

REQUESTOR NAME	VECC
INFORMATION REQUEST ROUND:	# 1
TO:	Lakefront Utilities Inc.
DATE:	December 2, 2024
CASE NO:	EB-2024-0038
APPLICATION NAME	2025 IRM Application – ICM

VECC-1

Ref: Manager's Summary p. 47

The evidence states "At the time the 2022-2026 Distribution System Plan (DSP) was developed and presented during the 2022 Cost of Service (COS) proceeding, Lakefront Utilities Inc. (LUI) did not anticipate needing the Victoria Street Transformer Station within the five-year Incentive Regulation Mechanism (IRM) period, and thus did not claim an Advanced Capital Module (ACM). The necessity to construct and commission the station by the end of 2023 became apparent later due to emerging technical management challenges and significant system concerns that escalated the urgency of this investment.

- a) Please provide the date the need to construct the station became apparent and provide more details on the initial driver(s) that drove this need.
- b) Please provide internal correspondence regarding final approval of the project.
- c) Please provide the scope of the project including the equipment to be installed.

VECC-2

Ref: EB-2021-0039 Exhibit 2 Appendix B DSP p. 71

At page 71, the DSP states "Steady load growth in Cobourg and Cramahe is expected in the forecast period. This results in the system load capacity approaching the maximum allowance and requires additional capacity to accommodate future connections. The station capacity study is attached as Appendix A.

Please provide a copy of Appendix A.

VECC-3

Ref: Manager's Summary p. 49

Please provide Table 7 on the basis of actuals for 2022 and 2023 and current budgeted amounts for 2024 to 2026.

VECC-4

Ref: Manager's Summary p. 49

In the same format as Appendix 2-AA, please provide project details for the years 2022 to 2025.

VECC-5

Ref: Manager's Summary p. 49

The evidence states "The business case for this project is filed as Appendix A." Appendix A contains the Current Tariff sheets.

Please provide the referenced Appendix A for the ICM project.

VECC-6

Ref: Manager's Summary p. 50

- a) Please provide a detailed breakdown of actual costs for the 27.6 kVA Victoria Street Substation for each of the years 2022 and 2023.
- b) Please provide the start date of the project.
- c) Please compare the costs in part (a) to the approved budget for the project.
- d) Please compare the costs in part (a) to LUI's recent projects of similar scope.
- e) Please discuss, based on the approved project budget and the cost of recent projects of similar scope, why LUI believes the final costs for the 27.6 kVA Victoria Street Substation were prudently incurred.

VECC-7

Ref: Manager's Summary p. 51

LUI's 2023 regulatory ROE was calculated to be 4.27%, 4.39 basis points below a deemed ROE for LUI of 8.66%.

Please provide the ROE for 2024 and the forecast for 2025.

VECC-8

Ref: Manager's Summary p. 51

Prior to the construction of the MS28-3 Substation, Lakefront identified a need for additional capacity in Cobourg to meet existing and future demand growth in the East area of Cobourg; at the time primarily supplied by the existing Brook Road substation. Lakefront determined that a new substation was required to accommodate demand growth and reduce load at its two (2) existing 27.6 kV substations (MS28-1 and MS28-2). The construction for a new substation (MS28-3) was completed and energized in December of 2023.

- a) Please provide a list of LUI's existing substations in Cobourg at the end of 2021 (prior to the need for MS28-3) and include the feeder #, voltage, number of customers, capacity, and available feeder capacity by feeder.

- b) Please provide the same information as part (a) at the end of 2023, after the construction of MS28-3.
- c) Please provide a map which shows the location of each substation in Coburg.

VECC-9

Ref: Manager's Summary p. 54

With respect to Project Justification, LUI refers to Growing Capacity Requirements and the residential and commercial developments in LUI's service area that have significantly increased the demand for electricity. The new substation adds necessary capacity to manage this growth efficiently.

- a) Please provide a summary of LUI's latest residential and commercial development forecasts including the associated load by year by substation.
- b) Please demonstrate how the new substation adds necessary capacity to manage this forecasted growth compared to the status quo.

VECC-10

Ref: Manager's Summary p. 54

With respect to Project Justification, LUI indicates the substation improves the overall reliability of the electrical system by reducing the load on existing substations and providing backup options in case of equipment failure or maintenance.

- a) Please provide the reduced load on each existing substation.
- b) Please provide the number of outages and customer minutes of interruption for the MS28-1 and MS28-2 substations for each of the years 2020-2024.

VECC-11

Ref: Manager's Summary p. 54

With respect to Project Justification, LUI indicates the substation introduces redundancy, which is crucial for maintaining continuous power supply during unforeseen outages or planned maintenance activities.

Please explain further how the substation provides additional redundancy on the system compared to the status quo.

VECC-12

Ref: Manager's Summary p. 54

With respect to Project Justification, LUI indicates the substation provides the necessary capacity for completing the 4.16 kV to 27.6 kV voltage conversion program in Cobourg.

Please explain further how the substation contributes to the completion of the 4.16 kV to 27.6 kV voltage conversion program in Cobourg compared to the status quo.

VECC-13

Ref: Manager's Summary p. 54

The evidence states "Lakefront deliberated on invoking cost-sharing with residential developers, as directed in the Distribution System Code (DSC), to mitigate the financial impact on our existing customers. However, we are persuaded that recent events, including the Ontario government's intervention in overturning an OEB directive regarding Enbridge's economic evaluation for rural expansion, may override this requirement. Hence, in this application, we are proposing full recovery of the substation costs from our entire customer base. We seek OEB guidance and direction on this matter to ensure compliance and equitable cost distribution."

- a) Please provide the capital contributions and impact on the ICM request if LUI had invoked cost-sharing with the residential developers as per the DSC.
- b) Please explain further how the Ontario government's intervention in overturning an OEB directive regarding Enbridge's economic evaluation for rural expansion, may override this requirement.

VECC-14

Ref: Manager's Summary p. 60

Please provide the bill impacts for the typical customer, resulting from the ICM approvals sought in this proceeding.