



BY EMAIL and RESS

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

March 29, 2022
Our File: EB20220006

Attn: Nancy Marconi, Registrar

Dear Ms. Marconi:

Re: EB-2022-0006 – KWHI/WNHI MAAD Application – SEC Interrogatories

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

Yours very truly,
Shepherd Rubenstein P.C.

Mark Rubenstein

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

ONTARIO ENERGY BOARD

IN THE MATTER OF an application by Kitchener-Wilmot Hydro Inc. and Waterloo North Hydro Inc. for leave for Merged Holdco to acquire control of Kitchener Power Corp. and Waterloo North Hydro Holding Corporation pursuant to section 86(2)(b) of the *Ontario Energy Board Act, 1998*;

AND IN THE MATTER OF an application by Kitchener-Wilmot Hydro Inc. and Waterloo North Hydro Inc. for leave to amalgamate to form LDC MergeCo made pursuant to section 86(1)(c) of the *Ontario Energy Board Act, 1998*;

AND IN THE MATTER OF an application by Kitchener-Wilmot Hydro Inc. and Waterloo North Hydro Inc. for leave for LDC MergeCo to track costs to the existing regulatory and deferral and variance accounts (“DVAs”) currently approved by the Board for each service area and to seek disposition of their balances at a future date;

AND IN THE MATTER OF an application by Kitchener-Wilmot Hydro Inc. and Waterloo North Hydro Inc. for leave for LDC MergeCo to track the grossed-up PILs impact of the variance between the unsmoothed accelerated depreciation approach agreed to by Waterloo North Hydro Inc. in its 2021 Cost of Service Settlement Proposal (EB-2020-0059), and the effective PILs impact of the phase-out/elimination of the accelerated CCA anticipated to begin after 2023 and until LDC MergeCo’s rebasing.

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

SEC-1

Please provide a copy of any business case or similar document provided to each of the KWHI and WNHI Board of Directors and/or their direct or indirect shareholders with respect to the approval transaction (either preliminary or final approval).

SEC-2

[p.28] Please revise Table 5 to include 2021 reliability information.

SEC-3

[p.31-p.36] Please provide a copy of the underlying spreadsheets, with all formulas intact, with respect to Tables 6-9, and Figures 1-3.

SEC-4

[p.31-36] Please provide 2020 and 2021 actual OM&A, OM&A costs per customer, gross capital expenditures, net capital expenditures, distribution revenue, and distribution revenue per customer, for each of WNH and KWHI.

SEC-5

[p.31, Table 6] Please provide a detailed breakdown of the forecast OM&A net synergy costs expected to be achieved in each year.

SEC-6

[p.32, Table 6] Please provide details regarding the long-term planned capital investments in the capital plans of KWHI and WNH that may be avoided or reduced as a result of the proposed transaction.

SEC-7

[p.32, Table 6] Please provide further details, including forecast costs, of information system technology integration and implementation costs that the Applicants expect will offset any capital savings as a result of the transaction.

SEC-8

[p.33, Table 8 and 9] Please provide Tables 8 and 9 into each of the four expenditure categories (system access, renewal, service and general plant).

SEC-9

[p.34-36] Please provide a table that shows for each of 2022 to 2032, a forecast of the KWHI, WNH, and LDC MergeCo distribution revenue and distribution revenue per customer, broken down by class. Please detail all assumptions and provide the response in Excel format.

SEC-10

[p.51] Do the Applicants expect to file an ICM during its deferred basing period? If so, please provide details.

SEC-11

[p.55] Please provide an annual forecast of the balance, with all supporting calculations, of the proposal to track the grossed-up PILs impact of the variance between the unsmoothed accelerated depreciation approach agreed to by Waterloo North Hydro in its 2021 Cost of Service Settlement Proposal (EB-2020-0059), and the effective PILs impact of the phase-out/elimination of the accelerated CCA anticipated to begin after 2023 and until rebasing.

SEC-12

[p.52,57] On a similar basis as Table 13, for each of the GS<50 and >50 rate classes, please provide a table that has a side-by-side comparison of each rate included in the 2022 tariffs of WNH and KWHI.

SEC-13

[p.52] With respect to rate harmonization:

- a. Please confirm that the Applicants are seeking approval in this application that after the end of its deferred rebasing period in 2032, it will be allowed to maintain two separate rate zones for up to an additional 10 years (i.e. 2042) for the purposes of rate harmonization.
- b. If (a) is confirmed, please explain why it would be appropriate for the OEB to either approve any post-deferred rebasing period rate-setting.

- c. Please provide a copy of any post deferred rebasing period rate modeling or forecast that either Applicant has undertaken.

SEC-14

[p.56] Please provide a comparison of the different in the depreciation rates, and accounting and capitalization policies of the Applicants.

Respectfully, submitted on behalf of the School Energy Coalition, this March 29, 2022.

Mark Rubenstein
Counsel for the School Energy Coalition