



April 25, 2024

Ms. Nancy Marconi
Registrar
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Re: EB-2023-0195 Toronto Hydro Electric-System Limited 2025-2029 Rate Application
AMPCO Motion on Undertaking JT3.18

Dear Ms. Marconi:

In accordance with Procedural Order No. 4 issued April 23, 2024, AMPCO will address the following Undertaking at the motions hearing and the rationale for why the requested information is relevant and should be produced by Toronto Hydro-Electric System Limited (“Toronto Hydro”).

Undertaking JT3.18

In response to interrogatory 2B-AMPCO-29 (e), Toronto Hydro provided the number of project variance reports for each of the years 2020 to 2023.¹ In JT3.18, AMPCO requested that Toronto Hydro provide copies of a subset of these project variance reports for 2020 to 2023, specifically for projects greater than \$1 million where the cost variance is 30 percent or greater, including projects with more than one project variance report that on aggregate reflect a cost overrun of 30 percent or greater, and advise which of the project variance reports provided required approval from senior management and the executive team, due to the change in cost. In the undertaking response, Toronto Hydro indicated there are 27 projects greater than \$1 million with a cost variance of >30%. However, Toronto Hydro declined to disclose the project variance reports on the basis, that in their view, the project-level variances should not be interpreted as variances between OEB-approved and actual capital expenditures. AMPCO submits this information is relevant to review and assess the individual project performance given Toronto Hydro overspent by \$29.9 million on these projects over the 2020 to 2023 period. This information is important in understanding the specifics of what drives large capital cost increases and what oversight is provided which is relevant to Toronto Hydro’s broader project management and execution process not just the prudence of a past amount. Further, Toronto Hydro has not identified which of the 27 projects required senior management and executive team approval of the cost variance before proceeding. AMPCO submits this information is part of Toronto Hydro’s Project Management and Execution process² and should be disclosed.

AMPCO has reviewed a draft of the interrogatories the School Energy Coalition (SEC) seeks further information on and plans to support SEC’s motion in the motions hearing.

¹ A project variance analysis is triggered by a variance that is more than +20% or (-15%).

² 2B-D1 pp.25-26

Best Regards,

A handwritten signature in cursive script that reads "Shelly Grace". The signature is written in a dark ink and is positioned below the "Best Regards," text.

c/o Mark Passi
Chair