

**ONTARIO ENERGY BOARD**

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

**AND IN THE MATTER OF** an Application by Welland Hydro Electric System Corp. (“Welland”) under Section 78 of the OEB Act to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of May 1, 2025.

**INTERROGATORIES**

**ON BEHALF OF THE**

**SCHOOL ENERGY COALITION**

**1-SEC-1**

[Ex. 1, p. 10]

- a. Please provide a copy of the Electrification Strategy Study referred to in Exhibit 1.
- b. Please provide copies of all benchmarking studies, reports, and analyses that Welland has undertaken or participated in since the filing of its last rebasing application, that are not already included in the Application.

**1-SEC-2**

[Ex. 1, Appendix 1-A] Welland has provided a copy of its 2025 -2029 Business Plan.

- a. When was the 2025 Business Plan prepared?
- b. On page 10 of the Business Plan when speaking of customer numbers, Welland states that ‘Given the continued economic development activity in the City of Welland, the five-year plan for both General Service customer classifications should be considered conservative’. Please explain further.
- c. For the new residential developments listed in Table 2-2, please provide details on the expected in-service date for each one.
- d. Please provide any other materials reviewed by Welland’s Board of Directors regarding its approval of the Application and the underlying budgets.

### **1-SEC-3**

[Ex. 1]

- a. Please provide details of all productivity and efficiency measures Welland has undertaken over the last five years, and any it plans to undertake in the test year and subsequent four years. Please quantify the forecasted savings and explain how they were calculated.

### **2-SEC-4**

[Ex. 2, Appendices 2-AA, 2-AB and 2-BA]

- a. Please update 2-AA and 2-AB showing actuals to date for 2024, and an updated forecast for 2024 and 2025, if required.
- b. If the forecast for either year changes, please update 2-BA.
- c. Please provide actuals for 2022 and 2023, in 2-AA and 2-AB format, to the same date as provided in part a.
- d. Please provide the source for the planned amounts for 2020 to 2024 (e.g. internal budget documents).

### **2-SEC-5**

[Ex. 2, Appendix 2-BA]

- a. Please provide details on what assets were included in the 2023 CWIP Closing Balance of \$132,465 which is forecasted to go into service in 2025.

### **2-SEC-6**

[Ex. 2, Section 2.7]

- a. Please confirm that no funds have been included in Welland's 2025 to 2029 capital forecast related to connecting to the upgraded Crowland Transformer Station, scheduled for completion as part of the Niagara Regional Infrastructure Plan.
- b. If not confirmed, please provide details on which projects and amounts.

### **2-SEC-7**

[Ex. 2, Distribution System Plan (DSP), Appendix 5-A, p. 1 & 5]

- a. How many new general services connections is Welland forecasting for each year 2024 to 2029?
- b. How many actual new general services connections has Welland installed to date in 2024?
- c. How many new connections for subdivisions is Welland forecasting for each year 2024 to 2029?
- d. How many actual new connections for subdivisions has Welland installed to date in 2024?

## **2-SEC-8**

[Ex. 2, DSP, Appendix 5-D, Appendix 2-AA]

- a. The Customer Engagement Survey states that Welland requires \$20.7 million of investment to meet its objectives from 2025 through 2029. Appendix 2-AA shows total CapEx for 2025 to 2029 to be \$22.9M. Is this increase solely a response to the survey results or for another reason? Please explain.
- b. Please provide details on what specifically was changed as a result of the survey, including dollar amounts and # of assets.

## **2-SEC-9**

[Ex. 2, DSP, Appendices 5-A and 5-D] The Customer Engagement Survey states that ‘Approximately \$7.3M of investment is planned to rebuild sections of the overhead system. This includes the replacement of approximately 550 poles, 120 transformers, and 24km of deficient conductor.’

- a. Please confirm which programs are included in the \$7.3M investment.
- b. Please provide the number of poles replaced each year between 2017 and 2023 and forecasted for 2025 to 2029, by program.

## **2-SEC-10**

[Ex. 2, DSP, Appendices 5-A and 5-D] The Customer Engagement Survey states that ‘Approximately \$5.1M of investment is planned to rebuild sections of the underground system. This includes the replacement of approximately 4km of deficient cable, 60 transformers, and 5 switching cubicles.’

- a. Please confirm which programs are included in the \$5.1M investment.
- b. In the Material Investment Report for Rear-lot conversion, Project 3 is classified as underground, yet page 22 of Appendix 5-A shows 0 meters of underground cable to be replaced. Please explain.
- c. Please allocate the total dollars for the Rear-lot conversion program between the three projects.

## **2-SEC-11**

[Ex. 2, DSP, Table 5.4-15 and Appendices 5-A and 5-I]

- a. Table 1 on page 50 of the Material Investment Reports shows seven vehicles scheduled to be replaced in the forecast period, including 3-LV (light duty vehicles), 2-HV (heavy duty vehicles) and 2-T (trailers). Table 3 on page 51 shows 5 light duty vehicles, 1 heavy duty vehicle, 1 trailer and 1 other. Table 5.4-15 shows 10 vehicles to be replaced during 2025-2029 period. Please reconcile these three tables.
- b. Please explain why Welland is proposing to replace two bucket trucks which are listed as being in fair condition.
- c. Please breakout the forecasted \$529k for Fleet in 2025 between the 2 vehicles scheduled for replacement.
- d. What is the status of ordering the two vehicles scheduled for 2025?

**2-SEC-12**

[Ex. 2, Appendix 2-AA]

- a. Please explain the increase in spending on tools in 2025.

**2-SEC-13**

[Ex. 2, DSP, Table 5.2-16]

- a. Please break down the outages caused by defective equipment by type of asset.

**3-SEC-14**

[Ex. 3, Tables 3-8, 3-10 and 3-16]

- a. Please provide actual year-to-date numbers for 2024.
- b. Please rerun the load forecast using these most recent year-to-date numbers.

**3-SEC-15**

[Ex. 3, Table 3-3]

- a. Please explain the drop in GS > 50 kW customers from 166 to 161 in 2020 and 161 to 140 in 2021.
- b. Based on the statement quoted above (1-SEC-2b) from the Business Plan with reference to GS > 50 kW customer #s, what does Welland believe would be a less conservative forecast of customer numbers for that class?

**4-SEC- 16**

[Ex. 4, p. 8 and Appendices 2-JA, 2-JC, and 2-K]

- a. Please update Appendices 2-JA, 2-JC and 2-K for 2024 actuals to date and provide actuals for the same date in 2022 and 2023.
- b. Please provide the internal budgets for OM&A for 2018 to 2024.

**4-SEC- 17**

[Ex. 4, p. 20]

- a. What would be the implications be, both financially and for reliability, of moving from a three-year tree trimming cycle to four years?

**4-SEC- 18**

[Ex. 4, Table 4-38 and Appendix 2-M]

- a. Does Table 4-38 include one-time regulatory costs as shown in Appendix 2-M?
- b. If so, please breakout Table 4-38 into one-time regulatory costs and on-going costs.
- c. If so, please explain why expenditures associated with the 2025 COS filing are included in 2024 in Table 4-38 when they are amortized across the rate term in Appendix 2-M.

- d. If not, please explain the large increase in Regulatory Costs in 2024.
- e. Please adjust Total OM&A if required for 2024 and 2025.

**4-SEC- 19**

[Ex. 4, p. 29 and 63 and Appendix 2-K] Welland notes as of 2024, 1.4 of its FTEs are allocated to cover EPLC's system control requirements.

- a. In Appendix 2-K Welland shows deductions in 2024 and 2025 for Control Room Billings Wages & Benefits. Please confirm that this represents the 1.4 FTEs allocated to Essex.
- b. Please explain how Welland has accounted for the revenue received from Essex, i.e. is it included in Other Revenue? If so, in which account is it included?

**4-SEC- 20**

[Ex. 4, Table 4-60]

- a. Please explain the decrease in revenue for services provided by Welland to the affiliate, as shown in Table 4-60, from the previous test year to 2025.

**4-SEC-21**

[Ex. 4, p. 19 & 67, Table 4-47 and Appendix 2-K]

- a. Welland states that migration to third party billing services occurred in August of 2023 and resulted in a reduction of 1.5 FTEs. Please reconcile this to the variance explanation for 2023 provided on page 67.
- b. Welland expects to add 3 FTEs in 2025. What assumptions has Welland made regarding start dates for each of the positions in determining wages and benefits to be included in 2025?
- c. Please provide details on Welland's vacancy rate for each year between 2017 and 2024.
- d. What vacancy rate has Welland assumed for 2025?

**4-SEC-22**

[Ex. 4, p. 19]

- a. Please provide the number of locates performed and forecast for each year 2017 to 2025.
- b. Please provide the budget amount in 2025 for locates.

**5-SEC-23**

[Ex. 5, p. 11 and Appendices 2-OA and 2-OB]

- a. Has Welland received an updated quote for the debt rate for the new \$2.5M debt which is to be secured January 1, 2025? If so, please provide.

**5-SEC-24**

[Ex. 5, p. 12]

- a. Welland states that the cause of the increase in ROE in 2023 is primarily related to stronger than normal growth and that this was anomalous. Please explain what Welland means by this statement, especially with respect to its load forecast.

**6-SEC-25**

[Ex. 6, p. 17]

- a. Please break down the reduction between reduced interest rates and reduced expansion deposits.
- b. Please explain why Welland expects the amount of its expansion deposits to decrease.

**6-SEC-26**

[Ex. 6, Appendix 2-H]

- a. For account 4405, please explain the forecasted reduction in Interest and Dividend Income in 2025.

**8-SEC-27**

[Ex. 8, p. 11]

- a. Please explain why Welland is proposing reducing the MicroFIT charge from \$11.00 to \$4.55.
- b. How many MicroFIT customers does Welland have?

**9-SEC-28**

[Ex. 9, p. 26]

- a. Please explain why Welland is not disposing of the balance in Account 1508 - OPEB Actuarial Gains or Losses Deferral Account.

**9-SEC-29**

[Ex. 9, p. 14]

- a. Please explain why Welland is requesting recovery of the balance in Account 1508 – Other Regulatory Assets – OEB Cost Assessment, when the amount is below Welland’s materiality limit.

**9-SEC-30**

[Ex. 9, p. 13]

- a. Does Welland intend to make use of the OEB’s generic cloud computing variance account?
- b. If so, please provide the baseline included in OM&A.

Respectfully, submitted on behalf of the School Energy Coalition on November 1, 2024.

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Consultant for the School Energy Coalition