PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

August 7, 2022 **VIA E-MAIL**

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

Dear Ms. Marconi:

Re: EPCOR Electricity Distribution Inc.
Application for rates effective on January 13 1, 2023
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: 2022.08.07 22:15:32 -04'00'

Mark Garner
Consultants for VECC/PIAC

Email:

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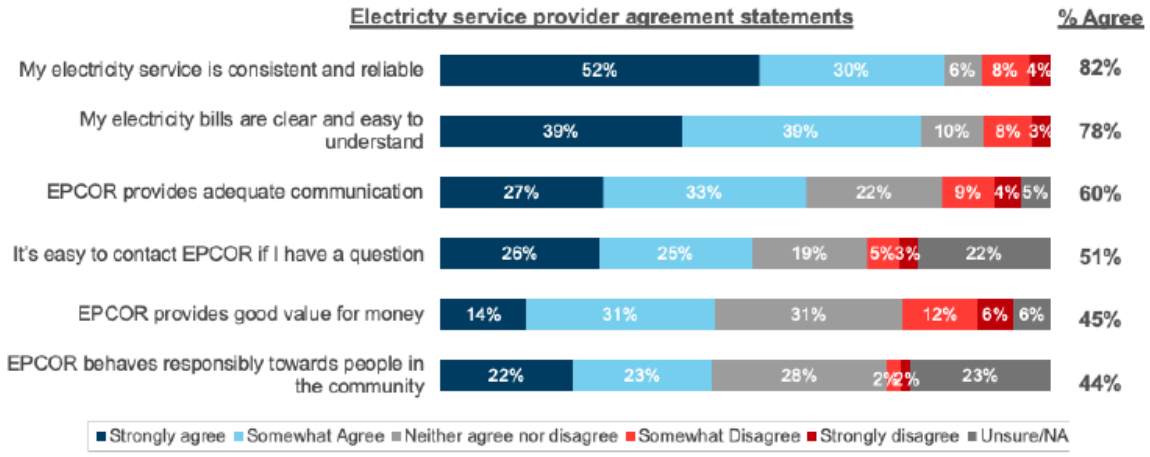
REQUESTOR NAME	**VECC**
TO:	**EPCOR Electricity Distribution Ontario Inc. (EEDO)**
DATE:	**August 7, 2022**
CASE NO:	**EB-2022-0028**
APPLICATION NAME	**2023 Cost of Service Rate Application**

1.0 ADMINISTRATION (EXHIBIT 1)

1.0-VECC-1

Reference: Exhibit 1, Tab 1, Schedule 1, page 40



a) The results of EEDO's customer engagement indicate that improvements in communication and customer contacts are warranted. Please explain what investments/changes are being introduced to improve performance in these areas.

2.0 RATE BASE (EXHIBIT 2)

2.0-VECC -2

Reference: Exhibit 2, Appendix 2-AB EEDO_2023 Chapter 2 Appendices_202200609.XLSM / EB-2018-0025 August 28, 2019 DSP

a) Please provide the August 28/2019 DSP (EB-2018-0025) and any supporting documents (e.g., Excel spreadsheet appendices).

b) Please explain why there are significant variances as between the planned net total capital expenditures reported in Appendix 2-AB of this proceeding and the planned net amounts reported in Appendix 2-AB of the August 28, 2019 DSP for the years: 2021 ($3,743 vs $3,391); 2022 ($3,457 vs $3,585) and 2023 ($4,296 vs $3,905);

c) Please provide an amended 2019 DSP (EB-2015-0025) Appendix 2-AB showing the capital contributions and gross and net capital costs separately.

d) Please explain what the "System OM&A" figures shown in Appendix 2-AB (of this proceeding) are representative of (e.g., showing the meaning of $-118,065 for 2021 etc.).

e) Please confirm (or correct) that the "System OM&A" figures in Appendix 2-AB of the 2019 DSP represent the sub-total of only "Operations and Maintenance" OM&A costs (as defined by Appendix 2-JA)

2.0-VECC -3
Reference: Exhibit 2, Tab

a) What are the significant differences in either: (1) methodology or; (2) asset condition in the new DSP as compared to the DSP completed in the 2019?

2.0-VECC -4
Reference: Exhibit 2, Tab 1, Schedule 1, page 28

a) Please explain the nature of the 2019 SCADA investment of $305,635.

b) Does EEDO have its own SCADA control room? If yes, when was this facility completed and at what cost.

c) Does the SCADA operate on a 24/7 basis?

d) How many FTEs are dedicated to the SCADA control room operations (and allocated to EEDO)?

2.0-VECC -5
Reference: Exhibit 2, DSP, page 17 of 134
"*EEDO's target for this measure is that DSP actual spending to be within 10% of approved DSP capital budget. EEDO has not made a rate application since 2013 so comparison against approved budget is not relevant. Its annual capital budget is far above approved capital spend in 2013 largely due to load growth within the region and investments made into conditionally poor assets*."

a) Please clarify how the 10% variance metric is measure (i.e., gross or net capital and is it by spending category – "general plant".. etc.)

b) EEDO did file a new DSP in 2019. Please provide the report for the 2019 through 2021 years on DSP metric performance and explain what performance bonuses were made with regard to that plan.

c) Please explain the consequences of not meeting the 10% metric.

2.0-VECC -6
Reference: Exhibit 2, Tab 2, Appendix A DSP, Section 5.2.3b

a) A significant portion of EEDO outages are due to loss of supply. Please elaborate on the most common reasons for supply loss and what efforts are being undertaken with Hydro One to reduce this cause of outages.

2.0-VECC -7
Reference: Exhibit 2, Tab 2, Appendix A DSP, page 48 of 134

"*Mandatory asset replacements, due to near term significant safety or reliability issues are automatically included in the budget spend envelope. Non-Mandatory asset replacements are prioritized and scheduled. Non-Mandatory replacements provide a degree of planning flexibility to help keep annual capital expenditures stable*"

a) Please identify the mandatory projects for 2023 in Appendix 2-AA.

2.0-VECC -8
Reference: Exhibit 2, Tab 2, Appendix 2AA DSP, pages 62-

FUNDING BY YEAR						
	2023	2024	2025	2026	2027	TOTAL
Capital Expenditure ($)	582,540	582,540	582,540	582,540	582,540	2,912,700
External Contribution ($)						
Net Capital Cost TOTAL	582,540	582,540	582,540	582,540	582,540	2,912,700
Capital Addition (%)	100%	100%	100%	100%	100%	100%
Operating Expenditure ($)	0	0	0	0	0	0

a) Please provide the number of poles replaced under the "Pole line replacement program" category (Appendix 2-AA) in each year 2013 through 2022 (forecast).

b) Please provide the number of poles forecast to be replaced under this program in each of the years 2023 – 2027.

2.0-VECC -9
Reference: Exhibit 2, Tab 2, Appendix A DSP, Section 5.4.2 Appendix 2-AB

a) Please clarify whether the capital contributions shown in Appendix 2-AB are related only to the category of "system access". If not please amend Appendix 2-AA to show capital contributions by category.

b) Please explain how the capital contribution forecast of $730,672 was calculated for 2023.

2.0-VECC -10
Reference: Exhibit 2, Tab 2, Appendix A DSP, Substation Upgrades

a) Why were there no investments made in substations (Appendix 2-AA Substation Upgrades) in any of the years 2013 through 2022?

2.0-VECC -11
Reference: Exhibit 2, Tab 2, Appendix A DSP, Appendix 2-AA

a) What accounts for the large investment in underground rebuilds ($636,824) in 2021?

2.0-VECC -12
Reference: Exhibit 2, Tab 2, Appendix A DSP, Section 5.4.2

a) What is the estimated CCA (tax shield) in 2023 related ArcGIS Pro and Utility Network Migration capital program?

2.0-VECC -13
Reference: Exhibit 2, Tab 2, Appendix A DSP, Section 5.4.2

a) Why was their no investment in Vehicles/Fleet in 2021?

b) Please list the vehicle orders made in 2020.

2.0-VECC -14

Reference: Exhibit 2, Tab 2, Appendix A DSP, EB-2017-0373 page 31

Table 3: Year over year comparative cost structure ($ thousands)

$000's CAD		Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024
OM&A							
	Status Quo Forecast	5,331	5,425	5,520	5,616	5,752	5,814
	EPCOR Forecast*	5,872	5,191	5,110	5,189	5,306	5,350
	Projected Savings	-541	234	409	427	446	464
Capital							
	Status Quo Forecast**	3,256	3,312	3,303	3,246	3,303	3,361
	EPCOR Forecast	3,256	3,312	3,303	3,246	3,303	3,361
	Projected Savings	0	0	0	0	0	0

** includes transaction and integration costs in 2019 only*

*** CollusLDC Distribution System Plan 2017 – 2022. Years 5 and 6 of the forecast is prior year plus 1.75% inflation*

a) What explains the significant variation as between the capital forecast presented in EB-2017-0373 (late 2017 -2018) for the year 2019 ($3,256) and the actual spending in that year ($4,946 gross or $4,134 net)?

3.0 OPERATING REVENUE (EXHIBIT 3)

3.0-VECC -15

Reference: Exhibit 3, page 3

Preamble: The Application states:

"*The regression equations used to normalize and forecast EEDO's weather sensitive load use monthly weather variables: HDD and CDD as measured at Environment Canada's Collingwood Weather Station. This is the only weather station within EEDO's service territory. When temperatures were unavailable from the Colling Weather Station, temperatures from the Borden AWOS Weather Station were used*."

a) For how many months over historical period 2012-2021 were temperatures from the Borden AWOS Weather Station used?

b) Did EEDO/Elenchus undertake any analysis as to the comparability of temperature readings from the Collingwood Weather Station and the Borden AWOS Weather Station? If yes, what were the results?

3.0-VECC -16

Reference: Exhibit 3, pages 5 and 36 / Load Forecast Model, CDM Tab and CDM Adjustment Tab /EB-2021-0020, LRAMVA Workform

Preamble: The. Application states:
"*CDM data for each rate class that is used in the load forecast is from EEDO's last-approved LRAMVA workform (EB-2021-0020*)."

It is noted that the LRAMVA workform from EB-2021-0020 only includes CDM savings up to 2020 and the historical data used to estimate the Residential, GS<50 and GS>50 models does not include any adjustments to the 2021 data for the impact of CDM programs implemented in 2021.

It is noted that at page 36 the Application includes estimates as to the impact in 2021 of CDM programs implemented in 2021.

a) Please re-do the regression models for the Residential, GS<50 and GS>50 classes using 2021 monthly consumption values adjusted for the 2021 CDM program savings set out on page 36. For each of the three classes please provide: i) the resulting models and their related statistics, ii) the forecast consumption for 2022 and 2023 (assuming no CDM) and iii) the forecast consumption for 2022 and 2023 (after removing persisting CDM). Note: The Load Forecast Model will need to be revised so as to include 2021 program savings in the CDM Tab and exclude them from the CDM Adjustment Tab.

3.0-VECC -17

Reference: Exhibit 3, page 7

Preamble: The Application states:
"*The extent to which to Residential consumption was higher than typical consumption was found to be related to the weather variables in those months. A set of COVID/weather interaction variables were considered to capture the incremental consumption caused by people working from home and more generally 6 staying at home due to lockdowns.*
These variables, "COVID HDD" and "COVID CDD" are equal to the relevant HDD and CDD variables from March 2020 to December 2021 and equal to 0 in all other months. The coefficients reflect incremental heating and cooling load from people working from home, public health lockdowns, and people generally staying at home."

a) Did EEDO/Elenchus test alternative COVID flag variables for the Residential class? If yes, what variables were tested and did the results using the "COVID HDD" and "COVID CDD" variables provide the best statistical results?

3.0-VECC -18

Reference: Exhibit 3, page 13

Preamble: The Application states:
"COVID flag variables were tested and found to be statistically significant for the General Service< 50 kW and General Service > 50 kW classes. A "COVID" variable equal to 0 in all months prior to March 2020 and 1 in all months since March 2020; a "COVID_AM" variable equal to 0 in all months prior to March 2020, equal to 1 in April and May 2020, and 0.5 in each month from June 15 2020 to December 2021; and a "COVID2020" variable equal to 0.5 in March 2020, 1 in April and May 2020, 0.5 in June 2020, and 0 each month thereafter, were tested. The "COVID_AM" variable considers the incremental impact in the first few months of the pandemic, with lower impacts after May 2020. The "COVID2020" variable also considers the larger impact in the first few months of the pandemic but the impact ceasing by Summer 2020. The "COVID_AM" variable is used for the General Service < 50 kW class and "COVID2020" is used for the General Service > 50 kW rate class."

a) Were all three COVID flag variables tested for the GS<50 class? If not, why not?

b) Of the three COVID flag variables did the "COVID_AM" variable yield the best statistical results for the GS<50 class?

c) Were all three COVID flag variables tested for the GS>50 class? If not, why not?

d) Of the three COVID flag variables did the "COVID2020" variable yield the best statistical results for the GS>50 class?

3.0-VECC -19

Reference: Exhibit 3, pages 11-12

Preamble: The Application states:
"*Weather-normalized consumption and forecast values are calculated for the Residential class in Table 3.1-6 below, which incorporates the 10-year weather normal HDD and CDD, month days, customer count, binary shoulder variable, and COVID degree day variables. Forecast COVID-related values are adjusted downward by 50% in 2022 and 75% in 2023 to reflect the gradual declining impacts of COVID*."

a) Please provide a revised version of Table 3.1-6 where the COVID-related values are adjusted downward by 50% in 2023.

3.0-VECC -20

Reference: Exhibit 3, pages 13, 19, 26, 30 and 34

a) Please provide the actual customer/connection counts for each customer class for the most recent month available.

3.0-VECC -21

Reference: Exhibit 3, pages 4-5
Load Forecast Model, Economic Tab

a) The GDP forecast used in the Application is the average of the public forecasts from four major banks (BMO, TD, Scotiabank, and RBC, as of March 31, 2022). However, the Economic Tab in the Load Forecast model also includes a GDP forecast from CIBC. Why was CIBC excluded for purposes of the Application?

3.0-VECC -22

Reference: Exhibit 3, pages 31

a) Please confirm that Table 3.1-19 relates to the Street Light class and not the GS>50 class.

3.0-VECC -23

Reference: Exhibit 3, pages 34-35

a) Please provide versions Table 3.1-23 that show: i) EEDO's Residential kWh usage as a percentage of the total Provincial Residential kWh usage, ii) EEDO's GS<50 kWh usage as a percentage of the total Provincial GS<50 kWh usage and iii) EEDO's GS<50 kWh usage as a percentage of the total Provincial GS>50 kWh usage.

b) Are the 2021-2024 CDM Framework programs that target Commercial and Industrial Users just meant to apply to customers of LDCs or also to transmission-connected commercial and industrial customers that are not served by an LDC?

c) Is the EEDO's Energy Affordability Program allocation based on the number of households in Collingwood within the Low-Income Measure (after tax) as a share of: i) all Ontario households or ii) all Ontario households meeting the Low-Income Measure criteria?

d) Is Statistics Canada the source of the data for the number of households in Collingwood within the Low-Income Measure (after tax)? If not, what is the source?

4.0 OPERATING COSTS (EXHIBIT 4)

4.0 -VECC -24

Reference: Exhibit 4

a) What are the incremental operating costs associated with the ArcGIS Pro and Utility Network Migration project?

4.0 -VECC -25

Reference: Exhibit 4, pages EB-2017-0373 , page 31

Table 3: Year over year comparative cost structure ($ thousands)

$000's CAD		Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024
OM&A							
	Status Quo Forecast	5,331	5,425	5,520	5,616	5,752	5,814
	EPCOR Forecast*	5,872	5,191	5,110	5,189	5,306	5,350
	Projected Savings	-541	234	409	427	446	464
Capital							
	Status Quo Forecast**	3,256	3,312	3,303	3,246	3,303	3,361
	EPCOR Forecast	3,256	3,312	3,303	3,246	3,303	3,361
	Projected Savings	0	0	0	0	0	0

** includes transaction and integration costs in 2019 only*

*** ColiusLDC Distribution System Plan 2017 – 2022. Years 5 and 6 of the forecast is prior year plus 1.75% inflation*

a) What accounts for the significant difference between what EPCOR presented as its estimates for OM&A in EB-2017 – 0373 and the actuals spending in years 2019 through 2021 and the estimates for 2022 and 2023?

b) What was the date of the final submission of EPCOR in EB-2017-0373?

4.0 -VECC -26

Reference: Exhibit 4,

a) Please provide the incremental COVID OM&A costs for each year 2020 and 2021.

b) Are the costs provided in response to a) included in Appendices 2-JA or 2-JD?

c) Are any of the regulatory costs associated with this application included in the years 2020 or 2021 in Appendix 2-JA?

4.0 -VECC -27
Reference: Exhibit 4, Tab 1, Schedule 1, page 9

Table 4.1.2-1

Judicial Inquiry Costs by year

		A	B	C	D	E
	Expense	**2018**	**2019**	**2020**	**2021**	**Total**
1	Judicial Inquiry costs	59,748	962,287	61,268	182,866	1,266,169

"*All costs associated with the judicial inquiry have been excluded in this Exhibit and the Cost 14 of Service Application*."

a) Do any of the costs shown in Table 4.1.2-1 appear in either Appendices 2-JA or 2-JD?

4.0 -VECC -28
Reference: Exhibit 4, Tab 1, Schedule 1 page 29

"*These decreases were partially offset by higher incentive pay of $68,000 as a result of above Target performance of the short-term incentive plan in 2021*."

a) Please explain what is "Target performance" – and explain what results in 2021 resulted in the increase performance payout in 2021.

4.0 -VECC -29
Reference: Exhibit 4, Tab 1, Schedule 1 page 37

a) If EEDO is a member of the EDA please provide the annual membership dues for each year since 2013 and including 2023 (forecast).

4.0 -VECC -30
Reference: Exhibit 4, Tab 1, Schedule 1 page 40 Appendix 2-k

a) Please amend Table 4.4.1-1 (Appendix 2-K) to show the total compensation capitalized and expensed in the years 2013 – 2023.

4.0 -VECC -31
Reference: Exhibit 4, Tab 1, Schedule 1 page 45

"*The CEO position went vacant in 2015 and was not replaced. Executive oversight is now provided from EOOMI with approximately 35% of two positions allocated to EEDO for the 2023 Test Year. The HR Manager position was replaced by a HR Consultant position with approximately 35% of the position allocated to EEDO for the 2023 Test Year*"

a) What portion of Account 5605 – Executive Salaries and Expenses – amount of $1,665,154 in 2023 is related to the two positions allocated to EEDO?

4.0 -VECC -32
Reference: Exhibit 4, Tab 1, Schedule 1 page 55

"*The majority of EEDO's staff are unionized (1 2023 - 25.6 FTE) through the PWU CUPE Local 1000. There are two collective agreements with PWU, one for Outside workers and one for Inside workers. The PWU Inside workers agreement is new since the previous cost of service filing (EB- 2012-0116) and was established July 1, 2017*."

a) When do the two agreements reference above expire?

4.0 -VECC -33
Reference: Exhibit 4, Tab 1, Schedule 1 Section 4.4.2

a) Please provide a list of the position/FTE eliminations since 2018 that were the result of the replacement of responsibilities to EEDO affiliates.
b) Do the affiliates of EEDO bill for services on a rendered basis or on the basis of prorated costs of the affiliate?
c) Please provide all the affiliate billings/invoice for services for each year 2019 through 2022 (to-date).
d) Please explain what "Public and Government Affairs (P&GA)" services were provided in each year 2019, 2021 and 2022.

4.0 -VECC -34
Reference: Exhibit 4, Tab 1, Schedule 1 page 66, 72-73

"*EEDO has 1 regulatory position embedded at approximately 0.7 FTE for the 2023 Test Year. This service will add approximately 0.33 FTE for the 2023 Test Year and is required to ensure EEDO meets all of its regulatory requirements annually*."

a) How many regulatory analysts does EOOMI/EOUI employ who perform work for Ontario Utilities?
b) How many regulatory analyst FTEs has EOOMI/EOUI allocated to: (1)EPCOR Electricity Distribution Ontario; (2) EPCOR Natural Gas Limited Partnership – Aylmer; (3) EPCOR Natural Gas Limited Partnership – South Bruce?

4.0 -VECC -35
Reference: Exhibit 4, Tab 1, Schedule 1 ; Tables 4.4.2-1 and 4.4.4-7

a) Please explain the difference between Table 4.4.2-1 which shows for 2023 $790,070 in Affiliated Shared Service costs and Table 4.4.2-7 which shows $733,970 in costs.

4.0 -VECC -36
Reference: Exhibit 4, Tab 1, Schedule 1 Tables 4.4.2-7/-13

a) Please explain the difference between the HR services provided by EOOMI/EOUI and those provided by EUI.

5.0 COST OF CAPITAL AND RATE OF RETURN (EXHIBIT 5)

5.0-VECC-37

Reference: Exhibit 5

a) For each of the 4 EPCOR Utilities Inc. affiliated debentures listed in Appendix 2-OB please provide the OEB long and short-term deemed debt rate issued with respect to rate changes in the year of the Start Date of the EPCOR debenture.

b) Where the EPCOR rate is higher than the respective OEB deemed rate please explain the rationale for using the higher rate (For example, at the time of the start date of the 3-DEC-18 debenture issued at 4.30% the Board had issues 2019 cost parameters for long-term debt at 4.13%).

c) What expert is EEDO relying upon when it makes the statement: "*EEDO does not believe that using the 2022 OEB deemed cost of long-term debt is reasonable for the 2022 Bridge Year nor the 2023 Test Year debt 9 issuances anticipated.*" Please provide that expert's report.

6.0 CALCULATION OF REVENUE DEFICIENCY/SURPLUS (EXHIBIT 6)

6.0-VECC-38

Reference: Exhibit 6, page 14

a) Please provide the 2021 and 2022 revenues for each of the accounts set out in Table 6.3-2 for the first 6 months of each year.

b) How many microFit customers does EEDO have and in which account are the revenues recorded?

c) What was the pole attachment charge used for purposes of forecasting the 2023 revenues for Account 4210?

7.0 COST ALLOCATION (EXHIBIT 7)

7.0-VECC-39

Reference: Exhibit 7, page 2

a) Please provide a copy of the analysis performed to develop the weighting factors for Billing and Collecting.

7.0-VECC-40

Reference: Exhibit 7, page 3 / Cost Allocation Model, Tab I7.2
Exhibit 3, page 19

Preamble: The Application states: "*EEDO completed an analysis of the costs included in meter reading and assigned the costs to the appropriate type of meter based on the nature of the cost. Based on this activity analysis, EEDO 11 calculated the overall cost per meter and assigned a weighting of 1 for the meter reading costs 12 related to smart AMI meters*."

a) Please provide a copy of the analysis performed to develop the Meter Reading weighting factors.

b) In Exhibit 3 the 2023 forecast customer count for the GS<50 class is 1,832.7. However, in the Meter Reading Tab of the Cost Allocation Model the number of GS<50 meters is 1,733. Please reconcile.

7.0-VECC-41

Reference: Exhibit 7, Cost Allocation Model, Tab I4 (BO Assets)

a) Please provide a schedule that compares the primary/secondary asset breakout in the current Application with that used in the utility's last COS Application for the following accounts: i) #1830, ii) #1835, iii) #1840 and iv) #1845. Please explain any material changes (i.e., greater than five percentage points).

7.0-VECC-42

Reference: Exhibit 7, page 11

Preamble: The Application states:"*To maintain revenue neutrality, EEDO proposes to increase revenues from USL and General Service > 50 kW, the two classes with the lowest Revenue to Cost Ratios. The revenue to cost ratios of the General Service > 50 kW and USL classes are within the target range and remain the lowest revenue to cost ratios after the revenue reallocation from Street Light*."

a) In Table 7.3-1 the Residential class' Revenue to Cost Ratio increases from 98.67% to 99.22%. Is part or all of this increase also due to explicitly increasing ratio so as to maintain revenue neutrality?

7.0-VECC-43

Reference: Exhibit 7, page 5

Preamble: The Application states: "In its last Cost of Service application (EB-2012-0116), EEDO used the load profiles provided by Hydro One in its cost allocation model."

a) Please provide a version of the 2023 Cost Allocation Model where the load profiles are based those provided by Hydro One.

7.0-VECC-44

Reference: Exhibit 7, pages 5-10

Preamble: The Application states (page 5):
"*EEDO has updated the load profiles for all rate classes*."

a) The Application describes the methodology used to update the load profiles for the Residential, GS<50 and GS>50 classes. How were the load profiles for the Street Light and USL classes updated?

7.0-VECC-45

Reference: Exhibit 7, pages 5-10

Preamble: The Application states (page 8):
"*Actual 2019 hourly load is adjusted by calculating the difference between actual daily temperatures and the corresponding ranked typical daily temperature (as identified in Figure 2) and applying the regression coefficient to the difference. The year 2019 was selected as the base year to scale to avoid irregular consumption patterns in 2020 and 2021 caused by the COVID-19 pandemic that are expected to diminish by the 2023 Test Year*."

The Application states (page 7):
"*The impact of HDDs and CDDs on hourly load is calculated with a regression of three years of actual hourly loads (2019 to 2021) on daily HDDs and CDDs. The regression results provide the estimated impact of a change in degree days on load*."

a) Why is it appropriate use 2020 and 2021 data to determine the impact of HDDs and CDDs on hourly load but not use 2020 or 2021 for purposes of calculating the load profiles for each class, particularly when the regression model used to determine the impact of HDD and CDD on load includes variables to account for the impact of COVID (per page 8, lines 3-4)?

b) Please provide the results (i.e., the 2023 CP and NCP values) for each customer class based on: i) adjusted 2020 data and ii) adjusted 2021 data.

7.0-VECC-46

Reference: Exhibit 7, pages 5-10

Preamble: The Application states (page 8, footnote 2):
"There are a total of 77 independent variables, however, the set of 72 for hourly HDD, hourly CDD and binary Hour variables have only three non-zero values in each observation. The values are 0 in each hour other than the HDD, CDD, and binary hour variables that correspond to the hour of the observation. This regression is similar to 24 regressions, one for each hour of the day."

a) Would the results be "exactly" the same if 24 separate regressions had been done – one for each hour of the day?

7.0-VECC-47

Reference: Exhibit 7, pages 5-10

Preamble: The Application states ():
"*There are 24 variables for each of HDD and CDD, equal to the actual degree days in the corresponding hour, and 0 in all other hours. A set of 24 binary variables, equal to 1 in the corresponding hour and 0 in all other hours; COVIDHDD and COVIDCDD variables equal to 0 in all days until March 16, 2020 and equal to the relevant HDD or CDD in each hour thereafter; a trend variable; a Weekend binary variable; and a Holiday binary variable are also included. The resulting coefficients reflect the impact of one HDD or CDD that considers different impacts depending on the hour of the day*."

a) Please confirm that by using binary variables to account for the impact of weekends and holidays as opposed to weekdays on load the model implicitly assumes that the impact of a change in HDD or CDD value is the same on weekends and holidays as it is on weekdays. If confirmed, please explain why this "assumption" is reasonable? If not confirmed, please explain why not.

8.0 RATE DESIGN (EXHIBIT 8)

8.0-VECC-48

Reference: Exhibit 8, page 4
2023 Cost Allocation Model, Tab O2

a) The Minimum System with PLCC Adjustment (Ceiling) values in Table 8.1-3 do not match those in Tab O2 of the cost allocation model. Please reconcile and comment on whether the proposed 2023 monthly service charges for each customer class are appropriate.

8.0-VECC-49

Reference: Exhibit 8, pages 5-6
2023 Cost Allocation Model, Tab I6.1

a) Please explain how the 185,000 kW forecast of GS>50 billing demand eligible for the transformer ownership discount was established.

8.0-VECC-50

Reference: Exhibit 8, pages 8
RTSR Workform

a) Please confirm that the customer class billing kWh and kW in Tab 3 of the RTSR Workform are based on the 2023 load forecast.

b) What year's data is used for the Network, Line Connection and Transformation Connection billing units used in Tabs 5, 6 and 7 of the RTSR Workform.

c) Please provide a revised version of the RTSR Workform where the customer class billing units used in Tab 3 are based on the same year as the billing unit data used in Tabs 5-7.

8.0-VECC-51

Reference: Exhibit 8, page 18
Appendix 2-R

a) How much embedded generation did EEDO purchase in each of the years 2017-2021?

b) Please confirm that, per the notes in Appendix 2-R, the values in line A(1) do not include embedded generation purchases but the values in line A(2) do.

DEFERRAL AND VARIANCE ACCOUNTS (EXHIBIT 9)

9.0 –VECC -52

Reference: Exhibit 9, Tab 1, Schedule 1, page 9 /Table 9.1-5

a) A number of Group 2 deferral accounts have balances below the Utility's material threshold amount of 10k. What is the rationale for disposition of these accounts?

9.0 –VECC -53
Reference: Exhibit 9, Tab 1, Schedule 1, page 9 /Table 9.1-5

a) In EB-2017-0373 EEDO proposed, and the OEB granted, a deferral of 5 years for a new rebasing (which normally would have been for a 2018 test year based on its last cost of service application). Had the Utility rebased on the normal timelines it would have incorporated the new OEB cost assessment methodology in its rates from 2018 going forward. Given that, and given the subsequent greater probability of intergenerational customer inequities that now exist due to the prolonged deferment or rebasing, why is it reasonable for current ratepayers pay for the cost deficiency for OEB cost assessments since 2018?

b) Please provide the number of account changes in each year since 2018.

9.0 –VECC -54
Reference: Exhibit 9, Tab 1, Schedule 1, page 10

"*As EEDO has completed this transition and no additional costs were incurred after 2016, EEDO has included $216,722 in the Group 2 DVA balance as part of this application*."

a) The above statement is made with respect to Account 1508 Deferred IFRS Transition Costs, which seeks to recover from ratepayers of an amount of $216,722. Please explain how it is that EEDO rather than the prior owners "*completed the transition to IFRS in 2016*".

b) The IFRS transition was completed in 2016. EEDO sought deferment of rate rebasing (and deferral of account disposition). Why it is reasonable for ratepayers to be ordered to now pay this amount. Specifically address why any carrying charges should be at the expense of ratepayers rather than the shareholder who choose to defer recovery of this sub-account.

c) Please amend Table 9.1-5 to add a column with the actual balances on December 31, 2018.

9.0 –VECC -55
Reference: Exhibit 9, Tab 1, Schedule 1, page 16

a) In 2013 the amounts built into rates for Collection (account 5320) and Bad Debt expense (account 5335) were $119,586 and 60k respectively. In 2020 the actual costs incurred were $92,750 and (again) 60k. In 2021 the incurred costs were $133,038 and 4k (Appendix 2-JD). Please how the figure of lost revenues of $43,464 and bad debt of $20,712 was derived.

b) Please explain the rationale for the continuance of the COVID account in 2023 and beyond.

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