PUBLIC INTEREST ADVOCACY CENTRE
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July 11, 2022 **VIA E-MAIL**

Ms. Nancy Marconi
Registrar (registrar@oeb.ca)
Ontario Energy Board
Toronto, ON

Dear Ms. Marconi:

Re: EB-2022-0013 –ALECTRA UTILITIES CORPORATION ("ALECTRA") INCREMENTAL CAPITAL MODULE ("ICM") APPLICATION FOR 2023 ELECTRICITY DISTRIBUTION
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)

Please find attached the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

Mark C Garner Digitally signed by Mark C Garner
Date: 2022.07.11 16:55:57 -04'00'

Mark Garner
Consultants for VECC/PIAC

Email copy:
Natalie Yeates, Director, Regulatory Affairs and Reporting, Alectra Utilities
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Charles Keizer , Torys LLP, Counsel to Alectra Utilities
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REQUESTOR NAME	**VECC**
TO:	**Alectra Utilities**
DATE:	**July 11 2022**
CASE NO:	**EB-2022-0013**
APPLICATION NAME	**2023 ICM Application**

EXHIBIT 1

1.0-VECC-1

Reference: Exhibit 1, Tab 1, Schedule 4, page 2

a) Please provide a table showing all ICM projects for which Alectra has sought approval since December 8, 2016. Please provide:
   i. the date of the application seeking funding, the expected in-service of the project;
   ii. the actual in-service date of the project;
   iii. the total ICM funding sought;
   iv. the total project costs sought, the actual funding approved and the actual cost of the project when put into service; and,
   v. The approved rate rider and its effective dates.

1.0-VECC-2

Reference: Exhibit 1, Tab 1, Schedule 4, page 3

"*The DSP identified failures of underground direct buried cable and cable accessories as a leading contributor to the declining reliability. A key objective of renewal investments in the DSP was to maintain historical reliability levels across the system.*

"*As the OEB did not ultimately approve incremental capital funding in the 2020 rate application" Alectra Utilities reduced its planned capital expenditures over the 2020-2024 period following the OEB's decision. Alectra Utilities completed a comprehensive review of its capital investment plan to identify reductions and deferrals in order to align the level of investment with the funding available in rates*"

a) Given the promised efficiencies as part of the various utility amalgamations why were some of these savings not directed toward maintaining the underground plant and reliability of the distribution system as required by the Applicant's Licence?

b) Specifically explain why the "*funding available in rates*" has not increased due to the promised amalgamation efficiencies.

1.0-VECC-3

Reference: Exhibit 1, Tab 1, Schedule 4, pages 4-5

"*Since the 2020 DSP was prepared, system reliability has worsened due to several factors including deteriorated distribution equipment and the increased impact of adverse weather events and storms"*

a) Please explain how the reliability of underground plant is impacted by adverse weather events and storms.

EXHIBIT 2

2.0-VECC -4

Reference: Exhibit 2, Tab 1, Schedule 1

a) Please provide the actual return on equity for Alectra for the years 2017 through 2021.

b) Please provide the actual distribution revenues of the Utility for the years 2017 through 2021.

c) Please provide the actual OM&A spending for each year 2017 through 2021.

2.0-VECC -5

Reference: Exhibit 2, Tab 1, Schedule 1, page 8

"*The total proposed investment over the two-year period will avoid approximately 300 cable failure related outages in the PowerStream RZ, where each outage would impact 330 customers for approximately two hours per outage*."

a) Please show the derivation of the above made claim.

2.0-VECC -6

Reference: Exhibit 2, Tab 1, Schedule 1

Table 5 – Capital Expenditures by Category PowerStream RZ ($MM)

Category	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Forecast 2022	Budget 2023	Budget 2024
System Access	$36.7	$42.0	$37.7	$28.8	$28.1	$30.3	$26.5	$25.8
System Service	$29.9	$12.0	$9.8	$11.7	$9.1	$9.7	$11.9	$10.5
System Renewal	$39.4	$38.1	$39.6	$48.0	$47.4	$48.9	$65.5	$68.0
General Plant	$6.6	$8.4	$7.9	$11.2	$10.8	$15.3	$16.1	$14.7
Total	**$112.6**	**$100.5**	**$95.0**	**$99.7**	**$95.4**	**$104.2**	**$120.0**	**$119.0**

Table 12 – Capital Expenditures by Category Enersource RZ ($MM)

Category	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Forecast 2022	Budget 2023	Budget 2024
System Access	$6.6	$9.1	$7.5	$8.0	$11.9	$11.3	$14.5	$15.4
System Service	$4.3	$2.6	$1.4	$3.5	$7.2	$2.7	$6.8	$2.2
System Renewal	$43.9	$41.6	$35.2	$32.6	$28.2	$23.6	$32.3	$32.3
General Plant	$4.8	$6.1	$5.7	$8.2	$7.9	$11.1	$11.7	$10.7
Total	**$59.6**	**$59.4**	**$49.8**	**$52.3**	**$55.2**	**$48.7**	**$65.3**	**$60.6**

a) Please update Table 5 & 12 to show the budget forecast for that year that was provided in each ICM proceeding since amalgamation in 2016.

b) Do Tables 5 & 12 show gross or net capital expenditures (i.e., with or without capital contributions)?

c) Please provide the capital contributions for Tables 5 & 12.

d) Are capital contributions solely attributable to the System Access Category?

2.0-VECC -7

Reference: Exhibit 2, Tab 2, Schedule 1

a) Please update Table 10 and Table 17 to show the ICM Monthly Bill Impacts percentage increase of distribution rates (rather than just on total bill).

2.0-VECC -8

Reference: Exhibit 2, Tab 4, page 38

"*The cost of implementing the 2020 DSP materially exceeds the capital funding available in Alectra Utilties' base distribution rates. The utility's base rates will support an average annual capital expenditure of approximately $236MM, whereas the DSP contemplates an annual average capital expenditure of approximately $291MM.*"

Table 18 – Comparison of DSP to Actuals/Adjusted Capital Plan ($MM)

Capital Expenditures	Actual 2020	Actual 2021	Forecast 2022	Budget 2023	Budget 2024	Total
DSP	$282.9	$280.2	$288.3	$295.8	$309.3	$1,456.5
Actual/Forecast, before ICM	$256.1	$261.9	$259.3	$262.4	$266.6	$1,306.3
Total Reduction, before ICM	**($26.8)**	**($18.3)**	**($29.0)**	**($33.4)**	**($42.7)**	**($150.2)**
Proposed ICM Investment	$0.0	$0.0	$0.0	$25.4	$26.9	$52.3
Total Net Reduction	**($26.8)**	**($18.3)**	**($29.0)**	**($8.0)**	**($15.8)**	**($97.9)**

a) If Alectra's existing rates do not sustain the long-term capital budget required

for safe and reliable service then why is the Utility not seeking to rebase its rates?

b) Is the purpose of Table 18 to show that Alectra believes it will be underfunding its capital needs by $97.9 million over the 2020 – 24 period?

2.0-VECC -9

Reference: Exhibit 2, Tab 1, Schedule 1

a) In addition to the adoption of Asset Analytics what other methodological changes were introduced as part of the "Adjusted Capital Plan".

2.0-VECC -10

Reference: Exhibit 2, Tab 1, Schedule 1

"Alectra Utilities seeks OEB approval for the need for, and prudence of, the investment in 2023 and 2024. Further, Alectra Utilities seeks OEB approval of the 2023 ICM rate riders, effective January 1, 2023.

Alectra Utilities proposes that approval of the 2024 rate riders for the proposed ICM projects be determined in Alectra Utilities' 2024 Price Cap IR application"

a) Please explain why it is better to calculate the 2024 rate rider as part of the 2024 IR proceeding rather than as part of this proceeding and then to have that rider made effective in 2024? Specifically - what variables on the rate rider are subject to change subsequent to the Board's determinations in this proceeding?

Exhibit 3

3.0-VECC -11

Reference: Exhibit 3, Tab 1, Schedule 2

Table 21 – UG Cable Renewal Investments ($MM)

Investment	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Forecast 2022	Total
Cable Renewal – Replacement	$37.2	$31.2	$35.4	$25.3	$23.8	$152.9
Cable Renewal – Injection	$3.6	$4.9	$11.5	$13.7	$16.6	$50.3
Emerging Underground Projects	$2.3	$5.9	$8.0	$10.1	$6.9	$32.9
Total	**$43.1**	**$42.0**	**$54.9**	**$49.1**	**$47.3**	**$236.1**

a) Given the evidence and proposals of this application to address declining reliability of underground cable, what accounts for the declining investment in cable renewal replacement over the 2018 to 2022 period? Specifically address why this area of investment was not prioritized over general plant investments.

3.0-VECC -12

Reference: Exhibit 3, page 5

"*As provided in Section 2.3.2 of the DSP Filing Requirements, Alectra Utilities set a quantitative measure to maintain the number of customer hours of interruption due to defective equipment to no more than 455,651 hours per year, based on a five year historical average. Despite Alectra Utilities' effort to reverse the increasing trend of defective equipment failure, for each year since filing the DSP, Alectra Utilities has experienced increasing customer hours of interruption due to defective equipment and failed to meet the DSP target for each year*."

a) How has the failure to meet the DSP reliability targets for defective equipment impacted management and employee incentive benefits?

b) How will the proposed new projects impact Alectra's ability to meet its DSP targets

c) Please provide the targets that are expected to be met in each year 2022 through 2026 and explain how meeting (or not) these targets impacts salary incentives.

3.0-VECC -13

Reference: Exhibit 3, Tab 1, Schedule 4

a) What accounts for the lack of similar underground plant deterioration occurring in the PowerStream and Enersource rate zones as compared to the Brampton, Horizon and Guelph rate zones?

3.0-VECC -14

Reference: Exhibit 3, Attachment – Project Listings

a) Please provide the actual material project listings for the years 2019 through 2021 and the forecast 2022 schedule.

End of document