreement

Customer Attachments and Load (5.4.3.2 A2)

There are no customer attachments or load for this project.

Project Start Date: (5.4.3.2 A3)	01/01/2022	**Project in Service Date: (5.4.3.2 A3)**	31/12/2022
Expenditure Timing (5.4.3.2 A3)	Capital: Q1-25%, Q2-25%, Q3-25%, Q4-25% O&M: Q1-25%, Q2-25%, Q3-25%, Q4-25%		

Risks and Mitigation (5.4.3.2 A4)

Risk that the costs estimated may not be sufficient when we go through the final procurement. Additional risk that these costs may change during and after implementation based on additional scope items identified by the vendor. Estimates are based on a pricing submissions received during the RFP process undertaken in 2020 (the RFP was cancelled due to the merger discussions). (Mitigation: contingency included in costs above to absorb any increases up to a certain limit; perform a full procurement with detailed scope definition / discovery phase and obtain firm quotes; implement a rigorous change control governance and process for scope and budget change)
Risk around new vendor performance - during the implementation project and beyond (Mitigation: implement project management principles and practices to govern the project and vendor performance on the project; negotiate SLAs to monitor vendor performance in live environment support)

Comparative Information (5.4.3.2 A5)

BPI implementation of the current GIS system is over 10 years old.–Scope and implementation information is based the tender package BPI prepared in 2020. Budget information for this project is based on quotes received from a competitive tender process held in 2020.