



November 1, 2024

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

Dear Ms. Marconi,

RE: EB-2024-0058 Welland Hydro-Electric System Corporation Application for electricity distribution rates and other charges beginning May 1, 2025

CCMBC Interrogatories

Attached are the interrogatories of the Coalition of Concerned Manufacturers and Businesses of Canada (CCMBC) to the Welland Hydro-Electric System Corporation.

Respectfully submitted on behalf of CCMBC.

Tom Ladanyi
TL Energy Regulatory Consultants Inc.

cc.

Jennifer Dionne (Welland Hydro-Electric System)
Narisa Jotiban (OEB Staff)
Michael Millar (OEB Staff)
Catherine Swift (CCMBC)
John Vellone (BLG)
Intervenors of Record

EB-2024-0058

**Welland Hydro-Electric System Corporation
Application for electricity distribution rates and other charges beginning
May 1, 2025**

**Coalition of Concerned Manufacturers and Businesses of Canada
Interrogatories**

November 1, 2024

1-CCMBC-1

Reference: Exhibit 1, Page 54, Section 1.7.1 Grid Modernization

Questions :

- a) What is the definition of Grid Modernization that WHESC uses to categorize capital expenditures?

- b) Please file an itemized list of the forecast of 2025 capital expenditures on Grid Modernization separately showing expenditures on SCADA, SmartMAP, GIS, ADMS, and Outage Management Systems if possible.

1-CCMBC-2

Reference: Exhibit 1, Appendix 1-A, WHESC Business Plan, Page 14, Table 2.5: Distribution Revenue and Page 15, Table 2.6: Other Revenue

Questions:

- a) Please explain why the Late Payment Charges revenue is shown as \$106,410 in Table 2.6 for each year from 2024 to 2029 why the Total Distribution Revenue shown in Table 2.5 is increasing for each year from 2024 to 2029?

- b) Please explain why there is a \$4,000 loss shown in the Gain on Disposition of Property in Table 2.6 for every year from 2024 to 2029. Is WHESC planning to dispose of equivalent properties each year from 2024 to 2029?

- c) Please explain the Rent from Solar Facility of \$10,000 shown for each year from 2024 to 2029 and how does it relate to Solar Expense of \$4,000 and Solar Revenue of \$23,385 in 2024.

2-CCMBC-3

Reference: Exhibit 2, Appendix 2-E, Distribution System Plan, Page 16

Preamble: “The energy transition of transportation and heating sources is at the forefront of planning processes. WHESC in partnership with GSC member LDCs, procured an Electrification Strategy Study. This study provides insight on potential EV adoption rates and heating fuel source switching, along with recommendations on system preparedness. WHESC considered these recommendations in developing its capital investment plan over the forecast period.”

Questions:

- a) Is the Electrification Strategy Study in evidence? If it is, please provide the reference. If it is not, please file it.
- b) Please file the list of recommendations referred to in the quoted text.
- c) Please explain how WHESC considered these recommendations.

2-CCMBC-4

Reference: Exhibit 2, Appendix 2-E, Distribution System Plan, Page 54

Preamble: “WHESC also monitors the HI of wood poles owned by Bell Canada. Although these pole assets are not owned or maintained by WHESC, they support distribution assets. WHESC must ensure that the pole owner maintains the integrity of the asset sufficiently to manage overall distribution system performance.”

Questions:

- a) What is the business arrangement between WHESC and Bell Canada for the use and monitoring of poles owned by Bell Canada?
- b) How many poles are involved?
- c) What is the annual cost and revenue impact?

4-CCMBC-5

Reference: Exhibit 4, Page 14, Energy Transition/ Electrification

Preamble: “The energy transition of transportation and heating sources will have a significant impact on LDCs given their role in meeting the associated electricity demands.”

“WHESC uses its Advanced Distribution Management System, SmartMap, as a tool to identify portions of its distribution system where Level 2 or higher EV charging is deployed. This tool is also used to identify impacts of EV related load additions to the distribution system, informing planning decisions.”

Questions:

- a) The first quoted sentence seems to indicate that energy transition has so far not had any significant impact on revenues, capital and OM&A expenditures of WHESC but is expected to have in the future. Is that correct? Please explain your answer.
- b) The second quoted sentence indicates that WHESC has information on the number and location of Level 2 EV chargers. How many Level 2 EV chargers are there connected to the WHESC distribution system?
- c) The third quoted sentence indicates that WHESC has information on the impact of EV chargers. What is the impact of a Level 2 EV charger, specifically what is the peak load of a home with a Level 2 charger compared to the peak load of a home without a Level 2 charger?

4-CCMBC-6

Reference: Exhibit 4, Page 20, 4.2.2.7 ADMS Software

Preamble: “In 2020, WHESC implemented distribution management software (SmartMAP) resulting in a net change in OM&A of \$93,863 annually. The software is a subscription based hosted solution. The software provides real-time distribution management capability, enabling WHESC engineering and operations staff optimal visibility into the system. The system also provides engineering analysis capability, offsetting an estimated \$10,000 of consulting costs for this purpose, annually.”

Questions:

- a) Please provide more explanation of the estimated saving of \$10,000 of consulting costs. What type of consulting work does this refer to?
- b) Is the \$10,000 consulting saving entirely an OM&A cost?

6-CCMB-7

Reference: Exhibit 6, Page 18, Table 6-15: Account 4210 Rent From Electric Property

Questions:

- a) Does the “Rent from Property - Joint use poles attachments” refer to the joint use of poles with Bell Canada?

- b) Please explain why the “Rent from Property – Buildings” ended in 2022.

6-CCMBC-8

Reference: Exhibit 6, Page 18, Table 6-18: Account 4355 Gain on Disposition of Utility and Other Property

Questions:

- a) Please explain the 2024 Bridge Year estimate and the 2025 Test Year forecast numbers.

- b) What are the year-to-date 2024 actual amounts?

6-CCMBC-9

Reference: Exhibit 6, Page 18, Table 6-19: Account 4375 & 4380 Revenues and Expenses from Non-Rate Regulated Utility Ops.

Questions:

- a) Why does solar expense end in 2023?

- b) Why do solar revenues end in 2023?

6-CCMBC-10

Reference: Exhibit 6, Page 19, Table 6-21: Account 4405 Interest and Dividend Income

Question:

Please explain the reasons for the “Interest Income – Bank balance” of \$221,313 for 2023 and \$222,520 for 2024, and \$100,000 for 2025.