



Ontario
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BY EMAIL

March 3, 2023

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Marconi:

Re: EB-2022-317 Application for 2023 Rates

In accordance with Procedural Order #1, please find attached the Ontario Energy Board staff interrogatories in the above proceeding. The applicant and intervenors have been copied on this filing.

Elexicon Energy Inc.'s responses to interrogatories are due by March 22, 2023.

Any questions relating to this letter should be directed to Vithooshan Ganesanathan at Vithooshan.Ganesanathan@oeb.ca. The Board's toll-free number is 1-888-632-6273.

Yours truly,

Vithooshan Ganesanathan
Advisor, Generation & Transmission

Encl.

**OEB Staff Interrogatories
Elexicon Energy Inc.
EB-2022-0317**

Please note, Elexicon Energy Inc. (Elexicon Energy) is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff interrogatories and any other supporting documentation, do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

OEB Staff-1

Ref: (1) Application, page 15

Preamble:

Chapter 3 of OEB's Filing Requirements states that for Z-factor claims, a distributor must submit evidence that the costs incurred meet the three eligibility criteria of causation, materiality, and prudence.

For the causation criteria, Z-factor claim amounts should be directly related to the Z-factor event. The amount must be clearly outside of the base upon which rates were derived.

At the reference noted above, Elexicon Energy states:

The total incremental operating costs and capital expenditures associated with the restoration of electricity service to Elexicon's customers following the Derecho Storm Event were \$305,110 and \$4,297,679 respectively.

Questions:

- a) Please describe all budgets included in Veridian Connection's and Whitby Hydro's base rates related to emergency response (for storm restoration or other emergency response/maintenance) – capital and operating. If Veridian Connections or Whitby Hydro does not have such budgets in its base rates, please explain how storm restoration or other emergency response/maintenance costs are normally considered in Elexicon Energy's budgeting process.
- b) Please provide the annual budgeted and actual amounts for capital expenditures and OM&A related to storm restoration or other emergency response/maintenance for:

- a. Elexicon Energy since the amalgamation of Veridian Connections and Whitby Hydro to present
 - b. Veridian Connections since Veridian Connections' last cost of service to the amalgamation of Veridian Connections and Whitby Hydro
 - c. Whitby Hydro since Whitby Hydro's last cost of service to the amalgamation of Veridian Connections and Whitby Hydro
- c) Please provide the annual budgeted and actual amounts for capital expenditures related to system renewal for:
- a. Elexicon Energy since the amalgamation of Veridian Connections and Whitby Hydro to present
 - b. Veridian Connections since Veridian Connections' last cost of service to the amalgamation of Veridian Connections and Whitby Hydro
 - c. Whitby Hydro since Whitby Hydro's last cost of service to the amalgamation of Veridian Connections and Whitby Hydro

OEB Staff-2

Ref: (1) Application, page 15, Table 1
(2) Application, page 15, Table 2

Preamble:

Elexicon Energy provides tables 1 and 2 below to summarize costs for the Z-factor claim:

Table 1 – Total Z-Factor Event Costs

Cost Type	Operating \$	Capital \$	Total \$
Incremental Labour/Material/Vehicle Costs	\$ 149,626	\$ 2,350,964	\$ 2,500,590
3rd Party Contractors	\$ 155,483	\$ 1,946,715	\$ 2,102,198
Total	\$ 305,110	\$ 4,297,679	\$ 4,602,788

Table 2 – Allocation of Z-Factor Event Costs by Rate Zone

Rate Zone	Operating \$	Capital \$	Total \$
Veridian Rate Zone ("VRZ")	\$ 246,725	\$ 3,475,295	\$ 3,722,021
Whitby Rate Zone ("WRZ")	\$ 58,384	\$ 822,383	\$ 880,767
Total	\$ 305,110	\$ 4,297,679	\$ 4,602,788

Questions:

- a) Please provide a breakdown of the storm costs in the following format:

Table 3: Storm Cost Breakdown

Cost Category	Capital Cost \$	O & M Cost (Regular-Time Labour) \$	O & M Cost (Recorded in Account 1572) \$	Total Cost \$
Line and Pole Repair and Replacement				
Elelexicon Energy Labour (Regular)				
Elelexicon Energy Labour (Overtime)				
Materials				
LDC Mutual Aid Costs				
Contracted Services - Line Services				
Contracted Services - Excavation and Tree Removal				
Uxbridge TS Rebuild				
Elelexicon Energy Labour (Regular)				
Elelexicon Energy Labour (Overtime)				
Materials				
Contracted Services				
Other Storm Restoration Costs				
Elelexicon Energy Labour (Regular)				
Elelexicon Energy Labour (Overtime)				
Materials				
Contracted Services				
Total				

Please describe costs and work performed in “Other Storm Restoration Costs”. For Contracted Services, please split out costs and identify each contracted supplier who provided services as part of the storm restoration. Please confirm that the costs included in the Z-factor claim at reference 1 are incremental costs (i.e., outside of the base upon which rates were derived). Please provide additional information to illustrate that the claimed Z-factor costs are incremental to costs recovered through the approved distribution rates in the last rebasing proceeding.

- b) With respect to Table 2, on the allocation of the Z-factor costs to the Whitby Hydro and Veridian Connections rate zones, please document how Elexicon Energy allocated costs.
- i. Were costs for work and materials on pole, line, and related assets (e.g., pole transformers, guy wires, cross-arms) directly attributed to the rate zone in which the work occurred or was there an allocation methodology applied? If the latter, please explain the allocation methodology.
 - ii. Was all work done on the Uxbridge TS rebuild directly allocated to the Veridian Connections rate zone? If not, please explain the allocation methodology and the basis for that approach.
 - iii. Please explain how Elexicon Energy allocated common or indirect costs between the rate zones. Common or indirect costs could be for common, corporate-wide, services, such as for the Crisis Management Team or any corporate management team that oversaw the execution of the Power Restoration Plan, once activated.
- c) From the response to part a) above, please confirm the cost categories and corresponding dollar amounts that have yet to be audited. Please explain whether the audited numbers would be available before the closing date of the records in this application. If so, please provide Elexicon Energy’s plan to file the audited numbers.

OEB Staff-3

Ref: (1) Application, page 13

Preamble:

On this page, Elexicon Energy states:

Elexicon utilized all available internal labour, as well as several outside contractors to complete its restoration efforts. Elexicon labour costs are set in its collective agreement with the Power Workers Union (PWU), and for non-union

staff, Elexicon has established its Overtime Policy with which it complied. Elexicon procured the services of its pre-approved contractors on a single source basis given the emergency situation. These pre-approved contractors charges used pre-established rates.

Questions:

- a) Please provide a breakdown of all Elexicon Energy’s internal labour costs applicable for the affected period in the following format:

Table 4: Internal Labour Cost Breakdown

Department	Number of Eligible Employees	Number of Regular Hours Worked	Total Regular Time Payments (\$)	Number of Overtime Hours Worked	Total Overtime Payments (\$)
Management					
Other Non-Union Employees (Health and Safety)					
Sub-Total Non-Union					
Union Employees:					
Operations					
Other					
Sub-Total Union					
Total Internal Labour for Affected Parties					
Total Z-Factor O&M Labour Costs					
Total Non-Z-Factor O&M Labour Costs					
Total Non-Z-Factor Capital Labour Costs					

- b) Please provide a copy of Elexicon Energy’s overtime policy for non-union and management employees.
- c) Please confirm when the pre-established rates for contractor charges were determined.

OEB Staff-4

Ref: (1) Application, page 15

Preamble:

On this page, Elexicon Energy states:

Repairs were made where appropriate, and the portions of the system that were rebuilt were constructed on a 'like for like' basis. Elexicon also used materials available in its inventory and minimized the costs to procure materials on an emergency basis. Ultimately, Elexicon prioritized and coordinated work to ensure restoration was completed efficiently, and power was restored to customers as quickly as possible.

Question:

- a) Please summarize the physical damage to Elexicon Energy's electricity distribution infrastructure by filling out the table below (i.e., poles, cross arms, transformers, Uxbridge TS, etc.).

Table 5: Breakdown of Physical Damage to Electricity Distribution Infrastructure

Equipment	Quantity	Repaired or Rebuilt	Estimated Net Asset Value

- b) For any portion of the system that was rebuilt on a 'like for like' basis, please confirm if any equipment was nearing the end of its life or were in poor operating condition prior to the derecho storm event. If yes, please identify the equipment in the response in part a) above.
- c) Please confirm if there are changes expected to Elexicon Energy's future investment plans as a result of replacing damaged assets caused by the derecho storm event. If yes, please explain the changes. If no, please explain why not.
- d) Please confirm that all portions of the system that were rebuilt on a 'like for like' basis and that no upgrades were installed. If no, please identify the upgraded equipment in the response to part a) above.

OEB Staff-5

Ref: (1) Application, page 11

Preamble:

On this page, Elexicon Energy states:

The Crisis Management Team immediately activated the organization's Power Restoration Plan and declared a Level 3 outage situation, which involves any power interruption event affecting more than 25,000 customers with an expected restoration time exceeding 24 hours.

Questions:

- a) Please provide a copy of Elexicon Energy's Power Restoration Plan that was activated in response to the derecho storm event.
- b) Please discuss any deviations from Elexicon Energy's Power Restoration Plan during the response efforts to the derecho storm event.

OEB Staff-6

Preamble:

Elexicon Energy did not indicate whether it assisted with power restoration efforts for neighbouring communities once power was restored to its customers.

Questions:

- a) Please confirm that Elexicon Energy did not assist other utilities for power restoration efforts in the aftermath of the derecho storm.
- b) If Elexicon Energy did assist neighbouring communities, did it charge a premium to assist other LDCs? If so, please summarize the details of the charges made to other utilities.

OEB Staff-7

Ref: (1) Application, page 7
(2) Chapter 3 of the OEB's Filing Requirements for Incentive Rate-Setting Applications, May 24, 2022

Preamble:

The OEB's 2023 Incentive Rate-setting Applications Filing Requirements state that, in order to be eligible for a Z-factor claim, a distributor must demonstrate that its achieved regulatory return on equity (ROE), during its most recently completed fiscal year, does not exceed 300 basis points above its deemed ROE embedded in its base rates.

In the application, Elexicon Energy states that its achieved regulatory ROE for 2021 was 6.97%, which is 2.56% less than the 9.43% OEB-approved ROE. Elexicon Energy's forecast for its regulated 2022 ROE at this time is expected to be below the OEB Deemed ROE, and fall within the OEB's 300 basis points ROE dead band.

Question:

- a) Please provide Elexicon Energy's 2022 achieved ROE on a regulated basis, also indicating whether it is based on audited or unaudited year-end actuals. Also, please provide the calculations showing the derivation of the 2022 actual ROE on a regulated basis.

OEB Staff-8

Ref: (1) Application, page 7

Preamble:

Elexicon Energy states that it employs two broad methods to reduce the impact of extreme weather events on its distribution system: asset hardening and following its Power Restoration Plan to restore power following a major event.

To reduce asset failure as a result of extreme weather, Elexicon Energy states that it employs asset hardening measures such as proactively replacing poles, reinforcing and undergrounding around key infrastructure, vegetation management and investing in smart grids / microgrids.

Elexicon Energy states that an outage map was displayed on its website to provide information on outage locations and estimated restoration times.

Elexicon Energy states that the derecho storm, and the impact it had on Elexicon Energy's distribution system, was more destructive than the 2013 ice storm.

Questions:

- a) Please explain how Elexicon Energy determined that their existing asset hardening practises were sufficient for their electricity distribution infrastructure to withstand extreme weather.
- b) Please provide a copy of the outage map of Elexicon Energy's service territory displaying identified outage service areas at in maximum (i.e., likely immediately after the derecho storm passed and before service restoration was initiated.)
- c) OEB staff observes that a service interruption upstream in the network can cause outages in wider areas downstream that may not have suffered as much, or even no, damage to the network. In the map requested in b), can Elexicon Energy show where its network infrastructure was repaired, rebuilt, or replaced as a result of the derecho storm.

OEB Staff-9

Ref: (1) Application, page 7

Preamble:

Elexicon Energy provides time-based chronology of events running from Environment Canada's issuance of a Severe Thunderstorm Watch to Elexicon Energy having restored electricity to 98.7% of its affected customers.

Questions:

- a) Please confirm if all restoration work as a result of the derecho storm has been completed. If not, please describe the work that remains from the storm, and provide the estimated costs for the respective work.
- b) Please provide Elexicon Energy's pole replacement policy.
- c) Please explain how Elexicon Energy differentiates between asset replacement required as a result of the storm and asset replaced as part of the regular pole replacement program.
- d) Please provide the total pole replacement cost and the number of poles replaced due to the derecho storm event.
- e) Please confirm Elexicon Energy's budgeted and actual cost for the pole replacement in 2022 and explain the variance, if any.
- f) Please confirm if Elexicon Energy has deferred any planned capital projects due to the costs of the windstorm. If yes, please provide the details.

OEB Staff-10

Ref: (1) Application, page 4(2) Appendix A – 1d Ellexicon’s Major Event Response Report submitted to the OEB, page 3

Preamble:

On page 4 of its application, Ellexicon Energy states that “[i]n the aftermath, over 95,000 customers were without power in the communities of Ajax, Belleville, Bowmanville, Pickering, Uxbridge and Whitby”.

On page 3 of Appendix A -1d, entitled “Ellexicon’s Major Event Response Report submitted to the OEB”, it is stated that 126,456 customers had service interrupted as a result of the storm.

Question:

- a) Please explain the differences in the customers with power interrupted between page 4 of the Application and page 3 of Appendix A – 1d. For instance, was the interruption of around 31,000 customers in the form of momentary interruptions, or was Ellexicon able to restore service of some sustained interruptions through network control where infrastructure repair was not required?

OEB Staff-11

Ref: (1) Application, page 4
(2) Appendix A – 1a Ellexicon May 2022 Derecho Storm Summary, page 9

Preamble:

On page 4 of the Application, Ellexicon Energy states that, of the communities that Ellexicon Energy serves, “Uxbridge was the most severely impacted service area with its main transformer station requiring a full rebuild as part of the Derecho Storm Event restoration operation”.

On page 9 of Appendix A – 1a, entitled “Ellexicon May 2022 Derecho Storm Summary”, Ellexicon Energy has included a picture of the damage at the Uxbridge Transformer Station (Uxbridge TS).

Questions:

- a) Please provide a detailed discussion of the damage done to the Uxbridge TS and the work done that constituted a “full rebuild” of the Uxbridge TS.
- b) Please provide a detailed breakdown of labour and materials costs specifically for the Uxbridge TS rebuild.

- c) Please provide the Gross Book Value, Net Book Value, annual depreciation expense, actual age, and useful lives of the components of the Uxbridge TS.
- d) Provide the most recent Asset Condition Assessment report for the Uxbridge TS.

OEB Staff-12

Ref: (1) Application, pages 4-5
(2) Appendix A-2 *Notice of Intent to file Z-Factor Application*
(3) EB-2022-0024, Ellexicon Energy Inc. 2023 IRM Distribution Rate Application

Preamble:

On pages 4-5 of the Application, Ellexicon Energy documents the timeframe of the storm restoration efforts. Ellexicon Energy notes that service was restored to about 90% of customers by 10:30 a.m. on May 23, 2022 (i.e., less than 48 hours after the storm passed through Ellexicon Energy's service territory). Ellexicon Energy noted that 98.7% of affected customers had service restored by May 27, at which point Ellexicon Energy declared its Level 3 Outage over. Work continued on the reconstruction of the Uxbridge transformer station (Uxbridge TS), with all Uxbridge customers' service restored on May 29.

Ellexicon Energy states that it informed the OEB of its intention to file a Z-factor application on September 6, 2022, after determining the materiality of the costs related to storm restoration, and then goes on to state that, while it intended to file its application in October of 2022, the work on Ellexicon Energy's 2023 IRM application, which involved requests for two ICM [Incremental Capital Module] approvals resulted in re-prioritization of staff, with the current application's filing being delayed to December 9, 2022.

Questions:

- a) Ellexicon Energy has documented that full-service restoration was completed within 8 days from the occurrence of the storm (i.e., from May 21, when the storm occurred, to May 29, when full-service restoration, including reconstruction of the Uxbridge TS, was accomplished). However, it took Ellexicon Energy over another three months to determine the materiality of storm-related costs and inform the OEB of its intention to file a Z-factor application on September 9, 2022. Please explain why it took Ellexicon Energy as long as it did to record all of the operating and capital-related costs related to the storm restoration.
- b) Ellexicon Energy filed its 2023 IRM application (EB-2022-0024) on July 27, 2022. As Ellexicon Energy has noted, this application also has requests for approvals of two ICM proposals, in addition to the normal price cap adjustment to rates, disposition of Deferral and Variance account balances, and certain other requests. Please explain why Ellexicon Energy did not integrate this request for

Z-factor cost recovery as part of Exlexicon Energy's 2023 IRM application, as the OEB's Chapter 3 Filing Requirements do allow for Z-factor applications in IRM applications?¹

- c) OEB staff observes that Exlexicon Energy's 2023 IRM application² is also currently being considered by the OEB with respect to the two ICM proposals which, if approved would result in other rate riders to recover the revenue requirement of the ICM requests. There are no bill impacts reflecting both the ICM requests and the Z-factor request as proposed in this Application. Please provide bill impacts, in the standard format (i.e., as calculated in the IRM model and showing the components, sub-totals, and total bill impacts) assuming the ICM requests in EB-2022-0024 and the Z-factor request in this Application are approved as proposed, and for typical customer profiles in the customer classes and for each rate zone.

OEB Staff-13

- Ref: (1) Application, page 10
(2) EB-2022-0024, EE_VRZ_2023_ACM_ICM_Model_1.0_20221018.xlsm, Tab 8
(3) EB-2022-0024, EE_WRZWSG_2023_ACM_ICM_Model_1.0_20221018.xlsm, Tab 8
(4) EB-2013-0174, Decision and Order, April 10, 2014
(5) EB-2014-0117, Decision and Rate Order, March 19, 2015
(6) EB-2015-0106, Decision and Rate Order, March 17, 2016
(7) EB-2016-0107, Decision and Rate Order, March 30, 2017
(8) EB-2017-0078, Decision and Rate Order, March 20, 2018
(9) EB-2018-0072, Decision and Rate Order, March 28, 2019
(10) EB-2019-0252, Decision and Rate Order, April 16, 2020
(11) EB-2020-0013, Decision and Rate Order, December 17, 2020
(12) EB-2021-0015, Decision and Rate Order, December 16, 2021
(13) EB-2022-0024, Partial Decision and Order, December 8, 2022
(14) EB-2009-0274, Decision, December 20, 2010
(15) EB-2011-0206, Decision and Rate Order, December 22, 2011
(16) EB-2012-0177, Decision and Rate Order, December 6, 2012
(17) EB-2013-0181, Decision and Rate Order, December 5, 2013
(18) EB-2014-0124, Decision and Rate Order, December 4, 2014
(19) EB-2015-0113, Decision and Rate Order, December 10, 2015
(20) EB-2016-0114, Decision and Rate Order, December 8, 2016

¹ [Filing Requirements For Electricity Distribution Rate Applications - 2022 Edition for 2023 Rate Applications - Chapter 3 Incentive Rate-Setting Applications](#), issued May 24, 2022, section 3.2.8

² EB-2022-0024

- (21) EB-2017-0085, Decision and Rate Order, December 20, 2017
- (22) EB-2018-0079, Decision and Rate Order, December 20, 2018
- (23) EB-2019-0130, Decision and Rate Order, December 12, 2019
- (24) EB-2020-0012, Decision and Rate Order, December 10, 2020

Preamble:

On page 10, Elexicon Energy documents its calculated materiality threshold for the Z-factor claim. In footnote 10, Elexicon Energy documents that it has calculated the materiality threshold at \$346,352, derived as 0.5% of the sum of Whitby Hydro's last OEB-approved revenue requirement for 2011 rates in EB-2009-0274 and Veridian Connections' last OEB-approved revenue requirement for 2014 rates in EB-2013-0174. Elexicon Energy references Canadian Niagara Power Inc.'s (CNPI's) Z-factor Decision for using the OEB-approved revenue requirement from a utility's last rebasing.

OEB staff notes that CNPI's last rebasing was for 2017 rates, while its Z-factor claim was for a storm in 2020 with recovery in 2021. All of this occurred within the standard 5-year term of cost of service rebasing followed by four years of annual price cap adjustments to rates.

In contrast, Whitby Hydro last rebased for 2011 rates (EB-2009-0274) and Veridian Connections last rebased for 2014 rates (EB-2013-0174), while Elexicon Energy, as the amalgamation of these two predecessor utilities, has not rebased and is currently on a ten-year deferred rebasing period following the amalgamation. For the Derecho storm in 2022, it has been eleven years since Whitby Hydro's last rebasing and eight years since Veridian Connections' last rebasing. In addition to annual price cap rate adjustments since these rebasing applications, OEB staff observes that the Whitby Hydro and Veridian Connections service areas, mostly located in the Greater Toronto Area, have also experienced customer and demand growth.

Elexicon Energy currently has an application for proposed Incremental Capital Module (ICM) cost recovery before the OEB, as part of its 2023 IRM application (EB-2022-0024). OEB staff, therefore, considers that Elexicon Energy is familiar with the methodology for the ICM materiality threshold, which accounts for the impacts on formulaic price cap adjustments and growth in customers and energy consumption.

OEB staff has attached a spreadsheet in which OEB staff have calculated the cumulative and multiplicative effect of accounting for price cap adjustments and growth, since rebasing for each of the Whitby Hydro and Veridian Connections rate zones. Growth is based on the "g" factor calculation in the Veridian Connections and Whitby Hydro rate zones from the ICM models filed in Elexicon Energy's 2023 IRM application (EB-2022-0024). The price cap adjustments are from the final decisions and rate orders,

from 2012 to date for the Whitby Hydro rate zone and 2015 to date for the Veridian Connections rate zone. The calculation derives the revenue requirement from the last rebasing updated to reflect all price cap adjustments and cumulative growth in demand that would be funded by current rates.

Given that the Derecho storm occurred in 2022, OEB staff has calculated a 2022 adjusted revenue requirement for the Whitby Hydro rate zone of \$25,135,345 and a 2022 adjusted revenue requirement of \$59,375,681 for the Veridian Connections rate zone. Summing together gives a revenue requirement of Elexicon Energy of \$84,511,026. 0.5% of that gives a 2022 Z-factor materiality threshold of \$422,555. This is 22% higher than Elexicon Energy's proposed materiality threshold of \$346,352.

Questions:

- a) Please review the data and calculations in the OEB staff's spreadsheet, provided in Attachment 1 to this interrogatory. Please confirm or correct the data and calculations as applicable.
- b) Does Elexicon Energy consider that this updated Z-factor materiality threshold more accurately accounts for what is currently recovered through Elexicon Energy's rates in the combination of the Whitby Hydro and Veridian Connection rate zones. Please explain your response.

OEB Staff-14

Ref: (1) Appendix A – 1d, Elexicon's Major Event Response Report submitted to the OEB

Preamble:

Elexicon Energy has attached its Major Event Response Report filed with the OEB in Appendix A – 1d.

On page 5 of the report, under After the Major Event, Elexicon Energy states:

Elexicon is currently undertaking an organization-wide event postmortem, including Lessons Learned from this event that will inform specific improvements related to staff training, process improvements and potential system upgrades.

Questions:

- a) Has Elexicon Energy completed its postmortem evaluation of the utility's system condition, and actions taken during the storm events and during the storm recovery period?

- b) If so, please provide any report prepared. If a formal report is not available, please provide a summary of lessons learned and actions taken by, or planned to be implemented, by Elexicon Energy as a result of the postmortem evaluation.
- c) Has Elexicon Energy updated its Power Restoration Plan, or does the utility see the need to update it, as a result of the postmortem evaluation, in order to minimize the impact of any future storms of a similar magnitude and severity? If yes, please summarize the major changes. If no, please explain why not.
- d) Based on its postmortem evaluation, is Elexicon Energy assessing or updating its asset hardening strategy in order to mitigate the impact of future storms of a similar magnitude and severity? If yes, please summarize the major changes. If no, please explain why not.

OEB Staff-15

Ref: (1) Appendix A – 1a Elexicon May 2022 Derecho Storm Summary, page 4

In the bullet at the top of page 4, in the first bullet, Elexicon Energy states that “Lakeland Power managed Gravenhurst trouble calls for Elexicon while crews assisted in Uxbridge at the tornado recovery site”.

Questions:

- a) Did Elexicon Energy request this assistance from Lakeland Power as part of the Mutual Aid agreements with neighbouring utilities? Please explain.
- b) What was entailed in Lakeland Power’s management of “Gravenhurst trouble calls for Elexicon while crews assisted in Uxbridge at the tornado recovery site”? Was this management solely with regards to call centre reception of reported service troubles in the Gravenhurst area served by Elexicon Energy, or did it entail Lakeland Power service personnel responding to trouble calls in Gravenhurst?
- c) How was Lakeland Power compensated for work by its employees to assist Elexicon Energy’s customers in the Gravenhurst area while Elexicon Energy’s regular staff were redeployed for storm restoration activities in the other communities that Elexicon Energy serves, including Uxbridge, Pickering, Ajax and Whitby?
- d) Are costs incurred and paid by Elexicon Energy for services rendered by Lakeland Power part of the claimed Z-factor costs? If so, please provide the dollar amount, and breakdown between capital and operating costs.

OEB Staff-16

Ref: (1) Application, page 13

Preamble:

Elexicon Energy states that it requested support from Alectra Utilities, Toronto Hydro and Oshawa PUC, however, none of these LDCs were able to provide the support requested during the timeframes needed.

Through Electricity Canada, Ontario Mutual Assistance Program (OnMAG) serves as a single point of contact for utilities to request & offer mutual assistance resources when damaging events occur within a member's service territory.³

Questions:

- a) Please confirm if Elexicon Energy is a member of Electricity Canada.
- b) Please confirm whether Elexicon Energy contacted OnMAG to seek support for restoration efforts for the derecho storm. If yes, please outline any support that was provided through OnMAG resources including any related costs. If not, please explain why not.
- c) Please confirm if Elexicon Energy has alliances with other organizations to request mutual assistance resources.
- d) Please clarify whether Elexicon Energy paid any premium amounts to its third-party contractors involved in the restoration efforts.
- e) Provide a separate schedule (breakdown) of each third-party contractor invoice based on labour, materials, accommodations, meals, truck, other (provide explanation).

³ [Ontario Mutual Assistance Program Homepage](#)