



February 9, 2024

Nancy Marconi
Registrar
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Toronto ON
M4P 1E4

Dear Ms. Marconi,

RE: EB-2023-0039 Newmarket-Tay Power Distribution Ltd. Application for Rate Changes effective May 1, 2024- CCMBC Interrogatories

Attached are the interrogatories of the Coalition of Concerned Manufacturers and Businesses of Canada (CCMBC) to Newmarket-Tay Power Distribution Ltd.

Respectfully submitted on behalf of CCMBC,

Tom Ladanyi
TL Energy Regulatory Consultants Inc.

cc. Oluwole (Wolly) Bibiresanmi (OEB Staff)
Lawren Murray (OEB Staff)
Donna Quan (Newmarket-Tay Power)
Alex Share (Newmarket-Tay Power)
Catherine Swift (CCMBC)
Intervenors of Record

EB-2023-0039

**Newmarket-Tay Power Distribution Ltd.
Application for Rate Changes effective May 1, 2024**

Coalition of Concerned Manufacturers and Businesses of Canada

Interrogatories

February 9, 2024

3.2-CCMBC-1

Reference: Exhibit 3.2 Elements of the Price Cap Plan, Page 9, Table 3 Calculation of Price Cap Index for 2024

Preamble: “On June 29, 2023, the OEB issued a letter on the inflation factors to be used to set rates for 2024. The industry-specific inflation factor for 2024 rate applications for electricity distributors is 4.8%.”

Questions:

- a) Please confirm that NT Power has been using the OEB inflation factors to set rates since last rebasing.
- b) Has the OEB inflation factor increased since 2021?
- c) Please confirm that a higher OEB inflation factor results in a higher price cap increase and a higher annual rate adjustment.
- d) Please confirm that a lower OEB inflation factor results in a lower price cap increase and a lower annual rate adjustment.

3.3-CCMBC-2

Reference: Exhibit 3.3 Elements Specific Only to the Price Cap Plan, Page 33

Preamble: “The inflation measure (the Input Price Index or IPI) used to calculate the PCI in the materiality threshold formula is the OEB-approved inflation factor for the respective ICM year (i.e., 4.8% in 2024 for electricity distributors), and this inflation factor is applied to each historical year.”

Question:

- a) Is the quoted text in the preamble an exact quote from Section 4.1.5 of the *Report of the Board – New Policy Options for the Funding of Capital Investments: The Advanced Capital Module* (EB-2014-0219), issued on September 18, 2014 (“the ACM Report”)? If the answer is no, please file the exact quote that NT Power is paraphrasing.
- b) Is NT Power applying for an exemption from Section 4.15? If the answer is yes, please explain why the application for exemption was not included in the application. If the answer is no, please explain why not.
- c) Does NT Power believe that the OEB policy is wrong and should be changed? If the answer is yes, please explain why and discuss the process to change it. If the answer is no, please explain what NT Power is seeking.

3.3-CCMBC-3

Reference: Exhibit 3.3 Elements Specific Only to the Price Cap Plan, Page 34, Table 8.1

Preamble: Accordingly, NT Power has applied the geometric mean IPI calculated from 2011 to 2024 (2.12%) in the ICM Module for the purposes of calculating the threshold capital expenditure level in NTRZ.

Question:

- a) Please explain how NT Power calculated the 2.12% geometric mean by filing a schedule that shows all inputs and formulas.
- b) Please add a column to Table 8.1 showing the Price Cap for each year from 2012 to 2024 inclusive and file the table with the added column.

3.3-CCMBC-4

Reference: Exhibit 3.3 Elements Specific Only to the Price Cap Plan, Page 35, Table 8.2 Threshold Capital Expenditure Calculation - NTRZ

Question:

Please file a version of Table 8.2 with the OEB Approved inflation factor of 4.8% instead of the proposed NT Power inflation factor of 2.12%.

3.3-CCMBC-5

Reference: Exhibit 3.3 Elements Specific Only to the Price Cap Plan, Page 35, Table 8.3 Capital Expenditures by Category - NTRZ

Questions:

- a) Please file a detail listing in the order of priority of proposed capital projects that are included in the 2024 Capital Expenditure Budget.
- b) Considering the substantial increase in capital expenditures from 2023 to 2024, what has NT Power done to mitigate the rate impacts?
- c) Please provide detail explanation of the reasons for the 2021 General Plant expenditure of \$8.70 million.
- d) Did NT Power apply for ICM funding for the 2021 General Plant Expenditure of \$8.7 million? If the answer is yes, please provide information on the ICM application. If the answer is no, please explain why NT Power did not apply for ICM funding.

3.3-CCMBC-6

Reference: Exhibit 3.3 Elements Specific Only to the Price Cap Plan, Page 36, Table 8.4 Maximum Eligible Incremental Capital – NTRZ

Question:

Please file a version of Table 8.4 with the Materiality Threshold calculated using the OEB Approved inflation factor of 4.8% instead of the proposed NT Power inflation factor of 2.12%.

3.3-CCMBC-7

Reference: Exhibit 3.3 Elements Specific Only to the Price Cap Plan, Page 36, Table 8.5 Eligible Capital Project – NTRZ

Question:

Please explain the discrepancies in timing between capital expenditures and capital contributions. For example, there were no contributions collected to offset the 2018, 2019 and 2020 expenditures until 2021. Did NT Power charge interest on contribution arrears?

Please file a reconciliation of gross capital expenditures, capital contributions, and net capital expenditures for years 2018 to 2023 inclusive.

3.3-CCMBC-8

Reference: Exhibit 3.3 Elements Specific Only to the Price Cap Plan, Page 39, Project Need and Description.

Preamble: “To accommodate the growth and increased travel demands resulting from development in the Town of Newmarket, The Regional Municipality of York is expanding the transportation system. This expansion includes widening Yonge Street from four to six lanes, constructing new traffic signals, adding street lighting, installing a new storm sewer system, building sidewalks, creating boulevard bicycle lanes, and enhancing streetscaping.”

Questions:

- a) Is NT Power an affiliate of the Regional Municipality of York? If the answer is yes, please file the services agreement between NT Power and the Regional Municipality of York as required by the OEB Affiliate Relationships Code. If the answer is no, please explain why not.
- b) Does the road widening work involve any transfers of assets, including land, between NT Power and the Regional Municipality of York or its constituent municipalities? If the answer is yes, please provide details and explain how the transfer price was determined. If the answer is no, please explain why not.
- c) Please file a signed copy of the cost sharing agreement between NT Power and the Regional Municipality of York for the widening of Yonge Street.