Greater Sudbury Hydro Inc

Interrogatory Submission

January 28, 2025

Vulnerable Energy Consumers Coalition

EB-2024-0026

Building Connections for Life
Établir des liens pour la vie

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1-VECC-1 Oracle Poll Customer Satisfaction Survey

Question:

Reference: Exhibit 1, Tab 5, Schedule 1, Attachment 1

a) What was the cost of the Oraclepoll Customer Satisfaction Survey?
b) What, if any changes were made to GSHI's operations or capital budgets in response the Survey? What were the costs of these changes?

Response:

a) The cost of the 2023 Oraclepoll Customer Satisfaction Survey was $9,000.

b) GSHi has worked with independent contractor OraclePoll for several years to conduct customer satisfaction surveys. The results of these surveys, taken across a broad spectrum of the service territory including both residential and commercial customers, are disseminated to understand customer preferences as it pertains to the capital expenditure program. GSHi's DSP was developed in part by considering the aspirations of our customers communicated to GSHi through these consultations. In each of the surveys conducted since 2013, customers were also asked to provide feedback on the trade-off they expect with respect to outages and rates. **Overwhelmingly, survey respondents have indicated that they prefer a balance between outages and rates.**

Subsequent consultations specific to the formulation of the DSP in 2024 further reinforced GSHi's understanding of customer expectations in relation to the identification, selection, and prioritization/pacing of prospective investments.

For purposes of capital asset management planning, the three tables below demonstrate valuable information which has assisted in the development of prospective *System Renewal* investments contemplated in GSHi's DSP. The question(s) asked of customers were as follows with the results in tabular form:

"I am going to ask your opinion on the issue of balancing the price you pay for maintenance and renewal of your local electricity infrastructure with the security of your electricity service delivery or "keeping the lights on". Please respond on a scale from one having the lowest rates possible with regular outages to five having the highest rates possible with no outages – 3 would be a balance between rates and outages."

RATES VERSUS OUTAGES TRADE OFF	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1-lowest rates – regular outages	2%	4%	4%	3%	2%	1%	2%	4%	5%	6%	6%
2-low rates – occasional outages	15%	3%	8%	7%	5%	6%	10%	11%	12%	15%	12%
3-neutral – a balance between rates and outages	44%	55%	47%	54%	59%	61%	58%	62%	65%	67%	69%
4-high rates – only a few outages	15%	13%	11%	12%	11%	13%	12%	8%	7%	5%	6%
5-highest rates – no outages	3%	5%	6%	5%	8%	7%	4%	6%	5%	3%	2%
Don't know	22%	21%	24%	19%	15%	12%	14%	9%	6%	4%	5%

Rates vs Outages – Residential Customers

On the 'Residential' side, there is a continued increase and clear upward trend in the percentage of customers that want "a balance between rates and outages" at 69%, +2% higher compared to 2022.

Eighteen percent of customers are now willing to tolerate some form of outages compared to a lower 21% in 2022. This includes 12% that

answered, “low rates with occasional outages” and 6% the “lowest rates and regular outages”.

Only 8% prefer “higher rates with only a few outages”, which is the same as 2022, but is noticeably trending downward historically.

RATES VERSUS OUTAGES TRADE OFF	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1-lowest rates – regular outages	3%	4%	3%	3%	1%	1%	1%	2%	3%	4%	2%
2-low rates – occasional outages	6%	3%	5%	4%	2%	1%	1%	17%	11%	16%	14%
3-neutral – a balance between rates and outages	57%	58%	65%	69%	79%	75%	82%	76%	83%	78%	77%
4-high rates – only a few outages	12%	18%	14%	9%	7%	9%	8%	2%	1%	1%	1%
5-highest rates – no outages	9%	3%	2%	1%	2%	3%	2%	1%	1%	1%	1%
Don’t know	13%	14%	11%	14%	9%	11%	6%	2%	1%	-	5%

Rates vs Outages – Commercial Customers

On the ‘Commercial’ side, most (77%) customers still want “a balance between rates and outages”. There was a -4% decrease over 2022 to 16% in the number of customers that want either “low rates with occasional outages” (14%) or the “lowest rates with regular outages” (2%). There was no change in the percentage of customers willing to accept “high rates for a few outages”, or the “highest rates and no outages”.

Prior to the commencement of the questionnaire, respondents were presented with a historical overview of Greater Sudbury Hydro. They were then shown three of the major cost components of the monthly bill and then information about Greater Sudbury Hydro’s Distribution System Plan or DSP. This described how the utility will manage and invest in all

facets of the distribution system over the 5-year period from 2025-2029, from repairing, replacing, and upgrading parts of the existing system, to building out the system to connect new customers.

"Please rate each priority, on a scale of 1 (Low Priority) to 5 (High Priority), in ensuring that Greater Sudbury Hydro continues to be a Responsible, Responsive and Reliable distributor of electricity."

	1-Low	2	3	4	5-High	Unsure	MEAN
Q1a. Maintaining and upgrading our distribution infrastructure	1%	2%	10%	25%	58%	4%	4.4
Q1b. Ensuring continued reliability of our service	2%	1%	4%	15%	78%	1%	4.7
Q1c. Being prepared for green energy initiatives, renewable energy	6%	7%	25%	25%	36%	2%	3.8
Q1d. Controlling distribution costs and limiting rate increases	1%	2%	8%	13%	75%	1%	4.6
Q1e. Being prepared for Electrification and Energy Transition)	3%	6%	23%	28%	34%	6%	3.9

DSP Importance Indicators

It is clear from these survey results that customers consistently continue to want to see "a balance between rates and outages", which supports the deployment of a paced distribution asset renewal strategy. Undertaking such a strategy is further supported by the data which shows that customers have a strong opinion that "ensuring continued reliability of our service" is a top priority. With these results, a goal of the GSHi capital expenditure plan is to leverage its' asset management plan to ensure spending levels, particularly in the *System Renewal* expense category, are appropriately smoothed, or "levelized", to respect customer expectations with respect to efficiently balancing the risk of unplanned outages with costs.

In the first draft of the 2024 DSP, prospective capital investments to address the OEB's four key investment areas (*System Access*, *System Renewal*, *System Service* & *General Plant*) were proposed to be about 16%, or $65M, higher as compared to the prior five years plan ($56.2M). The proposed level of investment in the 2024 DSP is now lower than our initial budget estimates, which responds to customer priorities for keeping distribution-related costs as low as possible while maintaining overall system reliability. As such, the overall prospective level of investment in the next five years (2025-2029) was decreased by approximately 9% from the first proposal of $65M to $60M and now represents an approximate 7% increase as compared to GSHi's 2020-2024 Planned Capital Expenditures.

On the operational side, the 2023 OraclePoll Customer Satisfaction survey contained a question for both Residential and Customers customers:

"Using a scale from one to very poor to five very good, please rate the performance of Greater Sudbury Hydro in each of the following areas."

The results are shown in the two tables below:

PERFORMANCE AREAS – TOTAL GOOD RESPONSES	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Q3. The reliability of electricity supply	83%	92%	90%	88%	89%	82%	85%	88%	86%	87%	86%
Q4. Prompt responses to electricity outages when they occur	72%	82%	81%	84%	86%	80%	78%	80%	82%	79%	81%
Q5. Effectively scheduling planned electricity outages	57%	54%	66%	64%	70%	68%	65%	63%	67%	63%	66%
Q6. Effectively communicating with customers about planned electricity interruptions in your area	55%	56%	68%	66%	63%	61%	60%	54%	60%	57%	62%

Residential Customers

PERFORMANCE AREAS – TOTAL GOOD RESPONSES	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Q3. The reliability of electricity supply	90%	87%	89%	86%	92%	91%	93%	90%	92%	89%
Q4. Prompt responses to electricity outages when they occur	73%	70%	72%	80%	82%	81%	86%	85%	87%	84%
Q5. Effectively scheduling planned electricity outages	59%	55%	41%	58%	53%	55%	51%	54%	52%	56%
Q6. Effectively communicating with customers about planned electricity interruptions in your area	53%	50%	40%	49%	45%	46%	47%	51%	49%	54%

Commercial Customers

The tables above illustrate customer satisfaction results related to "effectively communicating with customers about planned electricity interruptions in your area" for both Residential and Commercial customers. For Residential customers, satisfaction peaked at 68% in 2015 and dipped to its lowest point at 55% in 2020. On the Commercial side, satisfaction reached its highest at 54% in 2023, while the lowest was recorded at 40% in 2016.

To enhance these results, GSHi is committed to building on our current communication efforts—which include posting outage updates on our social media platforms (Facebook and X), updating outage sections on the GSHi and Greater Sudbury Utilities (GSU) websites, emailing city councillors and media, sending direct letters to affected parties, and utilizing our IVR system (when applicable). In addition to these ongoing measures, GSHi will focus on five key initiatives to improve our communication and customer satisfaction moving forward:

1. **Community-based Bulletins**: For outages impacting entire communities, we will increase outreach by posting physical bulletins at strategic locations and community centers within affected areas.
2. **Expanded Social Media Engagement**: We will extend our social media presence by using our growing Greater Sudbury Utilities Instagram page to share timely outage information.
3. **Automated Outage Alerts**: Over the next few years, we plan to implement an automated outage management system, enabling us to send real-time text message alerts to customers about upcoming outages.
4. **Two-Way Coordination with Partners**: We recognize the importance of closer collaboration with partners like Hydro One to ensure timely communication about planned outage dates. By addressing current gaps, we aim to provide customers with earlier and more accurate notifications.
5. **Website Redesign**: In 2025, we will redesign our websites to improve their overall usability and accessibility, focusing on making the planned outage section more intuitive and visible, so customers can quickly find the information they need.

These initiatives reflect GSHi's ongoing commitment to enhancing customer communication and service quality and will be implemented without materially impacting OM&A expenses.

1-VECC-2 Updated OEB Scorecard with 2024 Data

Question:

Reference: Exhibit 1, Tab 6, Attachment 1

a) Please update the OEB Scorecard to include 2024 results.

Response:

GSHi provides the following summary for information that is currently available. Data that is not currently available is also not expected to be available prior to the end of this proceeding. Please note that the First Contact Resolution has been provided based on data to the end of November 2024.

Performance Outcomes	Performance Categories	Measures		2019	2020	2021	2022	2023	2024
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time		99.38%	99.63%	98.95%	99.49%	99.30%	99.49%
		Scheduled Appointments Met On Time		99.78%	100.00%	100.00%	100.00%	99.81%	100.00%
		Telephone Calls Answered On Time		71.26%	67.38%	64.22%	71.07%	71.16%	69.24%
	Customer Satisfaction	First Contact Resolution		82.69%	87.60%	87.86%	84.86%	93.00%	99.44%
		Billing Accuracy		99.93%	99.95%	99.97%	99.94%	99.95%	99.95%
		Customer Satisfaction Survey Results		91.00%	89.00%	93.60%	94.60%	92.83%	94.33%
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness		83.00%	83.00%	85.00%	85.00%	89.00%	89.00%
		Level of Compliance with Ontario Regulation 22/04		C	C	C	C	C	N/A
		Serious Electrical Incident Index Number of General Public Incidents		0	0	0	0	0	N/A
		Serious Electrical Incident Index Rate per 10, 100, 1000 km of line		0	0	0	0	0	N/A
	System Reliability	Average Number of Hours that Power to a Customer isInterrupted		1.89	1.48	1.11	1.15	1.49	0.94
		Average Number of Times that Power to a Customer isInterrupted		1.03	0.99	1.16	1.62	1.49	1.04
	Asset Management	Distribution System Plan Implementation Progress		84.72%	110.00%	90.44%	74.86%	79.31%	113%
	Cost Control	Efficiency Assessment		3	3	3	3	3	N/A
		Total Cost per Customer		$ 679	$ 670	$ 679	$ 721	$ 805	N/A
		Total Cost per Km of Line		$ 31,938	$ 31,590	$ 31,877	$ 13,572	$ 15,170	N/A
Public Policy Responsiveness Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial	Connection of Renewable Generation	New Micro-embedded Generation Facilities Connected On Time		100%	100%	100%	100%	100%	100%
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)		1.48	1.13	1.3	1.33	1.27	N/A
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio		1.76	1.22	1.19	1.13	1.09	N/A
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	8.98%	8.52%	8.52%	8.52%	8.52%	N/A
			Achieved	8.62%	2.04%	9.62%	10.52%	8.24%	N/A

1-VECC-3 Phone Stats - Live Agent

Question:

Reference: Exhibit 1, Tab 6, Schedule 1

a) What are the ten most frequent reasons for live agent phone interactions/transactions? Please provide a list, in the order of frequency and, if available, the number of such transactions in each of the years 2020 through 2024.

b) What are the most common complaints of customers registered either through on-line or agent calls?

Response:

a) Please refer to the tables below for the ten most frequent reasons for live agent interactions for each year from 2020 to 2024.

The number of transactions by call code specific to live agent phone interactions/transactions, is not currently tracked by GSHi in its CIS. GSHi currently uses call codes in the CIS to track any type of activity on a customer's account. GSHi is actively working to improve call codes to be more specific to the type of interaction/transaction completed on the customer's account. However, the current data does not accurately reflect the actual number of phone interactions/transactions, as certain codes, such as GENINF (General Information), are also used for logging notes, which skews the call count.

2020 – Reasons for Live Agent Calls		
Rank	Call Code	Call Description
1	GENINF	GENERAL INFO
2	MOVEIN	MOVE IN
3	MOVOUT	MOVE OUT
4	BUDGTB	BUDGET - BOTH
5	ACTIQB	ACCT-BILL INQ - BOTH
6	ACTIQE	ACCT-BILL INQ - ELECTRIC
7	BUDGTE	BUDGET - ELECTRIC
8	COLLE	COLLECTIONS - ELECTRIC
9	DRAFTE	BANK DRAFTING - ELECTRIC
10	WEBB	WEB SELF SERVICE - BOTH

2021 – Reasons for Live Agent Calls		
Rank	Call Code	Call Description
1	ACTIQE	ACCT-BILL INQ - ELECTRIC
2	ACTIQB	ACCT-BILL INQ - BOTH
3	MOVEIN	MOVE IN
4	MOVOUT	MOVE OUT
5	GENINF	GENERAL INFO
6	COLLE	COLLECTIONS - ELECTRIC
7	WEBB	WEB SELF SERVICE - BOTH
8	WEBE	WEB SELF SERVICE - ELECTRIC
9	COLLB	COLLECTIONS - BOTH
10	OWN B	OWNER - BOTH

2022 – Reasons for Live Agent Calls		
Rank	Call Code	Call Description
1	GENINF	GENERAL INFO
2	MOVEIN	MOVE IN
3	BILFUP	BILLING FOLLOW UP
4	ACTIQE	ACCT-BILL INQ - ELECTRIC
5	ACTIQB	ACCT-BILL INQ - BOTH
6	MOVOUT	MOVE OUT
7	COLLE	COLLECTIONS - ELECTRIC
8	COLLB	COLLECTIONS - BOTH
9	BUDGTB	BUDGET - BOTH
10	DRAFTE	BANK DRAFTING - ELECTRIC

2023 – Reasons for Live Agent Calls		
Rank	Call Code	Call Description
1	ACTIQE	ACCT-BILL INQ - ELECTRIC
2	ACTIQB	ACCT-BILL INQ - BOTH
3	MOVEIN	MOVE IN
4	GENINF	GENERAL INFO
5	MOVOUT	MOVE OUT
6	COLLE	COLLECTIONS - ELECTRIC
7	COLLB	COLLECTIONS - BOTH
8	OWN E	OWNER - ELECTRIC
9	BUDGTB	BUDGET - BOTH
10	OWN B	OWNER - BOTH

2024 – Reasons for Live Agent Calls		
Rank	Call Code	Call Description
1	ACTIQE	ACCT-BILL INQ - ELECTRIC
2	ACTIQB	ACCT-BILL INQ - BOTH
3	MOVEIN	MOVE IN
4	GENINF	GENERAL INFO
5	MOVOUT	MOVE OUT
6	COLLE	COLLECTIONS - ELECTRIC
7	COLLB	COLLECTIONS - BOTH
8	OWN E	OWNER - ELECTRIC
9	BUDGTB	BUDGET - BOTH
10	OWN B	OWNER - BOTH

b) GSHi does not have specific data available for this question. However, based on conversations with Customer Service Representatives, the top customer complaints are:

a. Rates are too high;
b. Bill layout is confusing;
c. Not able to set up Pre-authorized payments with a credit card

2-VECC-4 Updated Appendix 2-AA and 2-AB with 2024 Data

Question:

Reference: Exhibit 2, Appendix 2-AA and 2-AB

a) Please update Appendix 2-AA and 2-AB for 2024 actual results

Response:

Response to this interrogatory requires 2024 figures. The response will be filed by February 4, 2025.

2-VECC-5 Increase In Deferred Revenue Collection in 2023 and 2024

Question:

Reference: Exhibit 2, Tab 2, Schedule 1, page 3

Table 2 – Changes in Net Fixed Assets

Item	2020	2021	2022	2023	2024	2025	Total
Fixed Assets Additions	11,674,371	12,003,205	8,176,439	9,215,824	13,795,192	12,521,798	67,386,827
Deferred Revenue Collection	- 1,207,312	- 1,119,716	- 1,098,918	- 1,978,744	- 2,091,467	- 1,187,250	- 8,683,407
Net Impact of Disposals	- 598,444	- 549,349	- 720,442	- 524,457	- 524,457	- 520,319	- 3,437,469
Major Spare Parts and Standby Equipment	-	-	- 1,050,512	-	742,552	-	- 307,960
Fixed Asset Depreciation	- 4,831,609	- 5,166,305	- 5,228,893	- 5,340,698	- 5,637,221	- 5,842,563	- 32,047,290
Deferred Revenue Depreciation	198,110	226,391	259,063	289,648	327,171	368,155	1,668,538
Economic Evaluation Adjustment	-	-	-	- 10,398	360,151	-	349,753
Total Change in Net Fixed Assets	**5,235,115**	**5,394,226**	**336,736**	**1,651,173**	**6,971,921**	**5,339,821**	**24,928,993**

a) What accounts for the significant increase in Deferred Revenue Collection in 2023 and 2024?

Response:

a) In 2023, the increase in deferred revenue collection was driven by $775,007 related to subdivision work, which included $402,000 from a project that was considered work-in-progress ("WIP") in 2022 and brought into capital in 2023. Additionally, the increase was driven by $119,164 in deferred revenue collection relating to "Plant Damage".

In 2024, the projected increase in deferred revenue collection is driven by $489,038 related to subdivision work, $28,487 relating to "Plant Damage" and $1,274,7321 relating to "Commercial" connections. Two particularly large connections projected for 2024 included Pioneer Manor at $327,000 and the Kelly Lake Sewage Treatment Plant at $246,000.

2-VECC-6 Current Status of Martilla Substation

Question:

Reference: Exhibit 2, Tab 1, Schedule 1, page 2

a) Please provide the current status of Martilla substation, including its in-service date and final costs.

b) Please provide the current status of the Brenda Feeder Cable Replacement project.

c) Please provide the current status of the MS8 OS Distribution work.

Response:

a) Marttila MS8 substation was energized and in-service on December 19, 2024. Projected year-end costs for this substation work are $3,571,143.

b) This project is in progress and is expected to be completed by Summer of 2025.

c) This work was completed December 2, 2024.

2-VECC-7 Incremental Decrease in OM&A

Question:

Reference: Exhibit 2, Tab 9, Schedule 1, Attachment 1 DSP, page 16

"*O&M costs are inversely correlated with declining asset condition; therefore, GSHI anticipates a reduction in future O&M costs as these low- HI assets are replaced proactively through a paced System Renewal portfolio of investments***."**

a) What is the annual anticipated incremental decrease in OM&A associated with the more aggressive replacement of assets in declining condition? Please explain how this estimate is calculated.

Response:

It is not possible to quantitatively determine the impact of capital investments on future O&M expenditures. However, qualitatively, *System Renewal* investments in particular are generally expected to result in a decrease in future O&M expenditure, at a rate lower than it would otherwise trend, because paced, continuous replacement of older-vintage assets with new assets will help to reduce upward pressure on O&M expenditures as there will be fewer equipment failures and reduced expenditures as it relates to unplanned emergency repairs.

2-VECC-8 Updated Historical Outage Cause Code Table

Question:

Reference: Exhibit 2, Tab 9, Schedule 1, Attachment 1 DSP, page 71

a) Please update Table 18 (Historical Outage Cause Code Data) to include 2024 results.

Response:

Table 18 has been updated (below) to include 2024 results:

OEB CODE	Description	2019		2020		2021		2022		2023		2024	
		SAIDI	SAIFI	SAIDI	SAIFI	SAIDI	SAIFI	SAIDI	SAIFI	SAIDI	SAIFI	SAIDI	SAIFI
0	Unknown/Other	0.01	0.01	0.08	0.04	0.05	0.14	0.05	0.08	0.07	0.14	0.03	0.06
1	Scheduled Outage	0.45	0.12	0.24	0.09	0.50	0.14	0.16	0.06	0.29	0.13	0.41	0.18
2	Loss of Supply	0.51	0.11	0.23	0.06	0.78	0.60	0.19	0.20	0.15	0.24	0.47	0.27
3	Tree Contacts	0.03	0.01	0.01	0.01	0.03	0.04	0.02	0.08	0.04	0.08	0.01	0.11
4	Lightning	0.00	0.01	0.02	0.12	0.00	0.00	0.10	0.03	0.00	0.00	0.02	0.03
5	Defective Equipment	0.96	0.50	1.00	0.59	0.23	0.48	0.36	0.67	0.76	0.83	0.07	0.21
6	Adverse Weather	0.09	0.14	0.00	0.02	0.11	0.12	0.23	0.20	0.01	0.01	0.12	0.17
7	Adverse Environment	0.00	0.00	0.01	0.00	0.01	0.06	0.01	0.02	0.02	0.01	0.00	0.00
8	Human Element	0.11	0.04	0.02	0.05	0.01	0.08	0.13	0.35	0.00	0.00	0.01	0.02
9	Foreign Interference	0.25	0.21	0.10	0.07	0.15	0.12	0.10	0.13	0.29	0.29	0.25	0.27
10	Major Event	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Historical (2019-2024) Outage Cause Data

2-VECC-9 Scheduled Outage Targets and 2025 Estimates

Question:

Reference: Exhibit 2, Tab 9, Schedule 1, Attachment 1 DSP, pages 74/78

"*A cause code within GSHI's control that has significantly impacted the various outage indices is known as a 'Scheduled' outage. Though it accounts for a modest outage frequency of 7% (over the historical period), it is responsible for 18% of the outage minutes experienced by the average customer*."

a) Does GSHI set expected or target times for scheduled outages for each project (or project type)? If not please explain why this is not it practice and how it measures the efficiency (limits) scheduled outage duration.

b) Please provide the forecast number of scheduled outages in 2025 associated with the 2025 DSP plan. Please also provide the number of customer-hours associated with these scheduled outages.

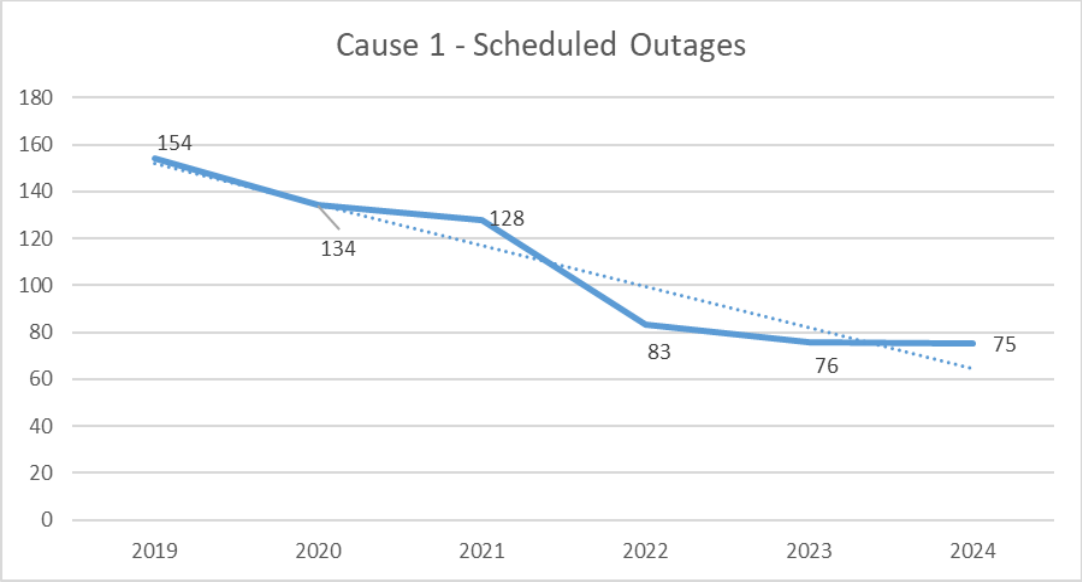
Response:

a) As no two projects or outages are the same, GSHi does not set expected or target times for scheduled outages for construction projects. Scheduled outages are required to safely perform work in the field, and setting rigid outage targets at the outset of a project could pressure crews to take unnecessary risks to complete the work, thus increasing the potential for accidents or injuries. Additionally, factors such as project complexity, project location, time of day, resource availability, and required work practices vary significantly between projects, thus making standardized targets impractical.

Although GSHi does not set outage targets for construction work, when it is determined that a customer interruption is required as part of the job

plan on a construction project, a maximum outage duration is determined by staff and communicated to customers prior to the start of work. GSHi strives to keep outages to a minimum to reduce the impact on its customers. Outages are considered successful if the required work is completed safely and within the timeframes communicated to customers.

b) Between 2019 and 2024, GSHi experienced an average of approximately 108 occurrences of "Cause 1 – Scheduled Outages." These outages were primarily driven by the voltage conversion work being carried out across the City of Greater Sudbury. With the completion of this project, the expectation is that the trend for "Cause 1 – Scheduled Outages," which currently shows a downward slope, will stabilize moving forward. For 2025, the anticipated number of "Cause 1" outages is projected to decrease to between 75 and 85 occurrences.



While the anticipated reduction in the number of Cause 1 outages for 2025 is reasonably supported by historical data, estimating the associated customer-hours for these outages remains uncertain. For instance,

although there were more Cause 1 outages in 2022 (83) than in 2024 (75), the customer-hours impacted by these outages differed significantly (7,535 customer-hours in 2022 compared to 20,139 customer-hours in 2024).

The increase in the number of "Scheduled" outages, relative to other cause codes, can be attributed to two key factors: enhanced safety protocols for worker protection and the nature of the work being conducted. The Occupational Health & Safety Act mandates that employers take all reasonable measures to ensure worker safety, and the Infrastructure Health & Safety Association's "ZeroQuest" initiative aims for zero Lost-Time Injuries (LTI) in the sector. GSHi has fully embraced both these principles, fostering a culture that prioritizes thorough Hazard Analysis and Job Planning, including the proper scheduling of outages.

As a result, until hazard analyses and job plans are completed for any upcoming construction work, it remains challenging to accurately estimate the customer-hours of interruption due to forecasted Cause 1 outages in 2025.

2-VECC-10 Updated Flagged for Action Table with 2024 Data

Question:

Reference: Exhibit 2, Tab 9, Schedule 1, Attachment 1 DSP, page 192 EB-2019-0037, Exhibit 2 Tab 2, Schedule 1, Attachment 1, DSP page 128(PDF pg. 199)

a) Please Update Table 55 (Flagged for Action Plan) to include 2024 and to include a summation of the five years result for each category. Please provide an estimate of the cost attributable to each category's summed variation in units achieved.

Response:

Response to this interrogatory requires 2024 figures. The response will be filed by February 4, 2025.

2-VECC-11 AACE Cost Class Estimate for MS-18, MS-19 and MS-31

Question:

Reference: Exhibit 2, Tab 9, Schedule 1, Attachment 1 DSP, Material Projects

a) For each of the listed projects please provide the AACE (or equivalent) cost class estimate (please show he variation for that class):

i. MS-18 Moonlight Station

ii. MS-19 – Dash Station

iii. MS-31 Upper Coniston Rebuild/New

Response:

a)

i. Please see Attachment 1 (Tab 3, Interrogatory 11, Attachment 1) and Attachment 2 (Tab 3, Interrogatory 11, Attachment 2) of this interrogatory response. Attachment 1 covers the cost estimate, Attachment 2 details the class and its accuracy variation.

ii. GSHi does not have a detailed estimate for this project at this time. However, GSHi incurred costs in both 2023 and 2024 due to the unplanned failure of the 19T1 power transformer. In early 2024, GSHi decided to rewind and refurbish the 19T1. The costs projected for 2025 include payment milestones for the 19T1 renewal and expenses. The estimated cost to replace the 19T2 is $1,798,945, which includes an expected payment milestone of $495,053 in 2026 with the remaining balance of $1,303,893 expected to occur in 2028 upon GSHi taking delivery of the replacement unit and installing it at substation Dash MS19. Based on its experience with the 19T1 transformer, GSHi anticipates that

the costs for ordering a new power transformer to replace the existing 19T2 unit in 2026 will be comparable to those incurred during the refurbishment of the 19T1. While no costs are expected for 2027, the estimated costs for 2028 will cover the remaining transformer payment milestones and installation expenses upon delivery of the new unit.

iii. Please see Attachment 3 (Tab 3, Interrogatory 11, Attachment 3) to this interrogatory response.

Attachment 1 (of 3):

2-VECC-11 Attachment 1: Costello Estimates from ACA

Lakeside Power Consulting Inc.

Greater Sudbury Hydro - 44 kV 10/13.3 MVA Substation Concept Budget
S.Costello August 2024

Greater Sudbury Hydro - 44 kV 0/13.3 MVA Substation Concept Budget

Design	Outdoor 44 kV Padmounted Switchgear, Underground Construction 15kV Padmounted Switchgear, Padmounted Reclosers and Isolating Switches Underground 15 kV Risers x 4
Voltage	44 - 12.47/7.2 kV
Installed Capacity	10/13.3 MVA
Switchgear Type	Padmount
Main Breaker	none
Feeder Breakers	Medium Voltage Arc Resistant Switchgear/E-house
Schedule	Budget only

	Component	Cost Detail	Summary	
1)	**Property Costs**			
	1.1) Sale price	$ -		
	1.2) Legal and Surveying costs			
			$	-
2)	**Engineering & Design**			
	2.1) Preliminary engineering	$ 70,000		
	2.2) Environmental Screening	$ 5,000		
	2.3) Geotechnical Investigation	$ 35,000		
	2.4) Grounding	$ 50,000		
	2.5) Detailed engineering & Design	$ 160,000		
	2.6) Site Meetings	.		
	2.7) Site Supervision & Project Management	$ 30,000		
	2.8) Protection Study	$ 15,000		
			$	365,000
3)	**Major equipment**			
	3.1) Power Transformer 10/13.3 MVA w/ LTC	$ 1,200,000		
	3.2) 15 kV Switchgear	$ 1,300,000		
	3.3) 44 kV PM Switches/Fuses	$ 300,000		
	3.4) E-House	$ 850,000		
	3.5) Station Service	$ 7,500		
	3.67) 44 kV Cables/Terminators est. 120m	$ 42,000		
	3.7) 15 kV 500 MCM Cables/Terminators est. 750m	$ 262,500		
	3.8) Solid Blade Riser Switches (9)	$ 15,000		
	3.9) Scada/P&C Integration	$ 75,000		
			$	4,052,000
4)	**Civil Construction**			
	4.1) Construction Power	$ 15,000		
	4.2) Clearing, Grubbing, Grading, compacting, fill	$ 90,000		
	4.3) Road entrance/paving	$ 75,000		
	4.4) Oil Containment	$ 125,000		
	4.5) Duct Banks	$ 350,000		
	4.6) Concrete Foundations	$ 350,000		
	4.7) Fence & Stone	$ 150,000		
			$	1,155,000
5)	**Electrical**			
	5.1) Grounding	$ 50,000		
	5.2) 44 kV Dip Pole	$ 4,000		
	5.3) 4.16 kV Riser Poles	$ 10,000		
	5.4) Installation of Transformer	$ 25,000		
	5.5) Installation of Switchgear/E-House	$ 35,000		
	5.6) Power & Control Cabling	$ 15,000		
	5.7) Station Service Panel	$ 6,000		
	5.8) Commissioning	$ 35,000		
			$	180,000
6)	**Miscellaneous**			
	6.1) Mobilization, Bonding, Insurance	$ 80,000		
	6.2) Fees & Permits	$ 20,000		
			$	55,000
7)	**GSH Staff Costs**			
	7.1) Lines	$ 20,000		
	7.2) Stations	$ 50,000		
	7.3) Engineering	$ 15,000		
			$	85,000
	Total		$	5,892,000
	Contingency 10%		$	589,200
	Budget Total		$	6,481,200

Attachment 2 (of 3):

2-VECC-11 Attachment 2: Costello Further Budget Details

4 Budgets

The cost of station components, civil development, and station construction contractors has sharply escalated post-pandemic. Equipment deliveries have also been hampered by unusually high demand. Contractors are having challenges in attracting and retaining qualified staff. All of these factors are increasing the cost and timelines for building new or replacing existing substations.

The following are budgetary costs for new green-field station projects and for major station components. These budgets are based on a Class D accuracy of -30/+50% accuracy, and based on conceptual/high-level estimates only.

Details of these budget costs are found in Appendix C.

4.1 Greenfield 44-12.47 kV 7.5/10 MVA Station with Three Feeders:

Project Timeline:	24-30 months
Project Cost:	$5.5 Million CAD

4.2 Greenfield 44-12.47 kV 10/13.3 MVA Station with Three Feeders:

Project Timeline:	24-30 months
Project Cost:	$6.5 Million CAD

4.3 Replacement Transformer 7.5/10 MVA *

Timeline:	12-24 months
Cost:	$650-900K DETC
	$800 – 1100K LTC

4.4 Replacement Transformer 10/13.3 MVA *

Timeline:	12-24 months
Cost:	$900 – 1200K DETC
	$1100 – 1400K LTC

4.5 15 kV Medium Voltage Air Insulated Air Resistant Switchgear

Timeline:	52-78 weeks
Cost:	$150k per cell

4.6 15 kV Medium Voltage Gas Insulated Air Resistant Switchgear

Timeline:	52-78 weeks
Cost:	$120k per cell

4.7 46 kV Outdoor Padmount Fuse/Switch Combination:

Timeline:	80-96 weeks
Cost:	$350k

4.8 15 kV Outdoor Padmount Switchgear (6 bays) :

Timeline:	80-96 weeks
Cost:	$375k

4.9 15 kV Three Phase Recloser w/ SEL 651R Controller

Timeline:	30-52 weeks
Cost:	$55k padmount
	$45k pole top

4.10 SEL RTAC / Integration with Station SEL Relays

Timeline:	8-12 weeks
Cost:	$65k

Attachment 3 (of 3):

2-VECC-11 Attachment 3: Coniston MS31 Estimate

Greater Sudbury Utilities

Prepared by: K. England

Coniston Substation - conceptual estimate

Coniston MS31 Details

Voltage	44 - 4.16/2.4 - GSHI to investigate dual voltage secondary
Capacity	5/6.67MVA MVA ONAN/ONAF +-5%
Switchgear Type	Outdoor, tower style
44kV Main Breaker/Switch	S&C Electric 46kV LBS with Fuses
15kV Switchgear	Tower mounted reclosers
Feeder Breakers	15 kV 800A Breakers
Feeder Egress	3 overhead 15 kV Risers

Item	Cost Detail	Summary	Notes
Engineering & Design			
1.1) Preliminary Design	$ 45,000		
1.2) Geotechnical investigation	$ 15,000		Geotechnical
Construction Geotechnical	$ 22,272		
1.3) Public input session	$ 2,500		
1.4) Project Management	$ 42,000		Project oversight & includes Onsite Owners Engineer for Const.
1.5) Typical Grounding Design	$ 25,000		Includes Neutral Driving Point Impedance test
1.6) Detailed engineering & Design	$ 165,000		External Engineering
1.7) Protection Study and Final Commissioning	$ 15,000		
		$ 331,772	
Civil Construction			
2.1) Construction Power	$ 9,500		
2.2) Clearing, Grubbing, Grading, compacting, fill	$ 42,000		No Allocation for rock removal, blasting or drilling.
Granular Backfill	$ 50,200		Assumes no contaminated soils, Assumes 3m excavation
soil disposal	$ 35,000		
2.3) Site access and controls	$ 15,000		
2.4) Oil Containment	$ 125,000		
2.5) Duct Banks	$ -		
	$ -		
2.6) Concrete Foundations	$ 425,000		
2.7) TX Fire Wall	$ -		
2.8) Fence, Yard Stone and Landscaping	$ 125,000		
		$ 826,700	
Major equipment			
3.1) Power Transformer 5/6.67 MVA DETC (x1)	$ 850,000		CSA Standard
3.2) 44kV Switchgear	$ 165,000		
3.3) 15 kV tower mount Reclosers (x3)	$ 210,000		
3.4) 44/15kV TOWER	$ 426,000		Prefabricated building to house Switchgear, SCADA and equip.
3.5) Control building	$ 65,000		
3.6) Station Service / Street Service +Low Voltage	$ 12,500		
3.9)Overhead Egress	$ 68,000		
		$ 1,796,500	
Electrical			
4.1) Grounding	$ 72,053		
4.2) 44 kV Ingress Pole x1	$ 4,200		
4.3) 15 kV Egress Poles x3	$ 10,845		
4.4) Installation of Transformer	$ 12,500		
4.5) Installation of Tower and switch	$ 29,550		
4.6) Power & Control Cabling. Building LV work	$ 3,500		
4.7) Station Service work	$ 8,000		
4.8) 44 kV Conductor/Terminators est. 90m	$ 11,600		
4.9) 15 kV 336 acsr conductor /Terminators est. 360m	$ 76,600		
4.8) Electrical Commissioning	$ 35,000		
		$ 263,848	
Miscellaneous			
5.1) Mobilization, Bonding, Insurance	$ 18,200		
5.2) Construction support	$ 4,600		trailers, washrooms, ect.
5.2) Fees & Permits	$ 16,600		
		$ 39,400	
SCADA & Protection and Control			
6.1) Communications and Fiber	$ 22,500		SCADA Equipment supplied and installed by GSHI
6.2) SCADA Equipment and RTU	$ 22,550		
6.3) Commissioning	$ 15,000		
		$ 60,050	
Sub-Total		$ 3,318,270	
Contingency 10%		$ 3,650,097	
Total		**$ 3,650,097**	

Assumptions

Assumed Average hourly wage with burdens $90.00
Assumed Construction 2 person crew with truck - $225
Budget is conceptual class D, -30/+50
Equipment values are based on previous projects and budgetary estimates from vendors

2-VECC-12 ICM's for Major Projects Over the Rate Plan

Question:

Reference: Exhibit 2, Tab 9, Schedule 1, Attachment 1 DSP, Material Projects

a) Is GSHI contemplating any ICMs for any major project work over the term of this rate plan (e.g. Upper Coniston or MS-19)

Response:

No, GSHi is not contemplating any ICMs for any major project work over the term of this rate plan.

3-VECC-13 IESO Reports Used to Determine Historic CDM Savings

Question:

Reference: Exhibit 3, Tab 1, Schedule 1, Attachment 1, page 1 Load Forecast Model, CDM Tab

Preamble: The Application states:

"*To isolate the impact of CDM, persisting CDM as measured by the IESO is added back to rate class consumption to simulate the rate class consumption had there been no CDM program delivery*."

"*CDM data beyond 2018 is based on limited data in the IESO Participant and Cost Report*."

a) Please provide the IESO reports used to determine the historic CDM savings from CDM programs implemented in 2014-2020.

Response:

The following reports (in excel version) have been filed with this interrogatory submission:

"GSHI_IRR_2011-2014_Persistence_Report_Greater_Sudbury_Hydro_Inc..xlsx", "GSHI_IRR_2017_Final_Verified_Annual_Program_Results_Greater_Sudbury_Hydro.xlsx", and "GSHI_IRR_Participation_and_Cost_Report_April_2019.xlsx".

3-VECC-14 COVID Variables Determined for Each Customer Class

Question:

Reference: Exhibit 3, Tab 1, Schedule 1, Attachment 1, page 3

Preamble: The Application states:

"*Each of the COVID variables were tested for each of the Residential, General Service <50 kW, and General Service > 50 kW rate classes. The COVID_WFH variable was used for the Residential rate class. The COVID_AM variable was used for the General Service< 50 kW and General Service > 50 kW rate classes*."

a) What was the basis for determining which COVID variable (if any) would be used for each customer class?

Response:

a) Each of the COVID variables was tested for each rate class. The variable that is used is based on the t-ratio of the variable(s) and the adjusted R-squared of the regression when the variable is used. The following table summarizes the statistical results for Residential, GS<50 kW, and GS>50 kW. Higher values (higher absolute values for t-ratios) indicates better statistical results. In each case the variable with higher values is used.

		COVID HDD/CDD	COVID_AM	COVID_WFH
Residential	t-ratio	2.15 & 3.24	3.45	**5.25**
	Adj. R^2	0.971	0.971	**0.973**
GS < 50 kW	t-ratio	-2.04 & -0.07	**-5.96**	-3.89
	Adj. R^2	0.949	**0.959**	0.953
GS > 50 kW	t-ratio	-2.69 & -0.56	**-3.22**	-2.51
	Adj. R^2	0.960	**0.962**	0.960

3-VECC-15 Residential Energy Use

Question:

Reference: Exhibit 3, Tab 1, Schedule 1, Attachment 1, pages 7-8

Preamble: With respect to the Residential class, the Application states: "Several other variables were examined and found to not show a statistically significant relationship to energy usage, or a weaker relationship than similar variables that are included. Those included customer counts, employment, GDP, and other calendar variables".

a) Please confirm that each of the following variables were found to not show a statistically significant relationship to Residential energy usage: i) customer counts, ii) employment, and iii) GDP. If not confirmed, why were they excluded from the regression model?
b) For the Residential class model was a time trend variable tested? If yes, why was it not included? If not, please provide the results when a time trend variable is also included.

Response:

a) Customer counts and GDP are not significant at the 10% confidence interval. Employment is significant at the 10% confidence interval, but not at the 5% level (p-value 8.43%). Though it is not necessarily inappropriate to include variables with this level of significance in certain circumstances, Elenchus assessed that the statistical results of the Employment were not sufficiently significant to include in the model. GSHi's Residential rate class is a large rate class (over 40,000 customers) so higher degrees of statistical significance can be expected. All other variables included in the

Residential model, except the constant due to the inclusion of the number of days in the month variable, are significant at the 0.0005% level.

b) The time trend variable was tested and found not to be statistically significant. The statistical results of this model are provided below.

Model 1: Prais-Winsten, using observations 2014:01-2023:12 (T = 120)
Dependent variable: Res_NoCDM
rho = 0.256829

	coefficient	std. error	t-ratio	p-value
Const	-2,346,454	3,251,129	-0.72	0.4719
HDD12	25,174	553	45.53	0.0000
CDD18	50,331	7,176	7.01	0.0000
MonthDays	885,588	107,435	8.24	0.0000
COVID_WFH	1,789,391	495,654	3.61	0.0005
Shoulder	-1,223,802	244,699	-5.00	0.0000
Trend	5,423	4,783	**1.13**	**0.2593**

Statistics based on the rho-differenced data

Sum squared resid	1.303E+14	S.E. of regression	1,073,844
R-squared	0.9744	Adjusted R-squared	0.9730
F(6, 113)	521.66	P-value(F)	0.0000
Rho	-0.0083	Durbin-Watson	1.9201

Statistics based on the original data

Mean dependent var	32,541,463	S.D. dependent var	6,534,450

3-VECC-16 Regression Models and Statistics for 2024 & 2025

Question:

Reference: Exhibit 3, Tab 1, Schedule 1, Attachment 1, pages 12-15

Preamble: The. Application states (page 13):

"*A time trend variable equal to 1 in January 2014 and increasing by 1 in each subsequent month was used and found to be statistically significant*."

a) Please provide the regression model, resulting regression statistics and GS>50 forecast for 2024 and 2025 using all of the proposed independent variables but excluding the time trend variable.

Response:

a) The statistical results and GS>50 kW forecast figures for 2024 and 2025 without the time trend variable are provided below. Note that when the time trend is removed, the OEAGDP variable becomes negative and is no longer statistically significant and should not be used. The load forecast with this scenario is provided with this interrogatory submission as "GSHI_IRR_3-VECC-16_2025_Load_Forecast_ No_Trend.xlsx".

Model 2: Prais-Winsten, using observations 2014:01-2023:12 (T = 120)
Dependent variable: GS_gt_50_NoCDM
rho = 0.589834

	coefficient	std. error	t-ratio	p-value
const	3,484,344	2,448,933	1.42	0.158
HDD10	11,762	398	29.59	0.000
CDD16	22,090	2,188	10.10	0.000
MonthDays	855,731	50,341	17.00	0.000
COVID_AM	-3,480,779	495,128	(7.03)	0.000
OEAGDP	-3	3	(1.25)	0.213
Fall	438,403	174,831	2.51	0.014

Statistics based on the rho-differenced data

Sum squared resid	4.11E+13	S.E. of regression	602,874
R-squared	0.9590	Adjusted R-squared	0.9569
F(6, 113)	360.22	P-value(F)	0.0000
rho	-0.0504	Durbin-Watson	2.0823

Statistics based on the original data

Mean dependent var	30,145,327	S.D. dependent var	2,894,905

1

2

		kWh	kW	Customers / Connections
2024	**GS > 50**	336,600,428	829,576	441
2025	**GS > 50**	336,701,917	834,901	435

3

3-VECC-17 Recent Economic Forecasts and Updated Load Forecast

Question:

Reference: Exhibit 3, Tab 1, Schedule 1, Attachment 1, page 16

Preamble: The Application states:

"*GDP and employment forecasts are based on the mean forecasts of four major Canadian banks TD, BMO, Scotiabank, RBC as of September 2024*."

a) Are there more recent economic forecasts available from any of the referenced major Canadian banks? If yes, please update Table 16 and the overall load forecast.

Response:

a) Yes. An updated Table 16 is provided below and the updated figures have been incorporated in the updated load forecast filed with interrogatories.

Report Date	TD 16-Dec-24	BMO 17-Jan-25	Scotia 12-Dec-24	RBC 12-Dec-24	Average
FTE (Employment growth % YoY)					
2023		2.4%	2.4%	2.4%	2.40%
2024	1.6%	1.6%	1.5%	1.5%	1.55%
2025	1.3%	1.9%	1.0%	1.1%	1.33%
GDP (Real GDP % YoY)					
2023		1.7%	1.7%	1.7%	1.70%
2024	1.3%	1.4%	1.2%	0.7%	1.15%
2025	1.5%	2.1%	2.0%	1.2%	1.70%

Please see the Excel document uploaded titled "GSHI_IRR_2025_Load_Forecast_20250128.xlsx" for the updated load forecast.

3-VECC-18 2024 Load Forecast Actuals

Question:

Reference: Exhibit 3, Tab 1, Schedule 1, Attachment 1 Load Forecast Model

a) Please provide (in excel format) the actual 2024 monthly customer/connection count for each customer class.

b) Please update the 2025 customer/connection count forecast for each customer class incorporating the available actual 2024 monthly customer counts.

c) Please provide (in excel format) the actual 2024 monthly usage by customer class for those months where the information is available.

d) Please update the models/methods used to forecast each customer class's 2025 usage (kWh and kW where applicable) to incorporate the available 2024 data and provide a revised load forecast for each customer class.

Response:

a) Actual monthly customer/connection counts from January to December 2024 is provided in the first tab of "GSHI_IRR_3-VECC-18.xlsx".

b) The customer/connection count forecast is updated in the revised load forecast filed with interrogatory responses.

c) Actual monthly usage by class from January to November 2024 is provided in the second and third tabs of "GSHI_IRR_3-VECC-18.xlsx". December 2024 usage data is not yet available.

d) The load forecast filed with interrogatory responses has been revised with consumption and demand data to November 2024. The regressions have been rerun and the CDM adjustment has been revised to account for the updated data. Please note that 2021-2023 billed kW data used in the model filed with the initial application inadvertently included billed demands in the months they were billed instead of the month the demand occurred. Billed kW volumes were offset by one month so February 2021 to January 2024 data was entered as January 2021 to December 2023. This correction does not materially impact the forecast. Corrected data is highlighted in the 'Monthly Data' tab of the load forecast filed with interrogatory responses. For the revised load forecast, please see the Excel document uploaded with the name "GSHI_IRR_2025_Load_Forecast_20250128.xlsx".

3-VECC-19 Elenchus Justification for EV Load Allocation

Question:

Reference: Exhibit 3, Tab 1, Schedule 1, Attachment 1, page 33

Preamble: The Application states:

"*The allocation of incremental consumption is estimated based on judgement as GSH does not have these details by rate class*."

a) What information did Elenchus used to inform its judgement as to the allocation of incremental consumption by EV type to each class?

b) It is noted that Elenchus has prepared forecasts of 2025 EV energy use for a number of LDCs filing 2025 COS applications. Were the same allocation percentages used for each of these applications and, if so, why is this appropriate?

Response:

a) Elenchus based the EV load allocations primarily on discussions with GSHi which were informed by previous discussions it had with other LDCs.

b) Elenchus discussed EV load rate class allocations while preparing load forecasts for each LDC it assisted with 2025 COS applications. LDCs have conveyed that they do not have sufficient information to determine the amount of EV charging within each rate class based on historical data so the allocations of forecast EV loads to rate classes is based on judgement. Elenchus provided GSHi with the rate class allocations it used in previous forecasts and it was deemed reasonable for GSHi. Elenchus notes that it is continuing to refine its EV forecasting methodology including allocations to rate classes.

3-VECC-20 Annual HDD Value for Greater Sudbury

Question:

Reference: Exhibit 3, Tab 1, Schedule 1, Attachment 1, pages 33 & 34

Preamble: The Application states:

"*Average kWh per Residential and General Service customer are calculated using the consumption of average Enbridge customers multiplied by m3/kWh conversion factors as per Natural Resources Canada*." (page 33)

"*Residential and GS<50 kW heating loads are forecast for both existing connections and new customers. It is assumed that 0.1% of existing customers will convert from natural gas to electricity heating each year and that 5% of new customers will have electric heating*." (page 34)

a) Has Elenchus undertaken any analysis as to how the annual HDD value for the Greater Sudbury area compares with the annual HDD value implicit in usage of the average Enbridge customer? If yes, please provide the results? If not, why does Elenchus consider the usage of the average Enbridge customer to be appropriate for purposes of preparing GSHI's load forecast?

b) What is the basis for Elenchus' assumptions that: i) 0.1% of existing customers will convert from natural gas to electricity heating each year and ii) 5% of new customers will have electric heating?

Response:

a) No, Elenchus did not undertake an analysis of the HDD value for the Greater Sudbury area compared with the HDD value implicit in the average use of Enbridge customers. The description of "average Enbridge" usage in Exhibit 3 is an error and should be "typical" usage as

per in the OEB's natural gas bill calculator. The "typical" Residential customer uses 2,400 m^3/year, but the average customer uses 2,297 m^3/year (2024 forecast average use per Residential customer - EB-2022-0200, Exhibit I.3.2-EP-45, the first of two attachments labeled Attachment 1, page 19 of 24). There is no defined HDD associated with the typical customer and average consumption per customer relies on separate forecasts for five rate zones. Customers in the North Rate Zone, which includes Sudbury, use less gas per customer, 2,209 m^3/year, than the average for Enbridge as a whole (EB-2022-0200, Exhibit I.3.2-EP-45, the second of two attachments labeled Attachment 1, page 3 of 22). Without specific information of natural gas usage per customer in the Sudbury are, Elenchus views the typical volume of 2,400 m^3/year as a reasonable proxy.

b) GSHi does not have information of the share of customers that will convert to electricity heating or new customers that will have electric heating so these values are based on judgement.

3-VECC-21 Load Forecast and CDM

Question:

Reference: Exhibit 3, Tab 1, Schedule 1, Attachment 1, pages 37-39 Load Forecast Model, CDM Framework Tab

Preamble: The Application states (page 38):

"*Additionally, adjustments have been made to revise down the share of CDM from the Energy Performance, Energy Management, and Industrial Energy Efficiency programs. These programs are targeted to larger customers and these adjustments are made to recognize the share of savings attributable to Large Use class customers, which GSH has none, and transmission-connected customers*."

"*GSH's Energy Affordability Program allocation is based on the number of households in Greater Sudbury, as per the 2016 and 2021 Censuses*."

"*Total CDM savings by program are then allocated to GSH's rate classes in proportion to historic allocations for those programs. The percentages below reflect the typical share by class used in LRAMVA workforms*."

a) For the Energy Performance, Energy Management, and Industrial Energy Efficiency programs, how did Elenchus determine that a 50% reduction was the appropriate adjustment?

b) It is noted that Elenchus has prepared 2025 load forecasts for a number of LDCs filing 2025 COS applications that have included adjustments to the billing determinants for the General Service < 50 kW, and General Service due to the 2021-2024 Conservation and Demand Management framework. For those LDCs that did not have a Large Use class, did Elenchus make a similar adjustment to revise down the share of CDM

from the Energy Performance, Energy Management, and Industrial Energy Efficiency programs? If not, why not?

c) The CDM Framework Tab provides a table setting out GSHI's percentage of total provincial energy use. Please provide similar tables setting out: i) GSHI's residential class energy use as a percentage of total provincial residential energy use; ii) GSHI's GS<50 energy use as a percentage of total provincial GS<50 energy use and iii) GSHI's GS>50/LU energy use as a percentage of total provincial GS>50/LU energy use.

a. With respect to the Energy Affordability Program, was the allocation based on the number of households in Greater Sudbury (per page 38) or the number of low-income households in Greater Sudbury (per the CDM Framework Tab)?

b. Are the class percentages in Table 53 based on GSHI's historic allocation of program savings to classes?

Response:

a) Elenchus does not have information on the share of CDM savings that are attributable to Large Use or transmission-connected customers so a simplified assumption of 50% is used.

b) Elenchus discusses the relative share of CDM within the service area of each LDC for which it prepares a load forecast. GSHi agreed the adjustment to account for Large Use customers and transmission-connected customers was reasonable.

c) The requested tables are provided below.

i. Residential			
	Total	**GSHi**	**Share %**
2019	40,380,447,498	375,118,358	0.929%
2020	40,380,447,498	381,949,546	0.946%
2021	43,245,011,031	374,569,367	0.866%
2022	43,371,552,787	380,769,008	0.878%
2023	43,540,648,596	372,302,364	0.855%
5-Year Average	**42,183,621,482**	**376,941,729**	**0.894%**

i. General Service < 50 kW			
	Total	**GSHi**	**Share %**
2019	13,348,732,845	135,968,289	1.019%
2020	12,530,281,719	128,297,209	1.024%
2021	12,853,976,851	127,942,204	0.995%
2022	13,791,653,391	133,108,084	0.965%
2023	13,740,005,714	136,676,164	0.995%
5-Year Average	**13,252,930,104**	**132,398,390**	**0.999%**

i. General Service >= 50 kW			
	Total	**GSHi**	**Share %**
2019	58,585,531,775	350,908,707	0.599%
2020	55,075,834,655	319,950,237	0.581%
2021	55,432,279,528	317,054,998	0.572%
2022	56,605,824,290	331,557,844	0.586%
2023	56,223,661,518	323,871,928	0.576%
5-Year Average	**56,384,626,353**	**328,668,743**	**0.583%**

a. The allocation was based on the number of low-income households in Greater Sudbury per the CDM Framework tab.

b. Yes. The Small Business program was assumed to be 100% attributable to GS<50 kW and the Energy Performance, Energy Management, and Industrial Energy efficiency were assumed to be 100% attributable to GS>50kW as similar programs in prior

frameworks were typically allocated to those classes in that manner historically. From 2016 to 2019, 26.6% of Retrofit savings were allocated to the GS<50 kW class and 73.4% of Retrofit savings were allocated to the GS>50 kW class.

4-VECC-22 Updated Appendices 2-JA & 2-JC

Question:

Reference: Exhibit 4, Appendix 2-JA & 2-JC

a) Please update Appendices 2-JA and 2-JC (programs) for 2024 actual results.

Response:

Response to this interrogatory requires 2024 figures. The response will be filed by February 4, 2025.

4-VECC-23 Appendix 2-JC Increase from 2023 Actuals to 2025 Forecast

Question:

Reference: Exhibit 4, Tab 3, Schedule 1

a) For each of the following Appendix 2-JC Programs please provide the amount of the increase from 2023 actuals to 2025 forecast attributable to a change in FTEs. Please indicate the FTE increase and if the position is currently filled.
   i. Line 16: Operation Supervision
   ii. Line 17: Station Operations
   iii. Line 18: Miscellaneous Distribution
   iv. Line 19: Load Dispatching

Response:

a) Due to the allocation between Capital and OM&A and general wage increases, an exact FTE calculation is difficult to provide in all situations. However GSHi provides the following:
   i. Operations Supervision: The increase in the labour and burden amounts between 2023 and 2025 is $305,000. In addition to the change in allocation between OM&A and capital and general wage increases, this is partly due to the filling of a Project Coordinator vacancy and partial Distribution Engineer vacancies that existed in 2023. The Project Coordinator was filled in 2024 and the Distribution Engineer is currently vacant.
   ii. Station Operations: The increase in the labour and burden amounts between 2023 and 2025 is $450,000. In addition to the change in allocation between OM&A and capital, this is partly

due to the filling of a partial Substation Crewleader vacancy that existed in 2023 as the Crewleader took on a relief supervisory role that became permanent in late 2024. The Crewleader position is currently vacant awaiting posting.

iii. Miscellaneous Distribution: The increase in thelabour and burden amounts between 2023 and 2025 is $13,000. There is no significant change in FTE complement.

iv. Load Dispatching: The increase in the labour and burden amounts between 2023 and 2025 is $320,000. This is partly due to the filling of one full and two partial vacancies that existed in 2023. The FTE increase for System Operators in this program is 2.1. One System Operator position is currently vacant.

For more information on the current status of vacancies please refer to 4-VECC-29.

4-VECC-24 Bad Debt Expense Estimate for 2025

Question:

Reference: Exhibit 4, Appendix 2-JC

Please explain how the bad debt expense for 2025 was estimated.

Response:

In Appendix 2-JC, the total amount for the "Collections and Bad Debt Expense" caption is $522,345, of which $250,000 pertains to estimated bad debt expense. This estimate is intended to approximate the bad debt expense expected to be incurred by GSHi and was developed based on GSHi's historical experience and judgment.

To provide context for this estimate, GSHi reviewed recent actual write-off results. Over the five-year period from 2020 to 2024, GSHi's average annual actual write-offs amounted to $217,744. At the time of preparing this rate application, GSHi had full data for 2023, during which total write-offs amounted to $439,769. This included $281,601 of typical write-offs and a one-off, less typical write-off of $158,168.

GSHi now has complete write-off data for 2024, which reflects total write-offs of $222,997. The average of the most recent two years (2024 and 2023) is $331,383. When the less typical write-off is excluded, the normalized average for 2023 and 2024 is $252,299. The $250,000 estimate, developed prior to the availability of 2024 data, was reasonable based on the information available at that time. The inclusion of the 2024 data confirms that this estimate remains reasonable and continues to approximate the expected bad debt expense for 2025.

4-VECC-25 Appendix 2-JC Memberships

Question:

Reference: Exhibit 4, Tab 1, Schedule 1, Table 3

a) Under what category of costs in Appendix 2-JC (OM&A programs table) are memberships costs found?

b) Please provide a list of the memberships and provide a breakdown for each for each of the years 2020 through 2025 (forecast).

Response:

Response to this interrogatory requires 2024 figures. The response will be filed by February 4, 2025.

4-VECC-26 Appendix 2-JC Insurance

Question:

Reference: Exhibit 4, Tab 1, Schedule 1, Table 3

a) Under what category of costs in Appendix 2-JC (OM&A programs table) are Insurance costs found?
b) Please provide a breakdown of Insurance costs for each year 2020 through 2025 (forecast) showing those costs paid to MEARIE separately from other insurance costs.
c) Does GSHI or any of its affiliates receive any dividends or financial payments related to their membership in MEARIE? If yes are these reported as income or revenue?
d) Please provide the insurer name and insurance costs for the main office buildings for each year 2020 through 2025.

Response:

Response to this interrogatory requires 2024 figures. The response will be filed by February 4, 2025.

4-VECC-27 Labour Costs and FTEs Attributable to Billing Costs

Question:

Reference: Exhibit 4, Tab 3, Schedule 1, pages 12-

a) Please provide the labour costs and FTEs attributable to the Billing Costs (Appendix 2-JC line 35) for each year 2020 through 2025 (forecast).

b) Please provide the number of FTEs in this category that are currently vacant.

Response:

a) Please see the table below for the FTE count and total labour costs (including payroll burden) for the employees charged to the Billing Costs program.

	FTEs	Labour and Burden
2020 Actual	4.04	436,455.43
2021 Actual	5.09	488,601.59
2022 Actual	4.74	457,833.56
2023 Actual	4.09	413,881.50
2024 (Projection)	4.12	434,636.37
2025 (Budget)	4.43	485,483.34

b) There are currently no vacancies in this program, any temporary or short-term vacancies in this area are backfilled with casual labour to the extent possible. It is worth noting however, that GSHi has budgeted for one additional summer student compared to 2024 to support the billing department and help manage vacation scheduling and allowing the

department to focus on special projects in both billing and customer service.

4-VECC-28 Pensions and OPEB Bearing on DVA's Being Disposed

Question:

Reference: Exhibit 4, Tab 3, pages 17-18

a) Please clarify whether any of the amounts for “Pensions and OPEBs” at line 51 of Appendix 2-JC have a bearing on any of the DVA accounts being sought for disposition. If yes, please clarify how any of the adjustments explained at pages of 17-18 impact those DVA balances.

Response:

a) The amounts referenced at line 51 of Appendix 2-JC, titled "Pensions and OPEBs," specifically relate to the interest cost incurred on an accrual basis attributable to retirees. These amounts do not have any impact on the DVA accounts being sought for disposition. GSHi transitioned to the accrual basis of recovery for OPEBs in 2020, and GSHi’s approved 2020 rates, which were set on an accrual basis, include an amount attributable to this cost.

4-VECC-29 GSHI Job Positions

Question:

Reference: Exhibit 4, Tab 4

a) Are all positions of employment at GSHI subject of a formal job position with description and salary range?

b) Please provide a table comparing 2020 actuals and 2025 FTEs by:

i. job position (describe);

ii. position/classifications salary range (not salary);

iii. whether the position is employed by GSHI or GSHPi;

iv. whether the position is currently filled and if not the expected hire date (by month); and,

v. number of FTEs in a listed position that are provided OPEB life time benefits.

Response:

a) GSHi confirms that all positions of employment are covered by a formal job description. There are no “salary ranges” in that every staff member in a particular classification is paid the same wage once they have successfully completed increments during an initial period of learning after successfully posting to a position. Those increments are dependent on the nature of the position, for instance trades positions will typically follow an apprenticeship format while Office, Clerical and Technical roles will have increments ranging from 80% of full salary to 100%. Again, however, at the end step everyone in the classification is paid the same rate of pay.

b) Please see the table below which addresses points i, iii, iv.

Position	Employed By	Notes	Number of Positions 2020	Position(s) Filled 2020	Number of Positions 2025	Position(s) Filled January 2025	2025 Vacancy Status
President & CEO	GSHPi		1	✔	1	✔	
President & CEO - Executive Assistant	GSHPi		1	✔	1	✔	
Strategic Planning & Execution Officer	GSHPi	Eliminated 2020	1	✔	0		
General Counsel	GSHPi	New in 2024	0		1	✔	
Admin Assistant to General Counsel	GSHPi	New in 2024	0		1	✔	
Innovation Officer	GSHPi		1	✔	1	✔	
Grant Writer	GSHPi	Eliminated in 2023	1	✔	0		
Communication Officer	GSHPi		1	✔	1	✔	
Marketing Assistant	GSHPi		1	✔	1	✔	
HR Manager	GSHPi		1	✔	1	✔	
Human Resources - Administrative Assistant	GSHPi		1	✔	1	✔	
Health & Safety Officer	GSHPi		1	✔	1	✔	
H&S Admin Assistant	GSHPi		1	✔	1	✔	
Data, Integrations & Platform Specialist	GSHPi		1	✔	1	✔	
VP-Corporate Services	GSHPi		1	✔	1	✔	
VP Corporate Services - Admin Assistant	GSHPi		1	✔	1	✔	
Manager - Regulatory & Management System	GSHPi		1	✔	1	✔	
Cost Accounting Clerk	GSHPi		1	✔	1	✔	
Admin Services Clerk	GSHPi		3	✔	3	✔	
Controller	GSHPi		1	✔	1	✔	
Sr Accountant	GSHPi	1 New in 2024	2	✔	3	✔	
Accounting Analyst	GSHPi		1	✔	1	✔	
Accounts Payable Clerk	GSHPi		1	✔	1	✔	
Payroll Clerk	GSHPi		1	✔	1	✔	
Manager Customer Service	GSHPi		1	✔	1	✔	
Supervisor - Customer Service	GSHPi		1	✔	1	✔	
Supervisor - Utility Billing	GSHPi	New in 2021	0		1	✔	
CIS Analyst	GSHPi		1	✔	1	✔	
Customer Service Representative	GSHPi		13	✔	13	✔	
Sr Customer Service Representative	GSHPi		1	✔	1	✔	
Sync Operator	GSHPi		1	✔	1	✔	
Manager IT	GSHPi		1	✔	1	✔	
Sr IT/Application Specialist	GSHPi		1	✔	1	✔	
IT/Application Specialist	GSHPi		3	✔	3	✔	
IT/Service Desk Support	GSHPi	New in 2024	0		1	✔	
Purchasing Agent	GSHPi		1	✔	1	✔	
Storekeeper	GSHPi		1	✔	1	✔	
Purchasing Clerk	GSHPi		1	✔	1	✔	
VP - Engineering & Operations	GSHi		1	✔	1	✔	
VP - Engineering & Operations - Admin Assistant	GSHi		1	✔	1	✔	
Operations Superintendent	GSHi		1	✔	1	✔	
Operations Clerk	GSHi		1	✔	1	✔	
Operations Supervisor	GSHi		4	✔	4	✔	
Garage Subforeman	GSHi		1	✔	1	✔	
Garage Mechanic	GSHi		2	✔	2	✔	
Locator	GSHi		1	✔	1	✔	
Powerline Electrician Crew Leader	GSHi		6	✔	6	1 vacant	Note 1
Powerline Electrician	GSHi		16	✔	16	✔	
Substation Electrician Crewleader	GSHi		2	✔	2	1 vacant	Note 2
Substation Electrician	GSHi		2	✔	2	✔	
Chief Operator	GSHi		1	✔	1	✔	
System Operator	GSHi		4	✔	4	1 vacant	Note 3
Meter Technician Crewleader	GSHi		1	✔	1	✔	
Meter Technician	GSHi		2	✔	2	✔	
Engineering Manager	GSHi		1	✔	1	✔	
Supervisor - Engineering	GSHi		0		1	✔	
Distribution Engineer	GSHi		2	✔	2	1 vacant	Note 4
Energy Supply Coordinator	GSHi		1	✔	1	✔	
Engineering Clerk	GSHi		1	✔	1	✔	
GIS Technician	GSHPi		1	✔	1	✔	
GIS Analyst	GSHPi		1	✔	1	✔	
Sr Project Coordinator	GSHi		1	✔	1	✔	
Project Coordinator	GSHi		4	✔	4	✔	
Construction Services Technician	GSHi		1	✔	1	✔	
Technical Services Supervisor	GSHi		1	1 vacant	1	✔	
SR P&C Technologist	GSHi		1	✔	1	✔	
P&C Technologist	GSHi		2	✔	2	1 vacant	Note 5
Total			**114**		**118**		

Note 1 - **Powerline Crewleader**: This position became vacant when the individual moved into the Health & Safety Officer role. This position is currently posted and is expected to be filled by the end of January.

Note 2 - **Substation Crewleader**: This position became vacant when the incumbent transitioned to a relief supervisory role, which was made permanent in September 2024. Currently, GSHi has one qualified employee on probation in another role, with the probationary period set to be completed in February 2025. If the employee does not return to the stations department following the probationary period, GSHi will proceed with posting this position.

Note 3 - **System Operator**: This position became vacant when the individual in the role moved to the Chief Operator role. This position will be posted once one of the current apprentice operators moves to Operator and GSHi can maintain the appropriate Journeyman to Apprentice ratio.

Note 4 – **Distribution Engineer**: This position became vacant when the individual left GSHi. GSHi has posted this position and has been actively working to fill the vacancy since it became vacant, holding interviews etc, but has had difficulty attracting candidates that meet the requirements of the position. Also worth noting is that currently one of the Distribution Engineer positions is filled with a Project Coordinator for development purposes.

Note 5 - **P&C Technologist**: This position became vacant when the individual left the role in December 2024. This position is currently posted to be filled as soon as a qualified applicant is found.

To determine the 'Position(s) Filled in 2020' column in the table, GSHi has marked a position as 'filled' if it was occupied either at the end of the year or for the majority of the year, without accounting for partial leaves during the year. For certain positions vacancies can be backfilled with casual labor. In these cases, even if the full-time position was vacant, it was still indicated 'filled' if it was backfilled with casual labour.

ii) As noted under part a) GSHi does not have “salary ranges” that it can provide. However, to be helpful, GSHi can provide the following information with respect to its compensation costs.

Using the 2023 MEARIE Management Salary Survey of Local Distribution Companies (the “Survey”), which includes data from 2022, GSHi compared the aggregate 2025 compensation for its 28 non-union staff against the 2022 aggregate compensation for comparable positions within the Study at the median or P50 level, escalated from 2022 to 2025 using the applicable AWE-All Employees-Ontario labour inflation figures from the OEB’s approved 2023, 2024 and 2025 Inflation Parameters. This comparison concludes that GSHi’s aggregated 2025 compensation for those 28 positions is .45% below the median or P50 aggregated compensation in the Survey for a comparable contingent of employees. Furthermore, if one accounts for the fact that a portion of the compensation for GSHi’s non-union staff is allocated to GSHi’s affiliates, the resulting economies of scope reduces GSHi’s compensation cost to 14.4% below the median or P50 compensation level in the Survey.

For GSHi union employees, GSHi can direct the parties to the most recent, publicly filed collective agreement at the following link:

https://ws.lr.labour.gov.on.ca/CA/doc/221-34510-24%20(572-0064)?library=Communications%20and%20Utilities

For GSHPi union employees, the following publicly filed collective agreement applies:

https://ws.lr.labour.gov.on.ca/CA/doc/221-36169-24%20(572-0161)?library=Communications%20and%20Utilities

GSHi notes that the compensation rates included in the most recent agreements were effective to March 31, 2024; the collective agreements that will govern compensation for union employees from April 1, 2024, forward is under active negotiation.

iv) Only employees who were employed prior to April 1, 2004 qualify to have OPEB benefits for life. Currently, GSHi has 10 active employees who will have OPEB life time benefits upon retirement.

4-VECC-30 OEB Annual Assessment Costs

Question:

Reference: Exhibit 4, Tab 4, Schedule 5

a) Please provide the OEB annual Assessment costs for each year 2020 to 2025 (forecast).

Response:

Below please find the OEB annual assessment costs for 2020 – 2025 (projection). Please note this only includes the quarterly invoices for the annual assessment costs and does not include any other cost award invoices.

	Annual Assessment Cost	Decrease / Increase
2020 Actual	200,959	
2021 Actual	194,271	-3.33%
2022 Actual	210,043	8.12%
2023 Actual	232,122	10.51%
2024 Actual	266,745	14.92%
2025 Projection	280,000	4.97%

4-VECC-31 Spent to Date One Time Costs of Application

Question:

Reference: Exhibit 4, Tab 4, Schedule 5

a) Please provide the spent-do-date actual one-time cost of this application as per the categories in Appendix 2-M.

b) Please explain how the incremental operating costs of staff associated with this application were calculated. Specifically identify whether the staff in question are employees of GSHI or GSHPi

Response:

a) GSHi has updated the 2024 costs to date and the anticipated 2025 costs in Appendix 2-M of the Chapter 2 Appendices, as shown in the table below.

	Regulatory Costs (One-Time)	Last Rebasing (2020 OEB Approved)	Last Rebasing (2020 Actual)	Sum Of Historical Years (2021-2023)	2024 Bridge Year	2025 Test Year
		(A)	(B)	(C)	(D)	(E)
1	Expert Witness costs					
2	Legal costs	60,000	45,420		26,861	35,000
3	Consultants' costs	220,000	188,377	70,000	223,549	40,000
4	Intervenor costs	60,000	65,661			75,000
5	OEB Section 30 Costs (application-related)		17,247			20,000
6	Incremental operating expenses associated with staff resources allocated to the application	95,000	212,072		86,586	94,894
7	Travel Costs	15,000				
8	Miscellaneous		11,146		3,865	2,000
	Sub-total - One-time Costs	$ 450,000	$ 539,923	$ 70,000	$ 340,861	$ 266,894

b) The incremental operating costs associated with this application were calculated based on timesheet tracking for the staff involved.

GSHi employees $18,240: Only overtime costs for time spent working on the application are included in the incremental costs.

GSHPi employees $56,125: Similarly, overtime costs based on timesheet tracking are included. Additionally, for GSHPi employees, any time spent on the application that exceeded their normal allocation to GSHi (determined from historical averages) was also included in the total.

GSU company employee $12,221: The incremental costs also include time contributed by one employee from a GSU competitive company, who provided their expertise to the application.

4-VECC-32 GSH Response to KPMG Report Recommendations

Question:

Reference: Exhibit 4, Tab 4, Schedule 2 KPMG Report of Shared Services

a) Please provide GHSI's response to the each of the items shown in the "Summary of Recommendations" at Exhibit 5, page 7 of the KPMG Report.

Response:

a) GSHI reviewed the recommendations of the KPMG report and implemented the following:

Summary of Recommendations and Responses

Leading Practice	Description of Service(s)	Recommendation/Opportunity	Response
1. Completeness	Shared services (IT, accounting, HR, etc.)	Include office lease expense in fully allocated costs; consider adding a profit component.	**Implemented.** GSHi allocates building costs based on space utilization and charges market rent for the space occupied by shared services. While GSHi recognizes revenue from market rent, it absorbs a portion of the costs borne by these departments whose services are in turn allocated to GSHi. GSHPi has not implemented a profit component, as it prioritizes delivering value to GSHi's ratepayers through economies of scope and scale at cost.
	Streetlight maintenance services	Include indirect overhead costs and a return on invested capital in fully allocated costs.	**Implemented in part.** GSHi bills for indirect overhead costs for streetlight maintenance and charges market rent for stores. GSHi recovers amortization costs via vehicle charges but has not implemented a profit component for vehicles.
	Building operation services	Include a return on invested capital in fully allocated costs.	**Implemented.** GSHi charges a market rent rate instead of including a return on invested capital.
	Use of building space	Include GSHP as a recipient of cost allocation; compare market-based and fully allocated cost approaches.	**Implemented.** GSHP has always been a recipient of cost allocation for building space. The analysis in VECC-33 confirms that the current approach of charging market rent benefits GSHi.

	Maintenance and garage services	Include indirect overhead costs and a return on invested capital; consider adding a profit component.	**Not implemented.** The administrative complexity of implementing this recommendation outweighs the benefits, and the amounts are immaterial. Affiliates no longer use GSHi-owned vehicles. GSHi offers maintenance and garage services to affiliates, charging an hourly rate for vehicle usage.
	Use of space at various GSHI facilities	Include Agilis and @Home as recipients of cost allocation; compare market-based and fully allocated cost approaches.	**Implemented or addressed.** GSHi charges market rent to @Home. The minimal space Agilis uses is offset by its contributions, and the potential revenue is considered immaterial.
	Telecommunications services	Evaluate the appropriateness of current discounted rates compared to market prices and arm's-length discounts.	**Evaluated.** Agilis continues to provide telecommunication services at a discounted cost, recognizing its value to GSHi ratepayers and the Greater Sudbury community. Agilis does not intend to increase the rates charged to GSHi to market prices.
2. Transparency	Transparency of cost allocation model	Improve visibility of source data, cost drivers, and calculation details; centralize data in a single file.	**Implemented.** GSHi has enhanced its cost allocation processes, developed a tool for centralizing driver determinations, and provided additional granularity in affiliate allocations.
3. Accuracy and Reliability	Cost allocation model	Establish materiality thresholds for budget vs. actual reviews; implement true-up or true-down adjustments as needed.	**Implemented.** GSHi has implemented processes for calculating and adjusting drivers at calendar year-end, allowing for true-up or true-down adjustments as required.
4. Sustainability and Practicality	Cost allocation model	Develop documentation explaining data sources, assumptions, and methodology.	**In progress.** GSHi is working to improve documentation explaining the cost allocation model, including data sources, key assumptions, and methodology.

5. Auditability	Cost allocation model	Improve documentation of allocation model and maintain supporting data for calculations and rates.	**In progress.** GSHi is improving its documentation to enhance the auditability of this key process.

1

4-VECC-33 KPMG Report Recommendations Implemented

Question:

Reference: Exhibit 4, Tab 4, Schedule 2 KPMG Report of Shared Services

"*Based on section 2.3.4.2 of the ARC, in the case where the service provider is the LDC, the fully allocated cost shall include a return on the LDC's invested capital. To be fully compliant with section 2.3.4.2 of the ARC, KPMG recommends GSU Management consider applying a profit component (that is no less than GSHI's approved weighted average cost of capital) to GSHI's relevant assets used in its provision of these services services and incorporating this amount into the calculation of GSHI's fully allocated costs to perform streetlight maintenance services.* (pg. 66)

As stated by GSU management, the fee for building operation services charged by GSHI to its affiliates is intended to recover GSHI's incurred costs.

Based on section 2.3.4.2 of the ARC, in the case where the service provider is the LDC, the fully allocated cost shall include a return on the LDC's invested capital. To be fully compliant with section 2.3.4.2 of the ARC, KPMG recommends GSU Management consider applying a profit component (that is no less than GSHI's approved weighted average cost of capital) to GSHI's relevant assets used in its provision of these services and incorporating this amount into the calculation of GSHI's fully allocated costs to provide building operation services." (pg. 69)

As stated by GSU management, the fee for building operation services charged by GSHI to its affiliates is intended to recover GSHI's incurred costs.

Based on section 2.3.4.2 of the ARC, in the case where the service provider is the LDC, the fully allocated cost shall include a return on the LDC's invested capital. To be fully compliant with section 2.3.4.2 of the ARC, KPMG recommends GSU Management consider applying a profit component (that is no less than GSHI's approved weighted average cost of capital) to GSHI's relevant

assets used in its provision of these services and incorporating this amount into the calculation of GSHI's fully allocated costs to provide building operation services. (pg. 73)

KPMG recommends that GSHI determine its total direct and indirect costs for the facilities occupied by Agilis and @Home based on the definition provided for full-allocated cost in section 1.2 of the ARC. These costs could include, for example, property taxes, light and heat, yard maintenance, snow removal, building maintenance, insurance, and facility depreciation of GSHI owned building structures housing Agilis and @Home equipment or inventory."(pg. 75)"

a) Has GHSI implemented he above noted recommendations? If not please explain why not and the estimated cost or benefit of not doing so. If yes please provide the 2025 estimated cost or benefit.

Response:

a) GSHI engages a third-party property management company to oversee the operations, repairs, and maintenance of the building. All costs associated with the building are directly accounted for within its designated cost center, resulting in no indirect costs being allocated. Rather than applying the Weighted Average Cost of Capital (WACC) to the building asset for its affiliate tenants, GSHI has opted to charge rent at market rates consistent with those in the Greater Sudbury area. Tenants are responsible for paying rent and their proportionate share of operational expenses based on the square footage they occupy.

An analysis comparing a fully cost-allocated method, including a return on assets, to GSHi's current method of operating costs plus market rent is presented below. The analysis concludes that GSHi achieves higher recovery under its current method.

1

2

3 **Table 1 – Fully Allocated Cost Method vs. Cost Plus Market Rent**

2025		Fully allocated cost method	Actual charges allocated to Affiliates	
Total costs to operate GSHi facility		$ 950,541	$ 950,541	
% of building occupied by affiliates		19.28%	19.28%	
Total operating costs charged to affiliates		$ 183,264	$ 183,304	a
Expected NBV of building at end of 2024	$ 5,791,689			
WACC	6.29%			
	$ 364,297			
% of cost of capital associated with affiliate occupancy	19.28%			
WACC to be included in cost allocation	$ 70,237	$ 70,237	$ -	b
Market rent		-	$ 441,782	c
Total amount charged to affiliates		$ 253,501	$ 625,086	a + b + c
		alternate method	current method	

4

5-VECC-34 Appendix 2-OA With 2025 Cost of Capital Parameters

Question:

Reference: Exhibit 5,

a) Please Appendix 2-OA using the OEB's updated 2025 Cost of Capital Parameters issued on October 3, 2024.
b) Please provide the adjustment to revenue requirement resulting from this change.

Response:

Response to this interrogatory requires 2024 figures. The response will be filed by February 4, 2025.

5-VECC-35 Long Term Debt - 6M

Question:

Reference: Exhibit 5, Tab 2, Schedule 1, page 3

"*Although the October 11 assumption did not come to fruition, GSHi's board of directors approved the debt draw on October 28, and GSHi anticipates completing the draw subsequent to the filing of this rate application. At the time of preparing this application, the debt arrangement had not been finalized but is expected to be completed shortly afterward. GSHi commits to updating Appendix 2-OB and the calculation of its long-term debt cost rate during the interrogatories once the terms of this debt arrangement are finalized and confirmed*."

a) Please clarify if the above reference refers to the debt shown in Appendix 2-OA on line 6 and described as "TC-Long-term Debt Oct 2024 ($6.0M) 11-Oct-24." If yes, please clarify if the amount listed has been attained. If not please update as contemplated in the above reference.

Response:

a) GSHi confirms that the above reference refers to the debt listed in Appendix 2-OB, line 6 under both the 2024 and 2025 sections, described as "TD Long-term Debt Oct 2024 ($6.0M) 11-Oct-24." GSHi also confirms that the debt amount of $6,000,000 has been attained.

The debt arrangement commenced on November 4, 2024. It was structured as a swap agreement, under which GSHi pays an all-in fixed interest rate of 3.992%. The swap term is 5 years, with an amortization period of 25 years.

5-VECC-36 Long Term Debt Calculation

Question:

Reference: Exhibit 5,

a) Please confirm (or correct) that the weighed cost of long-term debt shown in 2-OA calculated the cost of "notional debt" (i.e. the difference between the principle of $63,108,779 and the capital structure long-term debt amount of $71,237,881) as the weighted cost of the actual debt (i.e., 4.21%).

b) Please calculated the weighted cost of debt by using the lowest cost of actual debt (i.e. 1.98%) as the cost of the "notional debt". Please provide the adjustment to revenue requirement resulting from this change (and using the updated Board issued cost of capital parameters as requested above).

Response:

Response to this interrogatory requires 2024 figures. The response will be filed by February 4, 2025.

6-VECC-37 Appendix 2-H Associated Expenses for Revenue Source

Question:

Reference: Chapter 2 Appendices, Appendix 2-H Exhibit 6, Tab 4, Schedule 1, page 2

a) For each of the revenue sources set out in Table 1 (page 2), please identify the associated expenses (if any) for each year and indicate in what USOA account these expenses are recorded.

Response:

Response to this interrogatory requires 2024 figures. The response will be filed by February 4, 2025.

6-VECC-38 Updated Appendix 2-H

Question:

Reference: Chapter 2 Appendices, Appendix 2-H

a) Please update Appendix 2-H to include 2024 actuals. If actual 2024 values are not available for the entire year, please show the year-to-date actual values for 2024 and the comparable values for 2023.
b) Please confirm that, for 2025, USOA #4405 includes $45,000 in interest revenue related to deferral and variance accounts.
c) With respect to USOA #4360, please explain the basis for the $520,319 loss projected for 2025.
d) With respect to USOA #4355, please explain why there are no gains forecast for 2024 or 2025.
e) With respect to USOA #4310, please explain why there is no value forecast for 2025.

Response:

Response to this interrogatory requires 2024 figures. The response will be filed by February 4, 2025.

6-VECC-39 Appendix 2-H Pole Rental

Question:

Reference: Chapter 2 Appendices, Appendix 2-H Exhibit 6, Tab 4, Schedule 1, page 5

Preamble: The Application states:

"*In addition, GSHi reported the variance related to changes in pole rental revenues under account 4310, rather than account 4210, as per the OEB's guidance issued on December 16, 2021. This correction has been reflected in Appendix 2-H (Other Revenue) within Exhibit 6, Tab 4, Schedule 1, Attachment 1, and is consistently applied in the tables throughout this exhibit*."

a) Please provide a schedule that set out the calculation of the pole rental revenue for each year from 2020 to 2025.

b) Please provide a schedule that indicates how much of this revenue is reported in USOA #4210 and 4310 for each of the years 2020 to 2025.

Response:

a) Please see the table below for the calculation of the pole rental revenue for each year from 2020 to 2025. Please note prior year adjustments primarily relate to change in pole counts following year end accruals.

Year	# of Full Poles	Rate	# of Service Poles	Rate	# of Hydro One Poles	Rate	Prior year adjustments	Total
2020	23,614	44.50	636	22.25	104	87.90	25,105.84	1,099,221.44
2021	22,972	44.50	822	22.25	104	89.25	8,032.25	1,057,857.75
2022	23,735	34.76	730	17.38	108	90.60	29,637.20	877,138.00
2023	23,611	36.05	825	18.02	107	90.60	4,191.75	879,929.00
2024	23,735	37.78	730	18.89	108	90.60	(362.29)	919,930.00
2025	24,098	39.14	729	19.57	107	90.60	1.96	967,158.41

b) For the purposes of Appendix 2H, all of the pole rental revenue is shown in account 4210.

7-VECC-40 Exhibit 7 - Weather Profile

Question:

Reference: Exhibit 7, Tab 1, Schedule 1, page 6 Exhibit 3, Tab, 1, Schedule 1, Attachment 1, page 15

Preamble: The Application states:

"*GSH has adopted the most recent 10-year monthly degree day average as the definition of weather normal." (Exhibit 3)*

"The weather profile of a typical year in GSHi's service territory is calculated using average daily temperatures from June 2014 to May 2023. Average daily temperatures are defined as the average highest to lowest daily temperatures within a month (i.e. average of the coldest January day in each January from 2015 to 2024), rather than average temperatures on a specific calendar date (i.e. the average temperature on each January 1st)." (Exhibit 7 – emphasis added)

a) Please explain why only 9 years of data was used to determine the weather profile for typical year when the load forecast used 10 years of data for purposes of weather normalization.

b) With respect to the referenced excerpt from Exhibit 7, as the data used was from June 2014 to May 2023, should the range cited in the parentheses be from 2015 to 2023?

Response:

a) The excerpt from Exhibit 7 should be June 2014 to May 2024. Ten years of weather data was used for weather normalization.

b) The range cited in the parentheses is correct as the correct range as per part a) is June 2014 to May 2024.

7-VECC-41 Number of Customers in Each Price Plan & EV Load

Question:

Reference: Exhibit 7, Tab 1, Schedule 1, page 10 Load Profile Model, Additional Loads Tab

a) Please indicate how many of GSHI's Residential customers are currently on each of: i) Time-of-use (TOU) rates, ii) Tiered rates and iii) the Ultra-low overnight (ULO) rate.

b) Please explain why Elenchus/GSHI has assumed that the EV load is the same in each hour of 2025.

Response:

a) GSHI provides the following approximate breakdown of Residential customers by price plan as of the current period:

- **Time-of-Use (TOU):** 42,225 customers (97.15% of the Residential rate class).
- **Tiered Rates:** 1,202 customers (2.77% of the Residential rate class).
- **Ultra-Low Overnight (ULO):** 36 customers (0.08% of the Residential rate class).

b) GSHi does not have hourly Residential EV charging data so Elenchus assumed that EV load is the same in every hour of the year as a simplified assumption.

8-VECC-42 Minimum System with PLCC value for USL is Negative

Question:

Reference: Exhibit 8, Tab 1, Schedule 1, page 3 Cost Allocation Model, Tab O2

a) With respect to Table 6 (Exhibit 8), please explain why the Minimum System with PLCC value for USL is negative.

Response:

a) This is due to a quirk in the cost allocation model that is caused 4NCP demand being only slightly higher than four times the PLCC value. The total Minimum System with PLCC Adjustment amount for each class is calculated as customer-classified operating, maintenance, administrative, general, and billing costs, plus customer-classified asset-related amortization, PILs, and return on capital costs (collectively the "minimum system"), less the PLCC Adjustment amount for line transformer, primary, and secondary costs. The PLCC Adjustment costs are calculated separately in tabs O2.1, O2.2, and O2.3 and divided by the PLCC non-coincident peak, as determined in the E3 PLCC tab. If the PLCC non-coincident peak is 0 the PLCC cost adjustment is $0. This is the case for the Sentinel Light rate class and the distribution and secondary PLCC non-coincident peak for the Street Light rate class, so no PLCC cost is subtracted from the minimum system costs.

The USL PLCC non-coincident peak is 0.67 because the 4NCP (393.8 kW) is only slightly higher than four times the PLCC load of the class (which is the number of connections in the class times 0.4 kW = 393.2kW). In the O2.1, O2.2, and O2.3 tabs, the amount that is four times the PLCC

load (393.2kW) is divided by the PLCC non-coincident peak value (0.67kW) and multiplied by the costs attributable to the USL class. For example, the secondary PLCC calculation in O2.3 is calculated as secondary costs of $591 multiplied by 587.6 (=393.2/0.67) which results in $347,482 in secondary PLCC costs attributed to USL. This is almost 8 times the total revenue requirement allocated to the USL rate class.

The PLCC adjustments are sufficiently high that the total is substantially more than the minimum system costs, and the Minimum System with PLCC Adjustment for the class is -$310,202, or -$105.20 per customer. The Minimum System with PLCC Adjustment per customer is volatile at PLCC values just above 1. If the class's 4NCP demand was 1 kW lower then the Minimum System with PLCC Adjustment per customer would be $15.02, if the class's 4NCP was 5.77 kW higher the Minimum System with PLCC Adjustment per customer would be exactly $0, and if the class's 4NCP was 20kW higher, the Minimum System with PLCC Adjustment per customer would be $8.40.

8-VECC-43 Billing Error Refund Explanation

Question:

Reference: Exhibit 8, Tab 2, Schedule 1, Attachment 1, pages 2-3

Preamble: The Application states:

"*GSHI has approximately 43,000 active residential customers so this would result in a total over-recovery from the residential rate class of approximately $219,000 in the year; for all other rate classes combined the annual over-recovery is approximately $40,000 for a total of approximately $259,000 in overcharge to all customers for the 2020 rate year. GSHI believes that the issue has subsisted since at least 2005*." (pages 2-3)

And

"*GSHI will refund customers the overcharged amounts for four years (the 2017, 2018, 2019 and 2020 rate years), calculated in the manner set out in the Appendix to this Assurance*.." (page 3)

a) Given that the issue existed since at least 2005 why did GDHI only refund customers the overcharged amounts for 2017-2020?

Response:

a) GSHi addressed this matter through an Assurance of Voluntary Compliance (AVC) with the OEB (EB-2022-0105), settling it in a fair and equitable manner given the specific details of the situation. While the identified issue dated back to at least 2005, GSHi refunded customers for the 2017-2020 rate years. This refund period aligns with section 7.7.7 of the Retail Settlement Code, which limits the repayment period for overbilling to a maximum of two years. By refunding customers for four

years, GSHi exceeded its regulatory obligations, ensuring enhanced fairness to customers while adhering to the principles outlined in the AVC.

8-VECC-44 Updated RTSR Model

Question:

Reference: Exhibit 8, Tab 3, Schedule 1 RTSR Model

a) Please update the RTSR Model and proposed 2025 RTSRs (Table 4) to reflect: i) the preliminary 2025 UTRs issued by the OEB on November 1, 2024 and ii) HON's 2025 ST RTSRs approved on December 19, 2024 (EB-2024-0032).

b) Please confirm that the RRR data used in the RTSR Workform Tab3 and the billing data used in Tab 5 are based on the same year.

c) Does GSHI have any customers with behind the meter generation (i.e., embedded generation) that is subject to gross load billing for purposes of HONI's RTSRs charged to GSHI?

   i. If yes, does GSHI propose to apply its RTSR rates to these customers on a gross load basis, and, if so, have the billing demands in Tab 3 been adjusted accordingly?

Response:

a) An updated RTSR model is filed with interrogatory responses using the updated UTR and HONI ST RTSR values. Please see the updated Excel document titled "GSHI_IRR_2025_RTSR_Workform_20250128.xlsb".

b) Confirmed. Both tabs use 2023 data.

c) Yes, GSHi has one customer with behind the meter generation that is subject to gross-load billing.

i. GSHi does not propose to apply its RTSR rates to this customer on a gross load basis. The customer's billed distribution demand is 96.5% of the gross load billing demand so the impacts on RTSRs is not material.

8-VECC-45 Different Pole Attachement Rates for 2024 and 2025

Question:

Reference: Exhibit 8, Tab 3, Schedules 5 and 6

a) The two schedules report different pole attachment rates for both 2024 and 2025. Please reconcile.

Response:

a) GSHi confirms that the rates reported in Schedule 6 are correct and are the rates used by GSHi for actual charges in 2024 and projected charges in 2025. The rate of $37.78 was effective for 2024 and was used by GSHi to issue pole attachment charges. The rate of $39.14 was used to prepare projections for 2025, and it aligns with the OEB's Distribution Pole Attachment Charge for 2025 (EB-2024-0227).

8-VECC-46 Reclaculation of Low Voltage Expense

Question:

Reference: Exhibit 8, Tab 3, Schedule 7, page 1

a) Please re-calculate the estimated 2025 Low Voltage Expense (Table 1) using HON's approved 2025 ST rates (EB-2024-0032, December 19, 2024 Rate Order).

Response:

a) Please see 8-Staff-51. The updated RTSR model filed with interrogatory responses includes an updated low voltage expense consistent with HONI's 2025 ST rates.

8-VECC-47 Breakdown of A(1) and A(2) Values

Question:

Reference: Exhibit 8, Tab 4, Schedule 1, page 1

a) With respect to Table 1, for each of the years 2019-2023 please provide a breakdown of both the A(1) and A(2) values as between the amounts attributable to: i) deliveries from the IESO, ii) deliveries from HON (GSHI's host distributor) and iii) embedded generation.

Response:

See breakdown requested in the two summary tables below:

Table 1: A(1) Values Summarized

Year	IESO	HONI	Generation	**A(1)**
2019	800,071,168.00	93,597,147.95	11,584,149.56	905,252,465.51
2020	779,785,046.00	83,004,429.38	12,241,113.25	875,030,588.63
2021	763,500,937.00	82,638,136.22	13,165,824.84	859,304,898.06
2022	779,307,551.00	97,575,526.33	9,411,737.69	886,294,815.02
2023	765,431,948.00	97,410,428.81	9,654,691.84	872,497,068.65

Table 2: A(2) Values Summarized

Year	IESO	HONI	Generation	**(A2)**
2019	796,486,976.61	90,519,485.44	11,584,149.56	898,590,611.61
2020	776,622,723.21	80,275,076.77	12,241,113.25	869,138,913.23
2021	760,456,422.62	79,920,828.07	13,165,824.84	853,543,075.53
2022	776,201,748.05	94,367,046.74	9,411,737.69	879,980,532.48
2023	762,363,038.97	94,207,377.96	9,654,691.84	866,225,108.77

9-VECC-48 Account 1509 Sub-Account Lost Revenues

Question:

Reference: Exhibit 9, Tab 1, Schedule 1, pages, 3&17

a) We are unable to locate the amounts of Account 1509 Sub-account Lost Revenues in the table at page 3 showing the amounts of Group 2 accounts being sought for disposition. Please clarify.

b) Does the amount of $31,424 referenced for this account include interest accrued? If so please clarify.

Response:

a) The balance in Account 1509, Sub-account Lost Revenues, is not a Group 2 account being sought for disposition. It was reclassified to its appropriate Group 1 Account 1595 (2021) as part of preparing this rate application. The explanation for this reclassification is provided in Exhibit 9, Tab 1, Schedule 1, pages 17-18 of GSHi's initial application submission:

As part of preparing this cost of service rate application and the DVA continuity schedule, GSHi reviewed the OEB's "Guidance for Electricity Distributors with Foregone Revenues Due to Postponed Rate Implementation from COVID-19" and noted that the balance in 1509 pertaining to lost distribution revenue should have been reclassified or adjusted into Account 1595 (2021) upon disposition on May 1, 2021. To address this, GSHi has recorded adjustments in the "Principal Adjustments during 2023" and "Interest Adjustments during 2023" columns of the DVA continuity schedule to properly reflect the balance in Account 1595 (2021), and to remove the balance from 1509, for the purpose of completing an accurate DVA continuity schedule. GSHi

confirms that the principal and interest balances reclassified in this DVA continuity are consistent with the amounts that would have been recorded had they originally been classified in Account 1595 (2021), therefore there is no impact on the total amounts recorded and the balance in 1595 (2021) is the same as if that transfer had been completed in 2021.

b) The $31,324 referenced for Account 1509 is composed of $21,456 in principal, $8,449 in accrued interest as of December 31, 2023, and $1,419 in projected interest from January 1, 2025, to April 30, 2025. As noted in part (a), these amounts have been reclassified to Account 1595 (2021), a Group 1 account. The projected interest figure will differ slightly from the initial submission due to updates reflecting the OEB's Q1 2025 interest rate released in the interim.