

EB-2023-0013

E.L.K. Energy Inc.

**Application for electricity distribution rates and other
charges beginning May 1, 2024**

VECC Interrogatories December 7, 2023

VECC-1

Ref: Appendix A

E.L.K. experienced two extraordinary storms in 2023 that resulted in significant damage to its infrastructure and substantive storm restoration costs.

- a) Please provide a summary of E.L.K.'s previous Z-factor applications for storm events in the past 10 years and provide the amounts requested and approved by the OEB.
- b) Please provide E.L.K.'s forecast compared to actual storm costs (operating and capital) for the years 2018 to 2023.
- c) Please provide the amount of storm restoration spending embedded in rates for the years 2018 to 2024.
- d) Please provide E.L.K.'s forecast compared to actual vegetation management costs (operating and capital) for the years 2018 to 2023.

VECC-2

Ref: Appendix A p. 7

The achieved regulatory ROE for 2022 was -1.97%, which is 10.63% lower than the 8.66% OEB-approved ROE. E.L.K.'s forecast for its regulated 2023 ROE at this time is also expected to be below the OEB Deemed ROE.

Please provide the latest forecast of ROE for 2023.

VECC-3

Ref: Appendix A p. 8

With respect to Emergency Notification, E.L.K. indicates an emergency notification is issued once a call is received from the customer and the contingency is assessed by the Emergency Coordinator (EPC).

- a) Please provide a copy of E.L.K.'s Emergency Response Plan.
- b) Please confirm full activation of the plan was required and E.L.K. did not deviate from the plan.

VECC-4

Ref: Appendix A p. 10

Table 2 provides a breakdown of Ice Storm Event Costs in February 2023.

- a) Please confirm the operating costs for E.L.K. staff does not include Regular Labour.
- b) Please provide further details on the work order for reconnect cost.
- c) Please provide a breakdown of the major assets replaced.
- d) Please identify the assets replaced that were scheduled for replacement as part of the capital plan.
- e) Please provide the invoices for the electrical contracting work, operating and capital.
- f) Please provide the invoices for Distributor A and Distributor B.

VECC-5

Ref: Appendix A p. 10

Table 5 provides a breakdown of Thunderstorm Event Costs in July 2023.

- a) Please confirm the operating costs for E.L.K. staff does not include Regular Labour.
- b) Please provide further details on the work order for reconnect cost.
- c) Please provide a breakdown of the major assets replaced.
- d) Please identify the assets replaced that were scheduled for replacement as part of the capital plan.

- e) Please provide a description of the work undertaken by the Vegetation Management Contractor by service area (Kingsville & Harrow).
- f) Please provide the invoices for the third-party contracting work, Distributor A, Distributor B, and Distributor C.

VECC-6

Ref: Appendix A-1 p. 14

E.L.K. has implemented a robust tree trimming program beginning in 2021 and is committed to continuing this effort, with a focus on completing comprehensive tree clearing initiatives for two entire towns each year. This program encompasses the maintenance of both primary and secondary circuits, ensuring the reliability and resilience of the electrical infrastructure.

- a) Please compare E.L.K.'s 2021 tree trimming program and tree clearing initiatives compared to previous years.
- b) Please provide E.L.K.'s Tree Trimming schedule by year for the years 2021 to 2026 based on the two towns cleared each year.
- c) Please confirm E.L.K. accomplished its Tree Trimming program as planned for the years 2021 to 2023.
- d) Please confirm the Tree Trimming program and schedule undertaken for the years 2016 to 2020 was completed as planned. If not, please discuss any variances in work and cost.

VECC-7

Ref: Appendix A-1 p. 17

An alternative approach that allocates the incremental revenue requirement to one or a few particular customer rate classes would be contrary to the across-the-board impact of the Two Major Events – for instance, some impacted customers would be unjustly enriched by other impacted customers who would have to foot the bill for the restoration costs, simply because they were chosen by an arbitrary allocation method. This scenario would be highly desirable, and we have decided not to proceed with this allocation approach.

Please provide examples of where this alternative approach has been approved by the OEB.

VECC-8

Ref: Appendix B p. 4

E.L.K. is requesting ICM approval to fund the purchase of two single bucket trucks and six Reclosing Switches.

- a) Please confirm the delivery date of each single bucket truck.
- b) Please provide details of any amounts paid to date for each bucket truck.
- c) Please confirm the delivery date(s) of the six reclosing switches.
- d) Please provide details of any amounts paid to date for the reclosers.

VECC-9

Ref: Appendix B p. 6

E.L.K. indicates the switches will facilitate a reduction in customer outages due to Loss of Supply, which is the most significant cause of reliability issues for E.L.K.

- a) Please provide a breakdown of SAIDI and SAIFI by cause code for the years 2018 to 2023.
- b) Please explain the source and key drivers of the Loss of Supply events 2018 to 2023.

VECC-10

Ref: Appendix B p. 6

E.L.K.'s request for ICM funding to purchase the Switches is integral to its Smart Grid plan ("Roadmap").

- a) Please provide the reference to the development of a Smart Grid plan in E.L.K.'s 2022 DSP.
- b) Please provide the dates the Roadmap was started and completed.
- c) Please provide a copy of E.L.K.'s Smart Grid Plan.
- d) Please discuss if the installation of the six recloser switches was specifically noted in the 2022 DSP and the Customer Survey.

VECC-11

Ref: Appendix B p. 8

E.L.K.'s Fleet Replacement Program considers annual vehicle test results including stress/electrical testing.

Please discuss if any significant work and investment has been required in the previous years (2018 to 2023) as a result of this testing.

VECC-12

Ref: Appendix B p. 17

Figure 5 provides a schematic of E.L.K.'s Energy Grid Modernization Roadmap.

- a) Please provide the start and end dates of each Stage.
- b) Please summarize E.L.K.'s plan to install additional recloser switches as part of the Roadmap and the need for a future ICM.
- c) Please provide the number of planned fault indicators noted in the 2022 DSP to be installed each year over the period 2022 to 2026 and the corresponding investment amounts.
- d) Please provide the actual Fault Indicators installed in 2022 and the latest forecast for 2023 to 2026 and the corresponding investment amounts.
- e) Please discuss if E.L.K. plans to install any other equipment in addition to fault indicators and switches as part of the Roadmap.

VECC-13

Ref: Appendix B p. 19

E.L.K. has received a firm quote of \$485,024 for both the purchase and installation of the switches. Please define "firm". Can customers expect that this will be the final cost? If not, please explain.

VECC-14

Ref: Appendix B p. 24

Table 5 provides the total E.L.K. Customer Hours Loss of Supply for the years 2018 to 2022.

Please provide the total E.L.K. Customer Hours of interruption from all causes for the years 2018 to 2022.

VECC-15

Ref: Appendix B p. 33

E.L.K. provides the ICM bill impacts in Table 9.

Please provide the bill impacts separately for each ICM project.

VECC-16

Ref: Appendix B p. 34

E.L.K. provides its capital forecast 2023 to 2026 including ICM projects.

Please identify base capital spending and asset quantities related to the installation of recloser switches for each of the years 2023 to 2026.

VECC-17

Ref: Appendix B p. 35

Please explain the drivers of the variance in 2024 related to System Access.