



BY EMAIL and RESS

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Ontario Energy Board
2300 Yonge Street
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Toronto, Ontario
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October 20, 2023
Our File: EB20230052

Attn: Nancy Marconi, Registrar

Dear Ms. Marconi:

Re: EB-2023-0052 – Synergy North 2024 – SEC Interrogatories

We are counsel to the School Energy Coalition (“SEC”). Enclosed, please find SEC’s interrogatories in this matter.

Yours very truly,
Shepherd Rubenstein P.C.

Mark Rubenstein

cc: Brian McKay, SEC (by email)
Applicant and intervenors (by email)

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
c.15,3 Schedule B, as amended (the “OEB Act”);

AND IN THE MATTER OF an Application by Synergy North
Corporation (“SNC”) under Section 78 of the OEB Act 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 May 1, 2024. (this “Application)

INTERROGATORIES

ON BEHALF OF THE

SCHOOL ENERGY COALITION

1-SEC-1

[Ex.1] Please provide copies of all benchmarking studies, reports, and analyses that the Applicant has undertaken or participated in since its last rebasing application, that are not already included in the application.

1-SEC-2

[Ex.1] Does the Applicant have a corporate/balanced scorecard or similar document used by its Board of Directors to monitor and measure its performance? If so, please provide a copy of each annual document since 2017.

1-SEC-3

[Ex.1, p.38] Does the Applicant share executives with any of its affiliates? If so, please provide details.

1-SEC-4

[Ex.1, p.53-61] Please quantify the listed productivity and efficiency savings. Please provide details regarding all assumptions made in the calculation.

1-SEC-5

[Ex.1, p.93] Please update Tables 1-32 and 1-33 to include full 2022 data.

1-SEC-6

[Ex.1, p.100] The Applicant states: “Starting in 2020, the corporation provided dividends to the Shareholders based on the merger savings generated”. For each year since 2020, please provide the annual dividends provided to the Shareholders and the underlying basis, including full calculation, of those amounts. Please provide any information that was provided to the Applicant’s shareholder to explain and/or verify the amount of merger savings generated.

1-SEC-7

[Ex.1, p.102] For each operating savings shown in Table 1-35, please provide details on how the amount was calculated.

1-SEC-8

[Ex.1, Appendix 1-K, p.8] As part of its Phase 2 Survey, the Applicant told survey participants that: “Once, all SYNERGY NORTH customers are paying the same rate for their electricity distribution, more cost efficiencies will be realized from removing the added complexity of two rates zones. The rate impact of all these efficiencies results in a rate impact reduction of \$1.44 per month”. Please provide and explain the underlying calculation that shows that the Applicant expects a \$1.44 per month in savings, resulting from rate harmonization.

2-SEC-9

[Ex.2, Attach 2-A, p.34] Please provide the following figures in tabular format and provide a breakdown by service territory.

- a. 5.2-14
- b. 5.2-15
- c. 5.2-16

2-SEC-10

[Ex.2, Attach 2-A, p.65] Please provide a version of Figure 5.3.9 in tabular format that shows for each asset category, the number of assets, and the percentage of those assets in each asset condition category. Please provide the information in Excel format.

2-SEC-11

[Ex.2, Attach 2-A, p.65] The Applicant states that “Health Index (HI) is a composite quantitative measure of an asset’s condition based on available condition data (testing, inspections, utilization, expert opinion, age, etc.).”

- a. Please explain specifically how age is used to determine the Health Index.
- b. Please provide a revised version of the asset Health Index information for each asset that removes age as a condition variable.

2-SEC-12

[Ex.2, Attach 2-A, p.65] For each asset category, please provide the number of assets replaced each year, between 2017 and 2022, and forecast to be replaced between 2023 and 2028.

2-SEC-13

[Ex.2, Attach 2-A, p.126] With respect to the Applicant’s project prioritization:

- a. Please provide a table that shows project prioritization for all 2024 capital projects (regardless of individual cost), the project costs, prioritization score, and the score for each prioritization criteria.
- b. Please confirm that the prioritization process prioritizes the projects that the Applicant already has determined that it will undertake in a given year.
- c. The Applicant appears to aggregate many individual projects within a given program. Does the Applicant provide a prioritization score to each individual project/asset replacement, or only at the program level? If not, please explain why not.

2-SEC-14

[Ex.2, Attach 2-A, Appendix D, p.20] Is the Applicant undertaking in 2023 and proposing to undertake in 2024 the planned investments included in Figure 11?

2-SEC-15

[Ex.2, Appendix 2-AA] Please provide a revised version of Appendix 2-AA that includes additional columns to show year-to-date actuals for 2023, and year-to-date actuals at the same point in time in 2021 and 2022.

2-SEC-16

[Ex.2, Appendix 2-AB] Please provide a copy of Appendix 2-AB on an in-service additions basis.

2-SEC-17

[Ex.2, Appendix 2-AB] Please explain the basis for the ‘Plan’ amount each year between 2017 and 2023.

2-SEC-18

[Ex.2, Appendix 2-AB] Please expand Appendix 2-AA to show forecast capital expenditures between 2025 and 2028.

4-SEC-19

[Ex.4, Appendix 2-JC] Please provide a revised version of Appendix 2-JC that includes additional columns to show year-to-date actuals for 2023, and year-to-date actuals at the same point in time in 2021 and 2022.

4-SEC-20

[Ex.4] For each year between 2019 and 2023, please provide the Applicant’s internal OM&A budget that was approved before the year began. Please explain any material variances between the internal OM&A budget and actuals.

4-SEC-21

[Ex.4] Please reconcile the \$508,065 increase in 2024 ‘Salaries, Wages and Benefits’ in Appendix 2-JB (Cost Driver Table) with an increase in 2024 (over 2023) compensation costs allocated to OM&A of \$296,202 shown in Appendix 2-K (Employee Costs).

4-SEC-22

[Ex.4, p.94] With respect to the increase in FTE in 2023, please outline the new positions added, their rationale, and if the position has been filed to date.

4-SEC-23

[Ex.4, p.94] With respect to employee vacancies:

- a. How many vacancies (calculated in FTEs) has the Applicant forecast as part of its 2024 budget?
- b. Please provide the number of vacancies (calculated in FTEs) that the Applicant has had for each year between 2017 and 2023.

4-SEC-24

[Ex.4, p.115] Please provide a copy of the shared services agreement between the Applicant and each affiliate that it provides services to.

4-SEC-25

[Ex.4, Attachment 4-C] With respect to the Vegetation Management Plan:

- a. Has the Applicant quantified the customer benefits of the increased vegetation management spending (e.g. example increased reliability, decrease in storm restoration costs, etc.)? If so, please provide details. If not, please explain why not.
- b. Please provide each of Figures 3-5 in a tabular format.
- c. Please explain how the Applicant determined the total cost of the work that would be required to be completed. Please provide all assumptions used.
- d. For each scenario included in the plan, please provide the amount of vegetation management work (as opposed to cost) that is forecast to be completed, each year, broken down by category (e.g. blue orders, maintenance, immediate hazards, meeting standards, optimal cycle etc.).
- e. If the actual plan which underlies the 2024 budget is different than any of the specific scenarios in the plan, please provide a response to part (d) based on the actual plan.

5-SEC-26

[Ex.5, Attach 5-C; Ex.6, p.10] Please provide the specific portion of the increase in the 2024 revenue requirements from the 2017 Board approved proxy that is as a result of the end of the “Rate Minimization Model”. Please provide details of the calculation.

6-SEC-27

[Ex.6, Appendix 2-JH] Please provide a revised version of Appendix 2-JC that includes additional columns to show year-to-date actuals for 2023, and year-to-date actuals at the same point in time in 2021 and 2022.

8-SEC-28

[Ex.8, p.23] With respect to the rate harmonization proposal:

- a. Please explain why the Applicant believes it in the best interest of customers of each of Kenora and Thunder Bay that rates be harmonized?
- b. Please discuss the differences in actual costs to serve customers in each the Kenora and Thunder Bay service territories.
- c. Did the Applicant undertake any customer engagement on the issue of rate harmonization either before the application or at the time of the amalgamation? If so please provide details.
- d. If the OEB were to determine that there should remain two separate rate zones, how would the Applicant propose that this be implemented?

8-SEC-29

[Ex.8, p.25] Please provide a revised version of Tables, 8-18, 8-19, and 8-20, if the GS>50 and GS>50 fixed charge were set at the existing Thunder Bay Rate Zone amount.

8-SEC-30

[Ex.8, p.11] Please update the proposed RTSR, and the corresponding bill impact model/table, for the OEB’s [preliminary 2024 UTRs](#) released on September 28, 2023.

9-SEC-31

[Ex.9, p.31] With respect to the Gain on Non-Depreciable Property Sold Deferral Account:

- a. Please identify which property is Property #1 and which is Property #2.
- b. Please provide details of the date of sale.
- c. The Accounting Order in EB-2016-0105 listed four properties. Please explain what happened to the other four properties.

9-SEC-32

Please provide details of all other properties, including the net proceeds of disposition that were disposed of since either predecessor utility last rebased.

Mark Rubenstein
Counsel for the School Energy Coalition