Mark Rubenstein
mark@shepherdrubenstein.com
Dir. 647-483-0113

BY EMAIL and RESS

July 11, 2024
Our File: EB20240012

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

Attn: Nancy Marconi, Registrar

Dear Ms. Marconi:

Re: EB-2024-0012 – Centre-Wellington Hydro Ltd. 2025 Rates – SEC Interrogatories

We are counsel to the School Energy Coalition ("SEC"). Attached, please find SEC's interrogatories.

Yours very truly,
Shepherd Rubenstein P.C.

Mark Rubenstein

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

EB-2024-0012

ONTARIO ENERGY BOARD

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

IN THE MATTER OF an Application by Centre Wellington Hydro Ltd. ("CWH") for an Order or Orders approving or fixing just and reasonable distribution rates effective January 1, 2025.

INTERROGATORIES

ON BEHALF OF THE

SCHOOL ENERGY COALITION

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

1-SEC-2
[Ex.1] Please provide a copy of all documents that were provided to the CWH's Board of Directors in approving the underlying budgets contained in this Application.

1-SEC-3
[Ex.1] Does CWH have a corporate scorecard or similar document used by its Board of Directors to monitor and measure performance? If so, please provide a copy of each annual document since 2018.

1-SEC-4
[Ex.1, p.58] CWH has, or forecasts to earn, above its ROE included in base rates for each year between 2021 and 2024.

a. Please provide an explanation of the drivers of the over earning.
b. Please express the over earning in each year in a dollar amount.

2-SEC-5
[Ex.2, Appendix 2AB] With respect to Appendix 2-AB:

a. Please explain the basis of the 'Plan' amount for each of the historic and bridge years.
b. Please provide a revised version of Appendix 2-AB on an in-service addition basis.

2-SEC-6
[Ex.2, p.52-55; Material Investment Narrative; Appendix C, Business Plan] With respect to the proposed ACM for the Fergus MS-5:

a. Please provide a copy of the internal business case (or similar document) for the project.
b. [p.56] CWH states: "As previously stated, the existing four stations have a total capacity of 21MVA, and the average peak demand for the stations from 2021 to 2023 was 16.5MVA, with an absolute peak aggregate load of 19.1MVA." For each of the 4 stations, please provide:

    i. its capacity
    ii. peak demand for each between 2013 and 2023
    iii. age and condition
    iv. number of outages and minutes of outages for each year between 2013 and 2023

c. [p.53] CWH states the existing capacity allows for the removal of one of the stations for scheduled or unplanned outages, but no other stations can be removed at the same time. Please explain why the Applicant believes that it requires the ability to have 2 to 5 stations out of service.
d. [p.56] CWH states: "The construction of the new substation is crucial to maintaining the accessibility and reliability of its service to customers." Please explain why, in light of your response to part (c), why the additional cost is commensurate with the incremental reliability provided by the proposed project.
e. [Material Investment Narrative] CWH states that it has acquired preliminary budgetary costing. Please provide the source of the budgetary costing and its date.
f. Is the Applicant proposing to undertake the work, in whole or in part, by way of a competitive procurement process? If so, please provide details.
g. [Material Investment Narrative; Exhibit 2, Appendix C Business Plan, p.11] CWH provides various information regarding the population growth in and around its service territory, presumably to demonstrate the need for the project. Yet, as part of its Business Plan, the Applicant comments on its "modest increase in residential, small commercial and industrial connections is expected over the coming years", and that "[t]his limited customer growth will be a challenge for CWH". Please reconcile.
h. [Material Investment Narrative] CWH states under the 'Do nothing' option: "Based on the current growth projection of the population as outlined in the Official Plan by the town, CWH's existing distribution system will become overloaded from the system capacity stand-point, less reliable because of lack of system redundancy and new development in the area cannot be serviced, which would put CWH in breach of its obligations to facilitate new customer connections." Please provide further information to demonstrate that without the project "CWH's existing distribution system will become overloaded from the system capacity stand-point…..and new development in the area cannot be serviced."

2-SEC-7
[Ex.2, DSP, p.57] For each year between 2018 and 2025, please provide the, a) number of poles and b) transformers (by type), replaced.

2-SEC-8
[Ex.2, DSP, p.92-93] CWH explains that most of its 2018 and 2019 system access spending was a result of the Wellington Place Service project being changed to an underground connection as well as cable cost increases. Please provide a comparison of the following, a) total actual vs planned gross project costs, b) total plan vs. actual capital contribution, and c) total plan vs actual net capital costs.

2-SEC-9
[Ex.2, DSP, p.111] Please explain how CWH determined the 2024 test year budget.

2-SEC-10
[Ex.2, DSP, p.97] Please provide the status of the Digger truck.

2-SEC-11
[Ex.2, DSP, p.10; Appendix 2-AA] In 2024, CWH forecasts to spend $246,400 in computer software and $65,200 in computer hardware which is significantly higher than historic levels. Please provide a full breakdown of the expenditures and why each is required to be purchased in 2024.

2-SEC-12
[Ex. 2, DSP, p.14-15; Appendix B] With respect to the DSP Customer Survey Report:

a. The DSP Customer Survey Report includes information demonstrating that its SAIDI and SAIFI were significantly lower (i.e. better) than the Ontario average. How has the CWH's superior reliability performance considered in the context of its capital planning.
b. Please provide a full copy of the Customer Engagement Survey results.

2-SEC-13
[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 2024, and year-to-date actuals at the same point in time in 2022 and 2023.

3-SEC-14
[Ex.3, p.8, Table 4] Please provide a revised version of Table 4 that includes additional columns to show year-to-date actuals for 2024, and year-to-date actuals at the same point in time in 2022 and 2023.

4-SEC-15
[Ex.4, p.15; Appendix 2-JB] Please explain specifically how CWH determines which cost increases would be included in the 'Inflation' cost driver category.

4-SEC-16
[Ex.4, p.17, Appendix 2-JD] Please provide a revised version of Appendix 2-JD that includes additional columns to show year-to-date actuals for 2024, and year-to-date actuals at the same point in time in 2022 and 2023.

4-SEC-17
[Ex.4, p.37, Appendix 2-K] SEC has calculated the Total Compensation Cost/Per FTE. Please explain the significant year-over-year increase across all categories (management, non-management, total) in 2020 (11.73%, 8.33%, and 8.12%), and 2024 (6.2%, 14.01%, and 12.34%).

4-SEC-18
[Ex.4, p.41] Table 17 shows that the union/non-union and management wage increases are identical. Does CWH have a policy that non-union and management salary increase match union negotiated increases? If so, please explain why CWH believes that is appropriate.

4-SEC-19
[Ex.4, p.48, Table 29] Please explain in detail how CWH calculates the non-utility water/wastewater billing costs.

4-SEC-20
[Ex.5, p.5, Appendix 2-OB] With respect to CWH's 2025 forecast debt costs:

a. CWH forecasts a new debt instrument with a principal of $1.5M in 2024. What is the status of that new debt instrument?

b. CWH forecasts a new debt instrument with a principal of $3.2M in 2025. Please provide an update on the status of that forecast debt, and when in 2025 does it expect to enter into the debt instrument?
c. For each of the debt instruments referenced in part (b), CWH has set the debt rate at the 2024 OEB deemed long-term debt rate. Does CWH propose to use that debt rate or have it updated based on the OEB's 2025 deemed long-term debt rate when it is issued?

6-SEC-21
[Ex.6, p.26] Please explain how CWH forecasts 2024 and 2025 Other Revenue.

6-SEC-22
[Ex.6; Appendix 2-JH] Please provide a revised version of Appendix 2-JH that includes additional columns to show year-to-date actuals for 2024, and year-to-date actuals at the same point in time in 2022 and 2023.

7-SEC-24
[Ex.7, p.4] CWH proposes to eliminate its GS 3000-4999 kW rate class. CWH states: "While completing the Cost Allocation model and considering the weighting criteria for various components within the model, it was concluded that there are no substantial cost allocation differences or overall burdens as a result of CWH's administration, billing, and operations between a customer with a monthly demand larger than 3,000kW and a client with a lower monthly demand." Please provide a revised Cost Allocation model that includes the current GS 3000-4999 kW rate class and provides a comparison that demonstrates that there are no substantial cost allocation differences.

9-SEC-25
[Ex.9, p.13] For each of the following accounts, please provide a forecast of 2024 principal entries and an explanation of what costs CWH expects to incur in 2024:

a. Customer Choice Initiative Costs
b. Green Button Initiative
c. ULO Implementation Cost

Mark Rubenstein
Counsel for the School Energy Coalition