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File 99174

October 26, 2021

VIA RESS FILING and EMAIL

Ms. Christine E. Long
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor,
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Long,

Re: EB-2021-0015 - Elexicon Energy Inc. – 2022 IRM Distribution Rate Application - Veridian Rate Zone (“VRZ”) and the Whitby Rate Zone (“WRZ”)

Attached please find the Interrogatories of the Power Workers' Union in connection with the above-noted proceedings. An electronic copy has been filed through the Board's RESS filing system.

Yours very truly,
PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Richard P. Stephenson
RPS:pb

Attach.

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

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Power Workers' Union (PWU) Interrogatories

Elexicon Energy Inc. ("Elexicon") Incentive Regulation Mechanism ("IRM") Application for 2022 Electricity Distribution Rates and Charges

(EB-2021-0015)

PWU-1

Reference: MAADs Application (EB-2018-0236), page 20

Under the proposed rate-making plan, LDC Mergeco will annually file a PCIR application for the previous Veridian LDC service area and an AIRI application for the previous Whitby LDC service area for the duration of the 10 year rebasing deferral period. The proposed rate making plan includes the provision of an Incremental Capital Module ("ICM"), applicable to the Veridian LDC service area only, for the nondiscretionary Seaton TS and Belleville service centre capital investments referenced above.

Reference: MAADs Application (EB-2018-0236), page 41

At the time of this Application, Veridian LDC has identified ICM requirements during the deferral period. These capital investments include but are not limited to supporting the forecasted electricity demands in north Pickering by means of a new transformer station (Seaton MTS) and capital investments required to meet the future needs of the Belleville Operations Centre.

- a) What is the status of the Belleville service centre project?
- b) Did Elexicon identify the Bus Rapid Transit Highway 2 ("BRT") project as a potential ICM requirement at the time of the MAADs application (filed July 30, 2018)?
- c) Did Elexicon consider any additional projects as candidates for ICM treatment in 2022?

PWU-2

Reference: Appendix B-1: Bus Rapid Transit DSP Business Case, page 1

Elexicon's Bus Rapid Transit ("BRT") Relocations project is driven by Metrolinx, the Region of Durham, and Durham Region Transit to relocate existing overhead or underground infrastructure for the proposed BRT network. It is mandatory to comply with these initiated changes to public roads as based upon the Public Service Works on Highways Act ("PSWHA"). The BRT network will bring about a streamlined and

enhanced public transportation option for Durham residents and Elexicon customers. This scope of work pertains to planned work in Pickering along Highway 2, from Dixie Rd to Liverpool Rd and from Glenanna Rd to Brock Rd. Future BRT work in Ajax and Whitby is still pending an environmental assessment by the Road/Transportation Authorities and has not been budgeted at this time.

- a) Does Elexicon anticipate that it will apply for ICM funding in the future for BRT work in Ajax and Whitby?
- b) Does Elexicon consider the Highway 2 (Dixie to Liverpool and Glenanna to Brock) to be a discrete project or a component of the overall BRT Relocations project?

PWU-3

Reference: Appendix B-1: Bus Rapid Transit DSP Business Case, page 1

Table 1: Expenditure Summary

	Actual (\$M)		Projected (\$M)					
	Predecessor 2014-2019 Average	2020	2021	2022	2023	2024	2025	2026
Gross Program Expenditures	0.00	0.00	0.00	5.30	0.00	0.00	0.00	0.00
Contributions	0.00	0.00	0.00	1.92	0.00	0.00	0.00	0.00
Net Program Expenditures	0.00	0.00	0.00	3.38	0.00	0.00	0.00	0.00

- a) Please describe how the \$1.92M contributions figure was determined.

2-PWU-4

Reference: Appendix B-2: Seaton TS DSP Business Case, page 9

Seaton TS is currently projected to be built in 2022. Development areas by Seaton are still being built and constructed as stated on the City's website. Elexicon will ensure that Seaton TS will be built in advance of all developments being finished. This will ensure that Seaton can be commissioned and to start connecting the customers to the new Elexicon substation. The current state of construction for the new neighbourhood outside of electrical work includes new roads and transportation connections, stormwater sewer and sanitary networks, water lines, natural gas delivery, and telecommunication expansion.

Reference: MAADs Application (EB-2018-0236), page 41

Absent a merger, Veridian LDC is scheduled to file a COS rate rebasing application for 2019 rates as per the normal five year cycle within the PCIR rate-setting framework. Veridian LDC's 2019 COS application would also include an Advanced Capital Module ("ACM") for a non-discretionary material transformer station investment in the Seaton TS that is expected to be in-service in 2020 and a potential investment in a service centre for the Belleville service area expected to be in-service in 2021.

a) Why was the Seaton TS delayed from 2020 to 2022?

b) Were the developments also delayed?

PWU-5

Reference: Distribution System Plan, page 32

Table 5.2-3: Summary of Changes to Asset Class Inspection Cycles for Electrical Plant

Asset Class	Legacy Veridian Cycle	Legacy Whitby Cycle	Elexicon Cycle
Wood Pole	8 years	3 years	3 years
Concrete Pole	None	3 years	3 years
Overhead Conductor	None	None	3 years
Pole-mounted TX	None	3 years	3 years
Pad-mounted TX	3 years	3 years	3 years
Overhead Switch (LIS Type)	3 years	3 years	3 years
Overhead Switch (non-LIS Type)	None	3 years	3 years
Distribution Switchgear	3 years	3 years	3 years
Underground Cable	None	None	None
Vault Transformer	3 years	None	3 years
Station Power Transformer	1.5 years	3 years	3 years
Station Circuit Breaker	1.5 years	3 years	3 years
Station Battery	1.5 years	3 years	3 years
Station Protective Relay	1.5 years	3 years	3 years
Building/Fence	None	None	None

a) Why did Elexicon decide on the longer 3-year inspection cycle for station inspections instead of the 1.5 year cycle that has historically been used by Veridian?

PWU-6

Reference: Distribution System Plan, page 75

Table 5.2-20: Historical Performance for all Safety Performance Metrics

	Measure	Target	2014	2015	2016	2017	2018	2019	2020
Whitby	Level of Public Awareness	N/A	N/A	78.90%	78.90%	83.6%	83.6%	N/A	N/A
	Level of Compliance with O. Reg. 22/04*	C	C	C	C	C	C		
	Serious Electrical Incident Index	0	0	0	0	0	1		
	Serious Electrical Incident Index per 10, 100, 1000km	0	0	0	0	0	0.906		
Veridian	Level of Public Awareness	N/A	N/A	82.00%	82.00%	83.0%	83.0%	N/A	N/A
	Level of Compliance with O. Reg. 22/04*	C	C	C	C	C	C		
	Serious Electrical Incident Index	0	0	0	1	1	1		
	Serious Electrical Incident Index per 10, 100, 1000km	0	0	0	0.445	0.389	0.38		
Elexicon	Level of Public Awareness	N/A	N/A	81%	83%	83%	84%	84%	84%
	Level of Compliance with O. Reg. 22/04*	C	C	C	C	C	C	C	C
	Serious Electrical Incident Index	0	0	0	1	1	2	0	0
	Serious Electrical Incident Index per 10, 100, 1000km	0	0	0	0.273	0.268	0.528	0	0

*Compliance Assessment grades: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).

- a) If 2019 and 2020 data is available, please provide. If not, please explain why it is not available.