

July 4, 2022

Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street  
P.O. Box 2319  
Toronto, Ontario  
M4P 1E4

Dear Ms Marconi:

**EB-2022-0049 – Milton Hydro Distribution Inc. – 2023 Cost of Service Application**

Please find, attached, interrogatories for Milton Hydro Distribution Inc. from the Consumers Council of Canada pursuant to the above-referenced proceeding.

Please feel free to contact me if you have questions.

Yours truly,

**Julie E. Girvan**

Julie E. Girvan

CC: All parties

**INTERROGATORIES FOR MILTON HYDRO DISTRIBUTION INC.**

**FROM THE CONSUMERS COUNCIL OF CANADA**

**RE: EB-2022-0049 - 2023 COST OF SERVICE APPLICATION**

**ADMINISTRATION:**

**CCC-1**

**Ex. 1**

Please explain how Milton Hydro addresses the Letters of Comment that have been filed with the OEB regarding its Application.

**CCC-2**

**Ex. 1/p. 9, p. 19**

The evidence states, “The company has been able to maintain its low-cost distributor position throughout many years of rapid customer growth by minimizing or deferring investments in people, systems and processes. While initially workable, the compounding effects of community growth against a backdrop of minimal investments into supporting resources now has the company stretched on many fronts. In sufficient growth in employees and IT innovations that were set in motion many years ago will be increasingly unsustainable.” Please explain why Milton Hydro’s customers must be responsible for Milton Hydro’s proposals to “catch up” when it was management’s decision to minimize or defer needed investments?

**CCC-3**

**Ex. 1/p. 10**

The evidence refers to third-party assessments which concluded that Milton Hydro’s current level of human resources and digital systems are inadequate for today’s requirements. Please provide a list of all third-party reports produced for Milton Hydro in the context of its 2.0 Strategy and in support of its rate application. Please file those that are not currently part of the record. Please provide the cost of each consulting engagement and indicate how that work has been funded.

**CCC-4**

**Ex. 1/p. 10 and pp. 108-116**

Please provide a complete list of all productivity initiatives undertaken during the 2016-2021 period. Please quantify the savings achieved. Please set out all productivity initiatives built in to the 2023 budget. Please quantify the assumed savings.

**CCC-5**

**Ex. 1/p. 11-12**

Milton Hydro has identified a list of internal and external drivers that will challenge the company into the future. For each of the internal and external drivers please specifically identify how they impact the 2023 budget amounts.

**CCC-6**

**Ex. 1/p. 17**

Milton Hydro has referred to having its system ready to operate as a Distribution System Operator as the electricity landscape changes with more Distributed Energy Resources coming online. Please explain, in detail, how Milton Hydro's role will change with the onset of more DERs and that role impacts Milton Hydro's costs. Does Milton Hydro have a forecast of DERs expected over the rate plan period? If so, please provide that forecast. If not, why not?

**CCC-7**

**Ex. 1/p. 35**

Please fully describe, in detail, the process that Milton Hydro undertook to develop the budgets set out in the Application. Please provide all directives sent to employees regarding the development of the business planning cycle

**CCC-8**

**Ex. 1/p. 35**

Please provide all materials provided to Milton Hydro's Board of Directors with respect to this Application and the underlying budgets.

**CCC-9**

**Ex. 1/p. 9 and p. 49**

The entire Senior Management Team (SMT) at Milton Hydro has turned over during the 18-month period from August 2020 to January 2022. Please provide an organization chart setting out positions prior to August 2020. Please indicate how the organization will change over the rate plan term

**CCC-10**

**Ex. 1/p. 56**

The evidence states, "As a result of the recent volatility in inflation, and as this is an evolving situation, Milton Hydro notes the issue and will provide further assessment during the proceeding as the situation evolves." What is Milton Hydro's current proposal regarding inflation? Please specifically identify the cost categories that are most impacted by inflation – both with respect to capital and operating costs

**CCC-11**

**Ex. 1/pp. 74-75**

What was the cost of the Decision Partners two-phase research program and the UtilityPULSE Customer Satisfaction Survey? How are those costs recovered?

**CCC-12**

**Ex. 1/p. 97**

Please provide the allowed and actual ROE for Milton Hydro for the years 2016-2021.

## **OPERATING REVENUE:**

### **CCC-13**

#### **Ex. 3**

Please indicate the extent to which Milton Hydro has changed its revenue and load forecasting methodologies since its last rebasing.

## **OPERATING AND MAINTENANCE COSTS:**

### **CCC-14**

#### **Ex. 4/p. 18**

Please recast Table 4-7 – Capitalized OM&A to include 2016-2019.

### **CCC-15**

#### **Ex. 4/p. 21**

Please recast Table 4-8 – OM&A Programs Table and include year to date actuals for 2022 and provide the most updated budget amounts for 2022. Are there any COVID related expenditures included in the 2023-2027 budget amounts? If so, what are those amounts?

### **CCC-16**

#### **Ex. 4/p. 54**

Milton Hydro expects to have 30,450 customers receiving e-bills by 2023. What is the expectation by 2027?

### **CCC-17**

#### **Ex. 4/p. 78**

Please provide a detailed breakdown of the \$766,415 of One-Time Regulatory Costs. Please include all assumptions. Please indicate if the legal and consulting services were subject to an RFP process. If they were not, please explain why. Does Milton Hydro benchmark its regulatory costs? If yes please provide the results of any benchmarking analysis. If not, please explain why not.

### **CCC-18**

#### **Ex. 4/p. 108**

Please explain the extent to which Milton Hydro has benchmarked its Salary and Wages and Total Compensation. Please provide any benchmarking studies undertaken related to total compensation and employee count.

### **CCC-19**

#### **Ex. 4/p. 110**

Milton Hydro plans to add 10 new roles in 2022 relative to 2021. How many of these roles have been filled so far? If they have not been filled when does Milton Hydro expect to fill them?

### **CCC-20**

**Ex. 4/p. 126**

In 2011 Milton Hydro's Board of Directors approved a two-phase incentive plan. Please provide a copy of that plan.

**CCC-21**

**Ex. 4/p. 134**

Please explain how the \$856,155 charge by Milton Hydro to Milton Hydro Generation Services for Water Billing was derived. Does Milton Hydro benchmark these charges? If so, please provide that analysis. If not, why not?