

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, being Schedule B to the *Energy Competition Act, 1998*, S.O. 1998, c.15;

AND IN THE MATTER OF an Application by Alectra Utilities Corporation (Alectra, the Applicant) to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of January 1, 2024.

INTERROGATORIES

ON BEHALF OF THE

SCHOOL ENERGY COALITION

1-SEC-1

[Ex. 1 General]

- a) Please provide a copy of all material provided to the Applicant's Board of Directors, or any of its committees, regarding cable replacement or injection activities planned for 2024, whether part of the Incremental Capital Module (ICM) projects or otherwise, and any documents showing approval of same.
- b) Please identify any updates from material provided in Attachment 1 to SEC-1 as part of Alectra's 2023 ICM Application (EB-2022-0013).

2-SEC-2

[Ex. 2-1-1, Attachment 7] Attachment 7 compares the OEB approved Input Price Index (IPI) for 2013 to 2024 to a Geometric Mean. For 2014, 2015, 2018 and 2019, the Geometric Mean is greater than the IPI. For the remaining years, the IPI is the same or higher. Alectra has approved ICMs for 2017, 2018, 2019 and 2023.

- a) Please confirm that in 2019, had the ICM model used the Geometric Mean instead of the IPI, the maximum eligible capital for the Powerstream Rate Zone (PRZ) would have been less and therefore the OEB approved amount would also have been less.
- b) Should the OEB's approved IPI drop in future years, before Alectra's next rebasing in 2027, and Alectra requests a further ICM in 2025 or 2026, what inflation rate would Alectra propose be used, i.e., the IPI for that year, a Geometric Mean or something else?

2-SEC-3

[Ex. 2-1-1, p. 5] In Alectra's Reply Submission (September 15, 2022) in the 2023 ICM Application, Alectra stated, with respect to OEB staff's submission regarding use of the geometric inflation rather than the most up to date: "Regarding OEB staff's comments on the

impacts of inflation for the requested 2024 funding, Alectra Utilities takes no position other than to comment that in its view amendments to ICM policy should be considered through a policy review process rather than as part of this proceeding.” Please explain why Alectra has changed its position on the Board allowing a change to the policy, related to the inflation used in the ICM model, e.g., the use of geometric mean in an application and not as part of a generic review.

2-SEC-4

[Ex. 2-1-1, pp. 12 & 20] Alectra states that the proposed investment for the PRZ “...will avoid approximately 106 cable failure related outages ... where each outage would impact 265 customers for approximately two hours per outage. Further, Alectra Utilities has forecast that the combined proposed ICM investment in both RZs will avoid future cable renewal costs of approximately \$108MM”, and for the Enersource Rate Zone (ERZ) the investment “...will avoid approximately 49 cable failure related outages... where each outage would impact 441 customers for approximately one hour per outage”.

- a) Please show how the above information is determined.
- b) What is the avoided cost to customers of the avoided outages?
- c) What was the total capital spent on reactive cable renewal for each year 2017-2022 and to date for 2023?

2-SEC-5

[Ex. 2-1-1, Tables 10 & 17] Tables 10 & 17 both show the total bill impact of the proposed 2024 riders. Please provide the underlying Excel spreadsheets which show the calculation of these impacts.

3-SEC-6

[Ex. 3-1-1, Table 19] Table 19 summarizes the net reductions by the Distribution System Plan (DSP) capital investment category. Please update the information for 2023 with actuals to date and provide an updated 2023 forecast, if applicable.

3-SEC-7

[Ex. 3-1-1, Table 20] Table 20 shows the total reductions made to Underground Asset Renewal and other investment categories over the 2020-2024 period. It also shows an increase in capital spending of \$24.2M in Information Technology (IT) and \$9.9M in Other.

- a) Please expand Table 20 (with updated info from the previous interrogatory, if applicable) to show the changes in each category by year to total the sums shown.
- b) Table 20 provides a “re-balancing of expenditures ... to align the capital investments with the funding available under the Price Cap formula”. Please explain the decision to prioritize IT and Other spending over Underground Asset Renewal and Lines Capacity.
- c) What is the total forecasted spending on cable injection and replacement in 2024, and how much is funded through base rates?
- d) Please explain what the increase in Other is for.
- e) In the Decision and Order (November 17, 2022) for the 2023 ICM Application (EB-2022-0013), the OEB stated that “..., it also finds that Alectra Utilities’ capital planning and execution could be improved going forward. This finding is based on Alectra Utilities’ prioritization of general plant capital planning, in particular the prioritization of its customer experience capital expenditures planning ahead of its cable renewal

program...” Please explain what changes to Alectra’s capital planning and execution have been made as a result of the OEB’s findings for 2023.

3-SEC-8

[Ex. 3-1-2, Table 21]

- a) Please provide a table in the form of Table 21 for each of the Applicant’s rate zones and include information for 2023 year to date.
- b) Please provide a table showing the kilometers of direct-buried XLPE cable for 2021, 2022 and 2023 to date for each rate zone.
- c) When did Alectra stop installing direct-buried XLPE cable?

3-SEC-9

[Ex. 3-1-2, Table 22] Table 22 provides a list of the 16 projects for which Alectra is requesting ICM funding for in 2024. In its 2023 ICM Application (EB-2022-0013, Table 28), Alectra listed 28 high priority projects it was requesting ICM funding for in 2023 (\$25.3M) and 2024 (\$27.0M). In the Decision and Order (November 17, 2022), the OEB approved \$16.2M for PRZ and \$1.9M for ERZ.

- a) Please provide a listing of the projects from Table 28 that Alectra has, or plans to proceed with, for 2023 based on the approved funding, and the status of each project that has/will proceed, i.e. revised budget if applicable, spending to date and expected in service date.
- b) Alectra has indicated that four of the projects in the current application for ERZ in 2024 have been moved into this application from the 2023 project list in the 2023 ICM Application. For any other projects in the 2023 list that will not proceed and are not included in the new 2024 list, please provide an explanation of how Alectra intends to proceed with these projects.
- c) Please provide an explanation for any changes from Table 28 for 2024 from Table 22, e.g., budget amounts or projects which have been deferred.
- d) Please provide details on any reactive repairs or emergency replacements that have been done in 2022 and 2023 to date, and indicate if the work was done on cables that were part of the 28 projects listed in the 2023 ICM Application.
- e) In the 2023 ICM Application (EB-2022-0013), just below Table 28, Alectra stated that it would be completing 24 projects supported by base rates.
 - i. Please provide details on the status of those funded by base rate projects that Alectra has or plans to proceed with in 2023.
 - ii. Is the list of 2024 projects that were to be funded by base rates as of the 2023 ICM application the same as those currently planned for 2024? If not, please provide an update.

3-SEC-10

[Ex. 3-1-2, Table 22] Table 22 lists the 16 projects that Alectra is requesting ICM funding for and Alectra states that 17 additional projects will be funded by base rates. How does Alectra determine which projects will be funded under base rates and which will be funded as part of an ICM?

3-SEC-11

[Ex. 3-1-4, p. 7] Alectra states “Alectra Utilities has identified 16 distinct projects that are required to address urgent and necessary cable renewal work in the Enersource and PowerStream RZs”. Should the OEB approve Alectra’s request for the 2024 ICM and Alectra also completes those 2024 urgent projects done under base funding:

- a) How many urgent cable renewal projects does Alectra forecast having in 2025 and 2026 and what is the forecasted cost for each year?
- b) Does Alectra anticipate applying for further ICM funding in 2025 and 2026 for cable renewal?
- c) Does Alectra plan to update its DSP to cover 2025 and 2026?

3-SEC-12

[Ex. 3-1-4] Exhibit 3-1-4 provides information on each of the 16 proposed ICM projects.

- a) Please summarize this information for each project in a table showing the following:

Project #	Rate Zone	Cable Replacement (CR) or Cable Injection (CI)	Km to be replace/injected	Cost	Condition of the Cable	Customer hours of interruptions to be avoided*

*Note that the customer hours of interruptions to be avoided should be shown on a comparable basis, i.e. for the same year.

- b) Please provide an additional table showing the same information for those cable replacement/injection projects that will be done under 2024 base funding.

Respectfully, submitted on behalf of the School Energy Coalition on September 13, 2023.

Jane Scott
 Consultant for the School Energy Coalition