



ONTARIO ENERGY BOARD

FILE NO. **EB-2025-0252** **Alectra Utilities Corporation**

VOLUME: **2**

DATE: **March 6, 2026**

BEFORE: **Patrick Moran** **Presiding Commissioner**
 David Sword **Commissioner**
 Shadrzad Rahbar **Commissioner**

THE ONTARIO ENERGY BOARD

Alectra Utilities Corporation

Technical Conference

Proceeding held in person and virtually
at 2300 Yonge Street, 25th Floor, Toronto, Ontario
on Friday, March 6, 2026, commencing at 9:29 a.m.

VOLUME 2

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1 Friday, March 6, 2026

2 --- Upon resuming on Friday, March 6, 2026, at
3 9:29 a.m.

4 R. DHILLON: Good morning, everyone. Welcome to
5 the continuation day 2 of the technical conference,
6 Alectra Utilities Corporation, Case File Number EB-
7 2025-0252. Just a few housekeeping matters; one, the
8 doors will be serviced today, so you might hear a
9 little bit of clicking throughout the day. Just want
10 to be conscious of that. If there are any technical
11 issues right now with audio, just please let us know.

12 And, lastly, I just wanted to mention that the
13 time will be changing this weekend, so let's be
14 mindful of that on Monday. And we will just get
15 right into some preliminary matters that I believe
16 that Alectra has three preliminary matters to bring
17 up.

18 **PRELIMINARY MATTERS**

19 J. MYERS: Thank you for the reminder that the
20 clocks are changing. That was not on my radar.

21 We have three corrections from things that were
22 said yesterday, so maybe, first, I will turn it over
23 to Mr. Wasik to correct something that he said in
24 response to Mr. Gluck yesterday.

25 T. WASIK: Good morning. Upon reviewing the
26 transcript last night, I noticed in my exchange with
27 Mr. Gluck and Mr. Garner relating to the station
28 lands that I would like to correct the record on. I

1 would like to correct the record to state that the
2 station lands, in fact, remain in CWIP during the
3 construction and are put in service at the same time
4 as the station is constructed, energized, and put
5 into service.

6 And so, unfortunately, our response to CCC-26
7 includes the purchase dates for the station lands,
8 and we require to update that IR response to reflect
9 the in-service dates for the station lands and will
10 be doing so.

11 J. MYERS: Thank you.

12 Anything for me, Mr. Gluck?

13 L. GLUCK: No.

14 J. MYERS: Okay.

15 The second item, Mr. Fairchild will respond --
16 will correct something that was in response to Mr.
17 Harper yesterday regarding customer connections.

18 D. FAIRCHILD: Yes. Good morning. Is Mr.
19 Harper here? Can he hear me?

20 B. HARPER: Yes, I can. Thank you.

21 D. FAIRCHILD: Okay. Actually, I have two
22 clarifications: One for you, and then one on CCC-24
23 for Mr. Gluck, so I will follow that.

24 We had an exchange about table B10-6, the number
25 of connections, and I just -- the clarification here,
26 and I just want to make it clear is that in --
27 specifically to the number of new subdivisions in
28 that table, you'll see in brackets, it is lots of

1 EEM. So that is the -- this is how we forecast it
2 for budgeting purposes, our expected subdivision
3 projects and the resulting lots within those
4 projects. So it doesn't necessarily translate into a
5 one-for-one for in that particular year, the number
6 of new customers added to the system, if you will.

7 Ultimately, the number of units built and
8 occupied are dependent on the developer. So I just
9 wanted to make that clear that it is not necessarily
10 a one-to-one reflection of the number of customers
11 added to the system.

12 B. HARPER: Thank you.

13 D. FAIRCHILD: Okay.

14 The second correction for Mr. Gluck is on CCC-
15 24, table 2, where we had identified and stated that
16 -- I will start on line 4, actually:

17 "However, in certain cases, the revenue horizon
18 was reduced due to project-specific
19 circumstances." [as read]

20 The one particular Project Number 1 there states
21 the revenue horizon of 15 years. In fact, the
22 revenue horizon is 25 years, consistent with all the
23 other data centre projects. What is unique to this
24 project is we will be extending the connection
25 horizon to 15 years for that project.

26 J. MYERS: That is it for our corrections. Our
27 panel is available to address any questions from OEB
28 Staff at this point.

1 R. DHILLON: Thank you.

2 So we will begin with OEB Staff, and I will turn
3 it over to Mr. Di Ilio.

4 **CROSS-EXAMINATION BY A. DI ILIO (OEB STAFF)**

5 A. DI ILIO: Good morning. Alexander Di Ilio,
6 senior advisor, OEB Staff, for the record. Good
7 morning, Panel 1. I have got a handful of questions
8 this morning, and they all relate to Alectra's non-
9 wires solutions proposal.

10 If we can start by bringing up 2A-SEC-41A,
11 attachment 1, in particular, and once that is up,
12 going down to table 7, which is in section 5.5.
13 Thank you very much. So before -- I just want to
14 make sure I am understanding what is in this table
15 accurately before I get to my primary ask.

16 I just want to make sure I understand. So the
17 items that you see in the third column, for example,
18 the 14.5 million -- excuse me -- that that amount, it
19 only corresponds to the sensitivity of a 20 percent
20 higher DER capacity or energy price; do I understand
21 that correctly?

22 T. WASIK: That is correct. The sensitivity
23 analysis is per each sensitivity value and reflects
24 what the change would be to the DSD benefits.

25 A. DI ILIO: Perfect. Okay. Thank you.

26 Would it be possible, and this is probably going
27 to be under -- undertaking if you agree, to run two
28 additional sensitivity runs that include all three of

1 the optimistic and pessimistic sensitivity. So just,
2 for example, one sensitivity that runs the 20 percent
3 higher energy price, seven activations per year, and
4 then 20 percent of DER payments, run them as --
5 within one sensitivity and then do the same with all
6 the 20 percent lower, the five activations, and the 8
7 percent.

8 T. WASIK: So, like, a worst-case scenario,
9 best-case scenario analysis?

10 A. DI ILIO: You got it. Yes.

11 T. WASIK: We can undertake to do that for you.

12 A. DI ILIO: Thank you.

13 R. DHILLON: I will note that as Undertaking JT-
14 2.1.

15 **UNDERTAKING JT-2.1: RUN TWO ADDITIONAL**
16 **SENSITIVITY RUNS THAT INCLUDE ALL THREE OF THE**
17 **OPTIMISTIC AND PESSIMISTIC SENSITIVITIES**

18 R. DHILLON: And I would ask if the panel could
19 speak louder or put the mic closer to them.

20 A. DI ILIO: If we can move on to 2-Staff-48A.
21 Perfect. Thank you.

22 Just a clarifying question here: So within the
23 IR response, it was indicated that should
24 insufficient NWS capacity be available, Alectra would
25 proceed to either advance the traditional solution,
26 implement an interim or other operating measures. I
27 just want to understand, should an event transpire
28 that requires an additional capital solution, be it

1 the traditional solution, the projects that are being
2 deferred, or any need for additional capital or OM&A
3 funds, is Alectra intending to come back to the OEB
4 for approval prior to engaging in that?

5 And I am referring to would there be an ICM
6 application? Or I just want to get an understanding
7 of what the plans would be should additional capital
8 be required.

9 T. WASIK: So under that hypothetical scenario
10 where the proposed NWS solution, unfortunately, is
11 not available, we would then have to examine the
12 entire solution in totality. I think it would be
13 difficult for me to sort of explain exactly how --
14 what our interim solution is.

15 But our expectation is that we may require to
16 move forward with the capital investment, or we might
17 put in some interim solution and would expect to
18 cover that within our existing capital solution and
19 deal with that.

20 A. DI ILIO: Okay. Perfect. Thank you.

21 So just to be clear, then, we -- should there be
22 a need for anything -- and, again, I am not looking
23 for details as to what that something would be -- we
24 -- the OEB would not expect a discrete application
25 for that. It would be within the existing approved
26 capital envelope.

27 T. WASIK: For the interim solution, we would be
28 looking at seeing how we can do that, but, again, I

1 would have to caveat that with not understanding the
2 magnitude of it, and so we reserve the right to
3 examine that afterwards if the magnitude is more
4 significant and material than anticipated.

5 A. DI ILIO: Perfectly fair. Perfect. Thank
6 you very much.

7 If I can move off to 2-Staff-47A, and
8 particularly attachment 1, which is a live Excel
9 spreadsheet. Okay. And once that is open, if we can
10 toggle over to tab -- the tab titled "Capacity Energy
11 Needs." It is the second-last tab on the file. And
12 if we can scroll down to the bottom of that sheet.
13 Okay. Perfect. Thank you very much.

14 So right at the bottom, it is indicating that
15 the DER program costs, and based on responses, these
16 are the costs that Alectra will incur to deliver the
17 program the internal cost, that that estimate is set
18 to 10 percent of the DER payments to DER's third-
19 party providers; do I understand that correctly?

20 T. WASIK: That is correct.

21 A. DI ILIO: All right. Thank you.

22 Can I -- I am looking to better understand the
23 basis or the evidence upon which the 10 percent value
24 was selected.

25 T. WASIK: So at this particular time, we've
26 estimated the amount of efforts it will take to
27 procure, administer, and oversee these five
28 particular non-wires solutions. We have done our

1 best effort to identify internal efforts and identify
2 that it is proportionate to the amount of NWS
3 contracts that will be and, at this point, estimated
4 ten percent.

5 There is uncertainty to this particular
6 solution, as we pointed out. This is new and
7 emerging technologies. We are putting in the best
8 efforts. We thought a 10 percent was a reasonable
9 budget to set aside in order to properly develop this
10 marketplace in order for us to find solutions that
11 benefit ratepayers.

12 A. DI ILIO: Thank you. Okay.

13 So just one follow-up to that, then.
14 Presumably, the 10 percent will -- again, and I
15 acknowledge, as you said, it is an estimate,
16 considering the innovation and the new that DERs and
17 NWS bring to the system, so I understand that.

18 But do you guys -- does Alectra feel that that
19 10 percent will hold regardless of the amounts that
20 is ultimately paid? And maybe put differently, is it
21 fair to assume that a linear relationship will hold
22 between DER payments to third parties and your
23 internal costs?

24 T. WASIK: That is yet to be determined, and
25 that is why we have asked for some of these costs to
26 be put into a deferral and variance account. But,
27 you know, our expectation is to be able to deliver
28 this within the 10 percent budget.

1 A. DI ILIO: Okay. Thank you.

2 My last set of questioning, if we can go on to -
3 - I think we are still within this IR of 2-Staff-47,
4 but we are looking at part G. Perfect. Thank you
5 very much.

6 So within the IR response, Alectra did note that
7 third-party funding for the proposed NWS program had
8 not been secured. I just wanted to ask a generic
9 question, whether there is any updates to that and
10 whether opportunities for third-party funding have
11 arrived since the IR response?

12 T. WASIK: Not to my knowledge. The response as
13 provided is still valid.

14 A. DI ILIO: Okay.

15 Does Alectra have any plans in the near future
16 to either seek or apply for anything? Is there
17 anything on the horizon?

18 T. WASIK: I can speak to the evidence that was
19 put forward. I am, unfortunately, unable to foresee
20 into the future whether other funding will be made
21 available, but our plan, as we put forward, we
22 believe, brings benefit to ratepayers, stands on its
23 own. But I am unable to speak about what future
24 opportunities may arise from third-party funding at
25 this point.

26 A. DI ILIO: Okay. Okay.

27 My final question, then: Does Alectra Utilities
28 have a plan or a strategy -- and this may not

1 directly just apply to the NWS program but to your
2 NWS strategy as a whole -- does the corporation have
3 a general strategy or plan for seeking third-party
4 funds?

5 T. WASIK: Specifically to -- sorry. I am
6 trying to follow you. Specifically to this or just
7 in general terms as an organization looking to get
8 government grants or --

9 A. DI ILIO: Specifically to NWS programming as
10 a whole. And I am referring to I know, like, the
11 IESO has various support programs; EnerCan does.
12 Does Alectra have any correspondence with these
13 entities or any plans to engage with them, again, in
14 relation to the specific ask or just to the NWS
15 strategy as a whole?

16 T. WASIK: I can speak to the five projects that
17 are part of our evidence and identify that at this
18 particular point, we have not been able to identify
19 any of the third-party funding. I am not in a
20 position to speak to all the other initiatives that
21 are working with other EnerCan agencies or government
22 agencies in terms of other pilot projects, and I
23 can't speak to whether or not they may in the future
24 impact NWS solutions.

25 A. DI ILIO: Okay. No. Thank you very much.

26 D. COBAN: Mr. Di Ilio, just to maybe be helpful
27 to you on this point, there may be -- there is a
28 witness on Panel 2 who might be able to assist you

1 with kind of the broader implications of your
2 question in terms of a corporate strategy, so if you
3 want to direct that question to Panel 2.

4 A. DI ILIO: Will do. Thank you very much.

5 That is all I have here. Panel, thank you very
6 much for your time this morning, and I will turn the
7 floor over to my other -- my other OEB Staff here.

8 **CROSS-EXAMINATION BY A. KUNER (OEB STAFF)**

9 A. KUNER: Good morning, panel. My name is
10 Amrit Kuner. I am a senior advisor at the OEB. I
11 will be asking a few questions about Alectra's
12 Project Centricity. So to begin, could we please
13 pull up IR 2-Staff-52.

14 A. GOHER: I am sorry. Could you please repeat
15 the reference to the IR.

16 A. KUNER: 2-Staff-52.

17 So at a high level, I am trying to better
18 understand the distinction between activities that
19 will be funded by EnerCan and any costs that Alectra
20 reasonably expects to incur beyond that. So in part
21 A on page two, your response states that Project
22 Centricity intends to design and build end-to-end
23 capabilities for distribution system operations,
24 including capabilities related to a distribution
25 market, end-to-end integration of systems, and
26 enablement of precise infrastructure planning.

27 You note that these capabilities are not
28 reflected in the application. Are you able to

1 confirm whether all costs, capital and OM&A,
2 associated with building, integrating, testing, and
3 deploying these capabilities will be fully funded by
4 EnerCan?

5 T. WASIK: I believe in our response to part B,
6 we confirmed that the Centricity project timelines
7 end in March 2028, and the capital expenditures for
8 the Centricity is funded through the EnerCan through
9 the contributions for the duration of projects, and
10 there are no OM&A costs associated with this --

11 A. KUNER: Okay.

12 T. WASIK: -- project.

13 A. KUNER: Okay. So in your response to part B,
14 you list the year-over-year capital expenditures and
15 again indicate that they will be funded through a \$6
16 million contribution from EnerCan.

17 If we are able to pull up reference 2 in the IR,
18 that points to the EnerCan website. That notes that
19 the project total is \$20,570,957. So I was just
20 curious, like, where that additional funding will be
21 coming from? If you scroll down on this link. Yeah.
22 So the agreement value is 6 million, the project
23 total is a little over 20 million. So I just wanted
24 to better understand, you know, where the difference
25 in funding will be coming from.

26 T. WASIK: Okay. So this particular project is
27 not part of our rate application, it is not included
28 in the rates or the programs capital or OM&A that we

1 are seeking for. This is a distinct separate project
2 that is funded through EnerCan.

3 I can take it away and ask if somebody can
4 explain the -- sort of the project website, but it is
5 not part of our evidence or included in this rate
6 application.

7 A. KUNER: Sure, yeah. That would be helpful to
8 better understand the difference between those two.

9 R. DHILLON: Ms. Kuner, is that an undertaking?

10 A. KUNER: Yes.

11 R. DHILLON: I will mark that as Undertaking JT-
12 2.2.

13 **UNDERTAKING JT-2.2: ADVISE OF WHY THERE IS A**
14 **DIFFERENCE BETWEEN THE TOTAL PROJECT CAPITAL**
15 **EXPENDITURES (TO BE FUNDED BY NRCAN) AND THE**
16 **PROJECT TOTAL NOTED ON THE NRCAN WEBSITE,**
17 **INCLUDING THE SOURCE OF ADDITIONAL FUNDING**

18 A. KUNER: Okay. Next, I would like to
19 understand the current and ongoing scope of this
20 project. Can you confirm whether Project Centricity
21 will operate any form of a distribution market,
22 either a pilot or operational market?

23 D. COBAN: I think we might just be going down a
24 path where, you know, the witness has already
25 confirmed that we don't have any expenditures and
26 rates associated with these projects, so I guess I am
27 really struggling to follow the relevance of this
28 line of questioning given that it is not going to be

1 something we need to evaluate for the purposes of
2 setting rates.

3 A. KUNER: Yeah, I guess -- so the response
4 indicates that the project ends after 2028, and I am
5 just trying to get a better sense of what happens
6 after that.

7 Like, this funding is being used to develop
8 capabilities within Alectra, and I am trying to get a
9 better understanding of what those capabilities will
10 be used for beyond that funding time period and
11 beyond 2028 and whether that has impacts on the rate
12 base or the regulated business ratepayer.

13 D. COBAN: I think the challenge is -- as Mr.
14 Wasik indicated, is that this is not a project that
15 is included in the evidence that he is here to speak
16 to for the reasons I just said in terms of how this
17 has been budgeted for. So we really don't have that
18 expertise here on this panel to be able to assist
19 you.

20 And we just have some broader concerns here
21 about whether this is a relevant line of questioning
22 given that we are not asking for rate funding for
23 this.

24 A. KUNER: Would it be possible as an
25 undertaking to provide a response on what the
26 expectations would be beyond 2028. If that means
27 that there is no rate funding that would be required
28 beyond then, then that is fine, but just some further

1 details on that would be helpful.

2 D. COBAN: We could take it away to consider
3 what we can say about that and advise accordingly.

4 A. KUNER: Sure. Okay. So if that can be taken
5 as an undertaking, that would be great.

6 R. DHILLON: Thank you. I will mark that as
7 Undertaking JT-2.3.

8 A. KUNER: And then as part of that undertaking,
9 if you could also confirm whether the systems and
10 capabilities that will be developed under this
11 project will be capitalized within Alectra's
12 regulated utility business, that would also be
13 helpful.

14 D. COBAN: Sure. We can take that away to
15 consider your question.

16 **UNDERTAKING JT-2.3: ADVISE WHAT THE**
17 **CAPABILITIES BEING FUNDED WILL BE USED FOR**
18 **BEYOND THAT FUNDING TIME PERIOD AND BEYOND 2028**
19 **AND WHETHER THAT HAS IMPACTS ON THE RATE BASE OR**
20 **THE REGULATED BUSINESS RATEPAYER, AND CONFIRM**
21 **WHETHER THE SYSTEMS AND CAPABILITIES THAT WILL**
22 **BE DEVELOPED UNDER THIS PROJECT WILL BE**
23 **CAPITALIZED WITHIN ALECTRA'S REGULATED UTILITY**
24 **BUSINESS**

25 A. KUNER: Okay. Thank you. That is all for my
26 questions. So thank you, Panel. I will pass it on
27 to my colleague.

28 **CROSS-EXAMINATION BY A. GOHER (OEB STAFF)**

1 A. GOHER: Good morning, Panel. My name is
2 Amber Goher, and I am also part of the OEB Staff
3 team.

4 My first question is related to system control
5 costs under OM&A. If we can please pull up 4-CCC-50,
6 part A, page 2.

7 So Alectra Utilities has provided the direct
8 labour costs for 2025. Can you please reconcile the
9 11.96 million in direct labour costs against part G
10 of the same IR on page 5, table 2, which states
11 10.795 for 2025.

12 J. BUTLER: So if I understand, you are asking
13 for reconciliation between table 2 as a response in
14 part G and table 1, the response to part A for 2025.

15 A. GOHER: Yes.

16 J. BUTLER: I will have to take that away but --

17 A. GOHER: Okay. Again, on page 2, table 1,
18 Alectra Utilities has provided that the direct labour
19 costs between 2025 and 2026 have increased by 1.02
20 million.

21 R. DHILLON: Sorry, Ms. Goher, can I please make
22 note of that undertaking?

23 A. GOHER: Yeah.

24 R. DHILLON: If you can just repeat what the
25 undertaking was.

26 A. GOHER: To reconcile the direct labour cost
27 between part A and part G of 4-CCC-50 for 2025.

28 R. DHILLON: I will mark that as Undertaking JT-

1 2.4.

2 **UNDERTAKING JT-2.4: RECONCILE THE DIRECT LABOUR**
3 **COST BETWEEN PART A AND PART G OF 4-CCC-50 FOR**
4 **2025**

5 A. GOHER: So Alectra Utilities has provided the
6 direct labour costs between 2025 and 2026 for system
7 control have increased by 1.02 million. And response
8 to 4-Staff-171, table 1, page 9 -- can we please pull
9 that up?

10 So we can see under "system control," 13 new
11 positions are being added in 2025, and no new
12 positions are being added in 2026. Can you please
13 explain the increase in direct labour costs when no
14 new positions are added in 2026?

15 And we can see, if we go back to 4-CCC-50, page
16 5, overtime costs are significantly lower in 2026
17 compared to 2025.

18 J. BUTLER: I will have to take that away.

19 A. GOHER: Okay. Can we mark that as an
20 undertaking?

21 R. DHILLON: I will mark at as Undertaking JT-
22 2.5.

23 **UNDERTAKING JT-2.5: EXPLAIN THE INCREASE IN**
24 **DIRECT LABOUR COSTS WHEN NO NEW POSITIONS ARE**
25 **ADDED IN 2026**

26 A. GOHER: Okay. My next question is related to
27 4-CCC-56, page 2.

28 So Alectra has provided the vegetation

1 management cut cycle segment cost broken down by
2 third-party contractors and consultants and others in
3 table 1. Can you please talk about what these other
4 costs in table 1 are?

5 M. WITTEMUND: The other costs referred in table
6 1 relate to administration-type costs for overseeing
7 the program. So it would be, you know, supervisors
8 and Alectra Staff overseeing the vegetation
9 management program.

10 A. GOHER: Okay. Can you explain the higher
11 segment level cost for 2025, so it is 6.42 million in
12 table 1, compared to the amount forecasted in Exhibit
13 4, which was 5.89 million? And the reference to
14 Exhibit 4 would be tab 2, schedule 15, page 6.

15 M. WITTEMUND: Just so I have it correct, you
16 are looking for reconciling the 6.10 in 2025 and --

17 A. GOHER: No.

18 M. WITTEMUND: -- or the difference?

19 A. GOHER: The 5.89, so just the vegetation
20 management cut cycle cost in 2025, against the
21 response to the IR which has the actuals for 2025.

22 M. WITTEMUND: I will have to take that as an
23 undertaking to review that, please. Thank you.

24 A. GOHER: Okay.

25 M. WITTEMUND: Thank you.

26 R. DHILLON: I will mark that as Undertaking JT-
27 2.6.

28 **UNDERTAKING JT-2.6: EXPLAIN THE HIGHER SEGMENT**

1 **LEVEL COST FOR 2025 AT 6.42 MILLION IN 4-CCC-56**
2 **TABLE 1 COMPARED TO THE 5.89 MILLION AMOUNT**
3 **FORECASTED IN EXHIBIT 4 AT TAB 2, SCHEDULE 15,**
4 **PAGE 6**

5 A. GOHER: If we can move back to the same IR,
6 4-CCC-56. Okay. Contractor and consultant fees
7 under the segment have increased by 1.1 million in
8 2025. Are you able to explain this? So just the
9 difference between that 5.63 in 2025 and the 4.52 in
10 2024.

11 M. WITTEMUND: The difference in cost between
12 2024 of 4.52 and 5.63 in 2025 related to third-party
13 costs, really attributed to our third-party
14 contractors, the costs, the labour costs associated
15 with the vegetation management program. So it is a
16 program that we have our third party contractors
17 doing. So there is -- really related to our labour
18 costs associated with that program.

19 A. GOHER: So would you attribute it to, like,
20 an increased number of contractors in the same year?

21 M. WITTEMUND: It is probably both. It is
22 increase in the costs, the hourly rates for our
23 contractors as well as the scope and scale of the
24 program as well. Increases to that as well, yes.

25 A. GOHER: Okay. So in response to part D, if
26 you could just scroll down. Table 3. So it shows
27 the planned cut cycle accomplishments. Can you
28 please explain what these percentages in the table

1 mean? So, for example, in 2021, for central, does it
2 imply that Alectra Utilities has achieved 50 percent
3 of their planned cut cycle targets?

4 M. WITTEMUND: Sorry. Could you just repeat the
5 percentage? Which year were you looking at?

6 A. GOHER: So, for example, for central, in
7 2021, it says 50 percent. Row 3. Does that mean
8 that Alectra has achieved 50 percent of their planned
9 cut cycle targets for that particular year in that
10 particular region?

11 M. WITTEMUND: Yes. So how we -- how we review
12 our cut cycle, you know, we have a program in each of
13 the different regions where we have a cycle cut, so
14 one third of the program is cut every -- you know,
15 depending on what region.

16 So that cycle of 50 percent really relates to
17 the completion of grids within that cycle, like,
18 completions of the grids. So we would -- we would --
19 that would be 50 percent completion of those grids
20 within that cycle. But along with that is a
21 significant other work that we do, not only in that
22 cut cycle within that grid, but vegetation management
23 within other cycles, reactive vegetation management,
24 to ensure that we are addressing and prioritizing,
25 you know, areas that could cause impact to the system
26 to ensure that we are -- our reliability is met. So
27 specifically for that, that 50 percent relates to the
28 number of grids we completed in that cycle for that

1 year.

2 A. GOHER: So would you say the aim for that
3 particular year in 2021 for that region was 100
4 percent, but only 50 percent was achieved because of
5 other ongoing demands?

6 M. WITTEMUND: I wouldn't necessarily say that.
7 The aim is to ensure that we are addressing and
8 prioritizing areas that are of concern for vegetation
9 management. So we would do inspections of those
10 other grids within those areas. We may not complete
11 them or may not do tree trimming in those particular
12 grids of that cycle, but we would be addressing other
13 concerns within the vegetation management program in
14 other areas. So we tend to prioritize where we need
15 that vegetation trimming the most.

16 A. GOHER: Okay. So my next question relates to
17 4-CCC-51, page 2.

18 So Alectra Utilities has provided that direct
19 labour costs between 2025 and 2026 for stations have
20 increased by 1.24 million.

21 In response to 4-Staff-171, table 1, Alectra has
22 stated that 15 new positions are being added in 2025,
23 and one new position is being added in 2026.

24 Can you explain the increase in direct labour
25 cost when only one new position is being added in
26 2026?

27 J. BUTLER: I will again have to take that one
28 away.

1 A. GOHER: Okay.

2 R. DHILLON: I will mark that as Undertaking JT-
3 2.7.

4 **UNDERTAKING JT-2.7: EXPLAIN THE INCREASE IN**
5 **DIRECT LABOUR COST WHEN ONLY ONE NEW POSITION IS**
6 **BEING ADDED IN 2026**

7 A. GOHER: Okay. Yeah. That is all for me.

8 Thank you, Panel.

9 **CROSS-EXAMINATION BY M. DEFAZIO (OEB STAFF)**

10 M. DEFAZIO: Hello. It is Margaret DeFazio,
11 senior advisor at the Ontario Energy Board. I would
12 like to ask you some questions about the CCRA program
13 to start.

14 Could we pull up interrogatory response to 2-
15 Staff-124, please. Oh, I am sorry, the Excel
16 attachment to -- no, I am sorry. Sorry. I am
17 jumping ahead. Yes, 2-Staff-124.

18 If we can scroll down, there is a table in the
19 response, and it shows both the payments and the
20 credits for the CCRA initial costs and true-ups. And
21 if you scroll down a little more, there is a total
22 row. Okay. Thank you.

23 So this is the total row in this IR, which was
24 just updated for actuals for '25.

25 Now, if we can go to the Excel attachment to the
26 IR response for 1-SEC-24A. Yes, that is the correct
27 file. 2AA.

28 Just a quick question before we get into this.

1 Transmitter-related upgrades under system access,
2 what -- can you describe what that is and why it is
3 not in the general plant category?

4 T. WASIK: So there are some specific work that
5 needs to be done that we categorized under system
6 access and transmission related upgrades that are
7 more specific to transmission related work that we
8 have placed in that. So it is just how we
9 categorized some of the work. And we reflected the
10 transmission upgrade work specific to those two
11 particular or three particular projects and
12 categorized them in system access rather than general
13 plant.

14 M. DEFAZIO: Is it work that you do or that
15 Hydro One does?

16 T. WASIK: Subject to check, it is work that
17 Hydro One does, and that is why it is the
18 transmission upgrade. But subject to check.

19 M. DEFAZIO: Okay. Thank you.

20 Could you please scroll down the sheet so we can
21 see the general plant. And there is connection and
22 cost recovery line here. When I look at this line
23 and the line in the IR response in the PDF file, the
24 numbers don't match. There is about a 2 million
25 difference in the historic period and 17 million in
26 the forecast. Could you reconcile that?

27 T. WASIK: Yeah, I would have to take that away
28 to reconcile that for you, and then we will provide

1 you a reconciliation.

2 M. DEFAZIO: Thank you.

3 R. DHILLON: I will mark that as Undertaking JT-
4 2.8.

5 **UNDERTAKING JT-2.8: RECONCILE THE DIFFERENCE**
6 **BETWEEN THE CONNECTION AND COST RECOVERY AMOUNTS**
7 **SHOWN IN 2-STAFF-124 AND THE EXCEL ATTACHMENT TO**
8 **1-SEC-24A**

9 M. DEFAZIO: You don't need to pull -- I am just
10 going to ask now about the distribution system code
11 changes related to extended horizons. So you don't
12 need to pull this IR up, but in 9-Staff-273, Alectra
13 states it has accounted for changes in the DSC
14 related to the extended horizons in its plan for the
15 forecast period.

16 Can you please open the Excel file OEB Staff
17 forwarded you earlier this week. And go to tab 2-
18 Staff-43C. Thank you.

19 So here, what I have done is just taken the
20 numbers provided in two IRs, so we have the gross
21 customer connections expenditures taken from 1-SEC-
22 24, and then from 2-Staff-43C, taken the
23 contributions for customer connections. And then
24 through simple math, the net is the contributions
25 plus the expenditures, and the contributions
26 percentage is the contributions divided by the gross.

27 When I look at the average in the historic
28 period and in the forecast period, they are almost

1 identical. It is a decimal point in the percentages
2 difference. And so I thought perhaps I would look at
3 it excluding 26, and I see we have got a difference
4 of 1 percent difference in contributions.

5 If we could please go to IR response 2-CCC-16.
6 And scroll down to page 6 and the response to F.
7 Sorry. Page 6 -- oh, sorry. Page 8. You are
8 correct.

9 So Alectra states the expected contribution rate
10 for condo development projects was adjusted from 58
11 percent to 46 percent, which is a drop of 12 percent.
12 But they have -- you have maintained the contribution
13 rate of 58 percent for residential subdivisions.

14 When I look at the gross amount for condos spent
15 each year in the forecast period, it is about 7
16 million, and for residential subdivisions, it is
17 about 45 million. So I am just curious, did you not
18 expect to see a change due to the extended horizons
19 with residential subdivisions?

20 D. FAIRCHILD: If I could get the last numbers
21 that you quoted, and just maybe point me --

22 M. DEFAZIO: Sure. If you scroll down, just
23 page 5 of the IR says -- sorry. Let me just see this
24 here.

25 So page 5 of the IR says -- shows gross Capex
26 for residential subdivisions is in the order of 45
27 million a year. I think there is a table. Here we
28 go, residential subdivision costs per year, if you

1 look at those, they are all around 45 million a year.

2 But -- so I guess my point is you made a change
3 to the condo development contributions for the DSC
4 change, and they only account for \$7 million a year
5 of construction. But the residential subdivisions
6 account for \$45 million a year of construction, and
7 you didn't make a change for the DSC change. I was
8 just wondering, did you not expect to see an impact?
9 A smaller impact would be bigger because you have a
10 bigger amount of expenditures a year.

11 D. FAIRCHILD: Right. Okay. Yeah, it is early
12 days, as we stated in the response. You know, we
13 haven't seen a lot of projects go through with the --
14 with the 40-year revenue horizon. But, you know, we
15 have seen some, and we have done some of our own, you
16 know, mock analysis, if you will, of projects. And
17 we did find the greatest impact in the condo side
18 because of the GS greater than 50 component, so that
19 really, you know, sort of drives up the revenue a
20 little quicker. Like -- and so we did -- we are
21 expecting a difference in that.

22 The residential seem to come out a little bit
23 different. If -- if now those units are -- are --
24 and this is a bit of an unknown, right. If the units
25 are spread over 15 years, right, you are effectively
26 -- and the revenue is 40, we still have all the
27 ongoing OM&A costs and everything. We just didn't
28 see it as impactful, not to a large extent that --

1 you know, at the time of filing, that we thought that
2 we needed to make a substantial change to our --

3 I tend to agree with you. I think it is going
4 to have a little bit of pressure there. It just
5 probably didn't have enough detail and information to
6 really put it forth as, you know, really, a
7 corrective change compared to what we have seen
8 historically. Maybe in the next five years, we will
9 know a lot different, but I think from a conservative
10 standpoint, you know, we kept it at 58, but we did
11 make the correction on the condo side.

12 M. DEFAZIO: Okay. Thank you.

13 So the DVA associated with this change will be
14 closed during this application, I believe?

15 D. FAIRCHILD: I believe the -- oh, yes. Yeah,
16 that is correct.

17 M. DEFAZIO: Okay.

18 D. FAIRCHILD: Yes.

19 M. DEFAZIO: Thank you. Sorry. That was a lot
20 of back-and-forth of references.

21 If we look at the Excel file that is already
22 open, the 1-SEC-24, attachment 1, which is the 2AA.
23 And in this file, we see the actual historic costs
24 and the total net expenditures year over year. We
25 have inflation rates, you know, available from Stats
26 Canada and from different organizations. The OEB
27 publishes its own inflation rates to be used for
28 different purposes.

1 I was wondering if Alectra can provide what it
2 has seen for inflation rates as far as impact to its
3 capital programs in the historic period?

4 R. BASSINDALE: Sorry, Ms. DeFazio. Can we
5 clarify. You are looking for general inflation on,
6 like, total project cost?

7 M. DEFAZIO: Yes, for the capital.

8 D. COBAN: Ms. DeFazio, just while we are
9 waiting for the panel, while they are conferring, I
10 just want to make sure that you put your DVA question
11 around the extended revenue horizon to Panel 4, as
12 they are best equipped to speak to Alectra's
13 proposals in terms of the continuation.

14 M. DEFAZIO: I will make note of that. Thank
15 you.

16 D. COBAN: Thank you.

17 R. BASSINDALE: Ms. DeFazio, what Alectra
18 Utilities has done is taken a look at the material
19 cost increases, and we quote that in another couple
20 areas in evidence. So one is in Exhibit 2A, tab 1,
21 schedule 1, appendix B01, page 11, and it is table
22 B01-4, and that is for the material cost increases
23 related to poles.

24 We also have done a similar analysis for cables
25 and switchgear. And I will just point you to the
26 reference for transformers as well. That is Exhibit
27 2A, tab 1, schedule 1, appendix B03, and that is
28 table B03-5 on page 124, and that shows the

1 percentage increases on the material side. That is
2 the analysis that Alectra has completed.

3 M. DEFAZIO: Okay.

4 Do you have anything around contractor costs?

5 J. BUTLER: So, Ms. DeFazio, the -- on the
6 contractor cost side, we enter into -- or we have
7 entered into a multi-year arrangement with our
8 contractors. So the past few years, we have been
9 under the -- the increases were what were negotiated
10 when we entered the agreement in the first place.
11 You know, I think it was a three-year contract, I
12 believe.

13 So those increases are what we would negotiate
14 at the time, which is not necessarily reflective of
15 what, you know, the rest of, you know, the economy is
16 going.

17 We will go back and look to see if we can
18 release some of those increases in pricing, but I
19 don't think we will be able to because a lot of that
20 is confidential and proprietary as part of the
21 contract and the agreements with the contractors, and
22 I do not believe we can make that information public.
23 But that is what we have seen in the last couple of
24 years, what we negotiated.

25 M. DEFAZIO: Yes. I am not looking for
26 individual contractors by percentage or anything to
27 that level of detail. I am just -- when we are
28 looking at evaluating some of the work that's -- or

1 trending some of the work that has been done, we are
2 just looking for what kind of inflation did you see
3 over that period.

4 And I know you have contracts that start and end
5 at different times; for example, if you have civil
6 works or line contractors or stations contractors,
7 whoever you are using, you know, it just helps us
8 per-unitize our stuff if we have a general idea or
9 range of the inflation that you did experience over
10 that period. And we know that when those contracts
11 are up for renewal, that you may have jumps at
12 renewal time. If you can undertake to provide us
13 something, that would be very helpful.

14 D. COBAN: And over what time period are you
15 looking for that information?

16 M. DEFAZIO: Oh, just the period that is shown
17 in 2AA historically.

18 D. COBAN: We can take that away and consider
19 what can be done to be helpful to the question. So
20 we will advise -- if we can't, for some reason,
21 provide that information, we will advise why in the
22 undertaking response.

23 M. DEFAZIO: Thanks.

24 R. DHILLON: I will note that as Undertaking JT-
25 2.9.

26 **UNDERTAKING JT-2.9: PROVIDE INFORMATION ON THE**
27 **INFLATION IMPACTS ON ALECTRA'S CAPITAL PROGRAMS**
28 **OVER THE HISTORIC PERIOD SHOWN IN 1-SEC-24,**

1 **ATTACHMENT 2AA**

2 M. DEFAZIO: You know, labour costs, we have
3 access to; equipment costs, we can see some of the
4 major components; contractor costs would be a portion
5 of your budgets as well. That would be helpful.
6 Thank you.

7 In 2-Staff-57 -- you don't need to pull it up.
8 It is just a quick question -- Alectra states it does
9 not compute annualized failure probabilities for
10 equipment by their health index. And -- sorry. I am
11 just digging into Copperleaf here. I just want to
12 confirm you don't have those numbers. Like, if a
13 pole's health index of very poor versus a health
14 index of very good, you don't have a failure
15 probability number that you use; you use a different
16 method with Copperleaf?

17 R. BASSINDALE: That is correct.

18 M. DEFAZIO: Thank you.

19 R. BASSINDALE: That is correct.

20 M. DEFAZIO: Thank you.

21 Can we please go to Exhibit 2A, schedule 1, tab
22 1, and 5.31, which I have down as page 103. We are
23 looking for figure 7, which is on page 103. Yes.
24 Thank you.

25 So this shows the risk of a value, and it has
26 got the risk value before and after intervention.
27 And can you explain how you calculate the risk curve
28 post -- like, pre- and post-investment if you don't

1 have a failure curve for individual assets?

2 H. IBRAHIM: Ms. DeFazio, we would take that as
3 an undertaking to present to you the inner workings
4 of Copperleaf on how the risk is calculated, which
5 pertains to your question, and we will provide an
6 example to illustrate it so it would be more helpful.

7 M. DEFAZIO: Okay. That would be great. Thank
8 you.

9 So this is kind of like a -- would it be correct
10 to say this is like a theoretical -- or a
11 representation of the theory of investment before and
12 after intervention, just this figure? Yeah.

13 H. IBRAHIM: The figure is illustrative.

14 M. DEFAZIO: Okay. Thank you.

15 R. DHILLON: Okay. I will mark that as
16 Undertaking JT-2.10.

17 **UNDERTAKING JT-2.10: EXPLAIN HOW THE RISK CURVE**
18 **IS CALCULATED PRE-INVESTMENT AND POST-INVESTMENT**
19 **IF YOU DON'T HAVE A FAILURE CURVE FOR INDIVIDUAL**
20 **ASSETS AND PROVIDE AN ILLUSTRATIVE EXAMPLE OF**
21 **HOW RISK SCORES ARE CALCULATED IN COPPERLEAF**
22 **THROUGH THE VALUE FRAMEWORK.**

23 M. DEFAZIO: And the pre-investment and post-
24 investment risk values are entered by the individual
25 SMEs who are entering the projects into Copperleaf;
26 is that correct?

27 H. IBRAHIM: It is entered in the value
28 framework through a set of questionnaire --

1 prescribed set of questionnaire. The SMEs do not
2 have access to enter their own risk value. It is
3 according to the value framework that they answer a
4 set of questions, and based on that, a computed risk
5 score before and after the investment is calculated.

6 M. DEFAZIO: Okay. And are those through the
7 drop-down menus, like, a set -- set values that they
8 pick from?

9 H. IBRAHIM: I think as part of that undertaking
10 where we said we will provide an example, it will
11 show exactly how it is done.

12 M. DEFAZIO: Okay.

13 H. IBRAHIM: And you would get to see the
14 example.

15 M. DEFAZIO: Okay. Thank you.

16 Can we please go to interrogatory response to
17 2A-SEC-27. And there is an attach -- oh, sorry. Go
18 ahead. And there is an attachment 2. And down to
19 page 84.

20 So this was, I think, the -- one of the only
21 cases I was able to find where risk was shown as
22 probability times consequence, and now I am looking
23 at the page, trying to remember where that was. But
24 for most of your cases, you are not looking at
25 probability times consequence; you have blended them
26 together already into a risk calculation. Is that --
27 sorry. Would you expect me to see that in your
28 example, then?

1 H. IBRAHIM: Can you please clarify what you
2 mean, we "blend them"?

3 M. DEFAZIO: Well, you are not putting in an
4 entry for probability of -- so, for example, if you
5 are looking at an asset failure, pole replacement --
6 I will just make it up as we discuss -- so you are
7 not looking at the probability of the specific poles
8 failing, and you are not looking at the consequence
9 of those specific poles failing independently; you
10 are entering some questions that lead directly to
11 risk with -- at a higher level rather than the
12 granular inputs of probability and consequence?

13 H. IBRAHIM: As agreed in the undertaking, we
14 will provide that illustrative example.

15 M. DEFAZIO: Okay. Thank you.

16 R. DHILLON: I will mark that as Undertaking JT-
17 2.11.

18 D. COBAN: I think we will just roll that into
19 the previous undertaking --

20 M. DEFAZIO: Yeah.

21 D. COBAN: -- so we can provide one
22 comprehensive example.

23 R. DHILLON: All right. So we will mark that
24 under the previous undertaking as JT-2.10.

25 M. DEFAZIO: Can we please go to the
26 interrogatory response for 2-Staff-37. Okay. Maybe
27 it is 137. I apologize. Sorry. It is 73. My
28 mistake. 2-Staff-73, not 37. And can you scroll

1 down to just the question.

2 So I thank you for answering this question. I
3 think it was not clearly asked, so I will try to ask
4 it a different way.

5 When we ask about risk reduction due to
6 automation -- well, actually, sorry, let's go down to
7 your response so you can see the response to A --
8 sorry, B.

9 So OEB Staff agrees that grid modernization and
10 automation does not reduce failure risk. So having
11 automation would not -- if you have automation on a
12 circuit, the probability of an asset failing will not
13 change. If a pole is in a certain condition, whether
14 or not there is upstream automation, the pole has the
15 same likelihood of failing.

16 However, if you have automation upstream of a
17 poor condition asset, the consequence when that asset
18 fails will be different. So, for example, rather
19 than having a whole circuit out of power because of
20 an equipment failure, you may just have a portion of
21 the circuit out of power because of automation. That
22 is the purpose of the automation. Does that sound
23 correct to you?

24 R. BASSINDALE: Just to kind of repeat and
25 confirm here. So what you are saying is if there is
26 automation upstream of the failed asset, the duration
27 that customers would be -- a portion of customers
28 would be interrupted for would be reduced?

1 M. DEFAZIO: That is correct.

2 R. BASSINDALE: I would agree with that
3 assertion.

4 M. DEFAZIO: Okay. Thank you.

5 So if that is -- so the consequence is different
6 depending if there is automation on a circuit or not.
7 How have you integrated that consequence difference
8 in your risk assessment when you are prioritizing
9 your projects if you have poor condition assets in an
10 area where there is automation versus an area where
11 there is no automation?

12 R. BASSINDALE: So, first, Ms. DeFazio, I want
13 to kind of clarify that the benefits of automation
14 are listed within the automation investment and
15 business case, and those are separate from, say, ones
16 for, like, pole renewal, right.

17 Now, in regards to your specific question in
18 terms of how do we incorporate the fact that an asset
19 might be on a feeder with automation versus not
20 automation, you can respect that when you are looking
21 at pole renewal program, and you are looking at, you
22 know, 1,000 poles you are going to replace, you are
23 not able to determine which ones have or don't have
24 automation on that upstream feeder.

25 So what we use is we use the previous or the
26 most recent year's reliability results showcasing the
27 impact per event. So for poles, it would be looking
28 at the overhead line hardware failure category. And

1 then the average duration that an outage occurs.
2 That would take into consideration the fact that as
3 more automation hits the system and duration of
4 outages decreases, that would also play into that,
5 you know, total pool. And then that would be
6 reflected in the business case showing that, look,
7 outages are taking less time.

8 M. DEFAZIO: So if you had a 50-pole pole
9 placement project in one area and a 50-pole pole
10 replacement project in another area, regardless of
11 automation, those would be weighted the same? All
12 other factors being equal.

13 R. BASSINDALE: Your example is very binary,
14 right. Like --

15 M. DEFAZIO: Yeah.

16 R. BASSINDALE: -- a given, right. 1,000 poles
17 are not necessarily, you know, 50-pole discrete
18 projects everywhere. I think the largest in a go is
19 three, four, five poles at a time.

20 We do try to target specifically the
21 deteriorated poles. In a deteriorated pole
22 situation, you might only have one pole in that pole
23 line that you needed to replace.

24 So, again, because of those factors, we used the
25 generic outage duration for that whole -- kind of
26 whole investment.

27 M. DEFAZIO: Okay. Thank you.

28 R. DHILLON: Ms. DeFazio, the time is 10:41. If

1 you can find a natural break in your questioning so
2 that we can break at 10:45, around that time.

3 M. DEFAZIO: Okay. Great. I will do -- have
4 one more question, and then we will take our break.

5 Could you please pull up 2-Staff-60 and go to
6 line -- the second page. And on line 13, it says --
7 in 14, it states:

8 "Alectra Utilities grid resilience and
9 modernization investments include renewing
10 deteriorated assets built to legacy standards
11 to current CSA standards which incorporate
12 resilience considerations."[as read]

13 Are there any standards or regulatory
14 requirements or best practices that require
15 replacement of existing in-service poles to current
16 CSA standards?

17 R. BASSINDALE: So through Ontario Regulation
18 22/04 that is enforced by ESA, it is a requirement
19 that when you do a planned work, so a planned pole
20 replacement, that it is brought up to the current
21 standard.

22 M. DEFAZIO: Okay. So it doesn't require you to
23 go out and bring them up to the current standard.
24 Just if you are doing the work, then you bring it up
25 to the current standard?

26 R. BASSINDALE: That is correct.

27 M. DEFAZIO: Thank you very much.

28 And this will be a good time to break.

1 R. DHILLON: Thank you. We will resume back at
2 11:00 a.m.

3 --- Recess taken at 10:43 a.m.

4 --- Upon resuming at 11:00 a.m.

5 R. DHILLON: Welcome back. The time is now
6 11:00 a.m.

7 **PRELIMINARY MATTERS**

8 R. DHILLON: I just wanted to deal with two
9 matters before we commence or continue with the
10 questioning by Ms. DeFazio. The first is that
11 reference was made to Staff compendium, and we would
12 like to mark that as Exhibit KT-2.1.

13 **EXHIBIT KT-2.1: STAFF COMPENDIUM**

14 R. DHILLON: And the second matter is I believe
15 from the clarification questions that Alectra had
16 provided this morning, Mr. Gluck has a follow-up
17 question. Thank you.

18 Over to you, Mr. Gluck.

19 L. GLUCK: Thank you.

20 So I just -- it is a question about your
21 correction to CCC-24 that we were talking about. So
22 maybe we could pull it up so we are looking at the
23 same thing.

24 So just first, I wanted to make sure I heard you
25 correctly. I think what you said this morning is
26 that the revenue horizon for Project 1, it is in the
27 table below -- the next table, please. Project 1,
28 the revenue horizon is actually 25 years, and it is

1 the connection horizon that is 15 years. Is that
2 right?

3 D. FAIRCHILD: That is correct.

4 L. GLUCK: Okay. Thank you.

5 And can you explain why the company extended the
6 connection horizon to 15 years relative to the
7 standard 5 years?

8 D. FAIRCHILD: In light of this particular
9 project, we felt it was appropriate, was a specific
10 request from the customer due to the size of this,
11 indicated there as 100 megawatts. A five-year ramp
12 up did not seem appropriate for the customer.

13 L. GLUCK: Okay. And yesterday, you were
14 talking about a connection to what Hydro One did for
15 this customer. Is that connection still hold? Is --
16 did Hydro One apply a 15-year connection horizon and
17 a 25-year revenue horizon?

18 D. FAIRCHILD: We are actually -- we are still
19 finalizing this particular project. So the
20 indication, the premise that we are going on at this
21 point is a 15-year connection and revenue horizon.

22 L. GLUCK: And that is the same as Hydro One?

23 D. FAIRCHILD: From -- on the Hydro One.

24 L. GLUCK: Okay. And can I just discuss the
25 implications of an extended connection horizon with
26 you for -- for the other ratepayers on the system.

27 So my understanding is that the connection
28 horizon starts when the facility is energized, the

1 related facility is energized. Is that right?

2 D. FAIRCHILD: That is correct.

3 L. GLUCK: And so the costs of that facility,
4 the related facility, will enter rate base at the
5 time that it is energized. Is that also right?

6 D. FAIRCHILD: Correct.

7 L. GLUCK: Thank you.

8 So presumably -- I am making an assumption here,
9 but given that you are providing 15 years, so a
10 longer connection horizon for this customer,
11 presumably the reason for that is that there is an
12 expectation that they may not hit -- or they're
13 ramping up over a longer period of time, so they may
14 not hit the peak load that has been forecast until,
15 you know, after five years, that is why the longer
16 horizon has been provided. Is that a fair
17 presumption?

18 D. FAIRCHILD: Consistent with the -- I think
19 the concept of the connection horizon is to afford
20 the customer that duration to ramp up their load to
21 their requested needs, yes.

22 L. GLUCK: Thank you.

23 So the other customers on the system during this
24 longer ramp up are going to be covering the cost of
25 that related facility until that data centre hits its
26 peak load. Is that a fair assumption or statement?

27 D. FAIRCHILD: I think the mechanism of the
28 economic model holds in this case as well. Alectra

1 will be -- when an offer to connect is executed,
2 based on the economic model data, Alectra will
3 receive the upfront contribution, capital
4 contribution, and then any remaining would be held in
5 the form of a security deposit.

6 So I really think the ratepayer is kept whole,
7 you know, based on, you know, the framework of the
8 economic model as it is today.

9 L. GLUCK: And can we -- can you undertake to
10 provide that economic model?

11 D. COBAN: Just similar to the undertaking we
12 gave yesterday to, I think, provide a summary of the
13 outputs of that model and the key assumptions.

14 L. GLUCK: Okay. Thank you.

15 R. DHILLON: Thank you, Mr. Gluck.

16 Mr. Rubenstein.

17 M. RUBENSTEIN: I have a follow-up.

18 D. COBAN: I am sorry, can we just mark that
19 undertaking?

20 R. DHILLON: Yeah. We can mark that as
21 Undertaking JT-2.11.

22 **UNDERTAKING JT-2.11: PROVIDE A SUMMARY OF THE**
23 **OUTPUTS OF THE ECONOMIC MODEL AND KEY**
24 **ASSUMPTIONS**

25 L. GLUCK: And I just was wondering for any
26 other nonresidential customers, have you provided --
27 have you applied an extended connection horizon?

28 D. FAIRCHILD: Over what period --

1 L. GLUCK: The last few years.

2 D. FAIRCHILD: -- since Alectra's inception?

3 L. GLUCK: No, not since your inception. So the
4 last few years?

5 D. FAIRCHILD: Subject to check, I will say,
6 from my memory, we have extended it to one other
7 residential low-income housing development in
8 Hamilton. If we did, the OEB has a record of any
9 extensions as we are obligated to file with them. So
10 subject to check, we could let you know.

11 L. GLUCK: Okay. So subject to check, it is one
12 residential customer, no non-residential customers?

13 D. FAIRCHILD: Not that I am aware of.

14 L. GLUCK: Okay. That is great. Thank you.

15 R. DHILLON: Thank you, Mr. Gluck.

16 Mr. Rubenstein.

17 M. RUBENSTEIN: With respect to table 2, because
18 it is only showing the revenue horizon, do I take it,
19 then, from your last response that was looking at the
20 history, on a going-forward basis with these data
21 centre projects, is Project 1 the only one with a
22 revenue horizon -- sorry, a connection horizon that
23 is greater than five years?

24 D. FAIRCHILD: With the exception of Project 1,
25 subject to check, Projects 2 through 12 as listed in
26 table 2 are all on a five-year connection horizon.

27 M. RUBENSTEIN: Thank you very much.

28 R. DHILLON: Thank you, Mr. Rubenstein.

1 We will resume with OEB's Staff's questioning,
2 and I will turn it over to you, Ms. DeFazio.

3 **CROSS-EXAMINATION BY M. DEFAZIO - CONTINUED**

4 M. DEFAZIO: Thank you.

5 Could we please open IR 2-Staff-79, please, and
6 scroll down to page 3. So this -- what this table
7 shows is the amount of poles forecast to be changed
8 during the forecast period excluding those through
9 customer connections -- or, sorry, system access.

10 Could we now please go to the Staff Excel file,
11 and go to tab 2-Staff-64. Thank you. Can you scroll
12 down to figure 11.

13 So this is taken directly from the IR response,
14 and Staff has just added totals and percentages at
15 the bottom of the table as they weren't in the IR
16 response.

17 As we can see from your 2023 health index, in
18 2023, you had approximately 10,000 poles that were in
19 very poor and poor condition. So does this mean that
20 Alectra is aiming to replace almost all poor and very
21 poor condition poles over the forecast period?

22 R. BASSINDALE: So as we provide in evidence, it
23 is only the pole renewal investment that is actually
24 targeting a hundred -- or the target is a hundred
25 percent towards deteriorated, so very poor/poor
26 assets.

27 For the other investments, only a subset of
28 these poles may be in very poor/poor condition. So,

1 for example, for voltage conversion, if it is a 4 kV
2 area, you also have to put into consideration that
3 voltage conversion is targeting the oldest
4 infrastructure, so a lot of the stuff is not built to
5 the correct clearances of today's standards. So when
6 having to go through and convert from 4 kV to 13, 8,
7 that necessitates the poles being changed in a lot of
8 cases, and many of those cases, the poles aren't
9 necessarily deteriorated assets.

10 M. DEFAZIO: Okay. So can you explain what some
11 of the benefits may be of replacing poles that are
12 not in very poor/poor condition? I think you just
13 gave one, which was clearances for new voltage.

14 R. BASSINDALE: Sorry. Can you kind of clarify
15 your question there. So you want me to go through,
16 like -- besides voltage conversion, you want me to go
17 through the other --

18 M. DEFAZIO: No. Just as a general -- like, a
19 general thing, what would be benefits -- are there
20 other benefits of replacing poles that are not in
21 poor and very poor condition? Just because everyone
22 who looks at this case isn't an operations engineer.

23 R. BASSINDALE: So I would like to clarify a few
24 things, Ms. DeFazio. So, first, we have listed the
25 primary driver for why the other investments are
26 taking place. Additionally, I do want to remind you
27 that we did say this is an estimated pole
28 replacement. If we can maintain the existing pole

1 that is there, we will reuse that existing pole. So
2 that is why it is an estimate on the number of poles
3 we plan to replace.

4 M. DEFAZIO: Yes.

5 R. BASSINDALE: Additionally, you know, you can
6 respect that with a system built over several
7 decades, replacing some of the other assets they
8 could have, you know, wooden crossarms, porcelain
9 insulators, you know, low -- I mean, obviously, lower
10 classes than the poles that are installed today. So
11 there are other ancillary benefits.

12 And, again, pointing back to when we do stuff in
13 a -- for a planned replacement, it is a requirement
14 to bring it up to the current standard.

15 M. DEFAZIO: Thank you.

16 If we look at table 11 and table 12, which is
17 the 2018 asset condition assessment versus the 2023
18 asset condition assessment, there is a large number
19 of poles whose health index was assessed as being
20 fair or good in 2018 that are considered being very
21 good in 2023. Can you explain this changing
22 condition assessment?

23 R. BASSINDALE: Ms. DeFazio, I wouldn't want to
24 speculate on the changes. I would rather take that
25 as an undertaking to go back and provide you a
26 response in terms of why that is.

27 M. DEFAZIO: Okay. I am just going to point
28 you, quickly, before we take that undertaking, to a

1 conversation you had yesterday with Ms. Grice about
2 the data availability that increased for the poles.
3 Did you change how -- the data you had available for
4 poles between 2018 and 2023?

5 R. BASSINDALE: So as we perform inspections and
6 testing every single year, we get, you know, more
7 recent asset information, and that would have an
8 effect on the ACA. But without actually, you know,
9 reviewing that information, I would be -- I would be
10 speculating right now that that is the cause.

11 M. DEFAZIO: Okay. I will take that as an
12 undertaking. Thank you.

13 R. BASSINDALE: So just to confirm, it is to
14 clarify the difference between the good and very good
15 between 2018 to 2023?

16 M. DEFAZIO: Yes.

17 R. BASSINDALE: Thank you.

18 M. DEFAZIO: Oh, sorry. Fair and good moving to
19 good and very good, very good in 2018 moving to very
20 good in '23. Same thing.

21 R. BASSINDALE: Obviously, understanding that --

22 M. DEFAZIO: Yeah.

23 R. BASSINDALE: -- it might have moved the other
24 way as well. Some of the assets may have gone into -
25 - from fair to poor and very poor.

26 M. DEFAZIO: Okay.

27 R. DHILLON: I will mark that as Undertaking JT-
28 2.12.

1 **UNDERTAKING JT-2.12: PROVIDE INFORMATION ON THE**
2 **CHANGE IN POLE CONDITION RATINGS BETWEEN THE**
3 **2018 AND 2023 ASSET CONDITION ASSESSMENTS**
4 **INCLUDING WHY POLES RATED FAIR OR GOOD IN 2018**
5 **ARE SHOWN AS GOOD AND VERY GOOD IN 2023**

6 M. DEFAZIO: And how does Alectra come up --
7 sorry.

8 Can you provide the health index parameters and
9 weights for poles? You have done this for cables
10 under IR response to 2-Staff-102 -- oh, sorry -- that
11 was for transformers under 2-Staff-102, the
12 parameters and weights that go into Copperleaf --
13 sorry -- that go into the health index that goes into
14 Copperleaf.

15 R. BASSINDALE: So I believe, Ms. DeFazio, we
16 already provide this information in appendix E.

17 M. DEFAZIO: Okay. And --

18 R. BASSINDALE: Sorry. Yeah, schedule 2A, tab 1
19 -- sorry -- Exhibit 2A, tab 1, schedule 1, appendix
20 E, and it is on page 33, table 9, if you want to --
21 we can turn that up.

22 M. DEFAZIO: Thank you. Thank you. I will take
23 note of that.

24 In your discussion yesterday with Ms. Grice, you
25 stated that age is an input for the health index of
26 all equipment excluding station assets, which means
27 that age would also be input for poles. My
28 understanding is that you are doing Resistograph

1 testing of your poles as part of your pole inspection
2 and testing program.

3 Are all your poles Resistograph tested on a 3-
4 year cycle or after they have been in service for 8
5 years?

6 R. BASSINDALE: In Exhibit 2A, tab 1, schedule
7 1, we provide -- in section 5.3.3, table 5.3.3-2.

8 M. DEFAZIO: Mm-hmm.

9 R. BASSINDALE: Page 266, if that helps.

10 So we provided changes since the last DSP. The
11 frequency was revised to every 3 years, targeting
12 poles older than 15 years old, and that was to bridge
13 the data gap.

14 M. DEFAZIO: If you are doing strength testing
15 through the Resistographs, what deterioration factors
16 aren't being identified that requires you to include
17 age in your health index?

18 R. BASSINDALE: So we actually provided an IR
19 response to this. I just can't find it at the
20 moment. But in general terms, in the absence of any
21 other conditional information, we still assume that
22 the asset will degrade at a generic rate according to
23 its age.

24 M. DEFAZIO: Okay. Thank you.

25 Can we please pull up IR 2-Staff-85. And can we
26 go down to page 2. There is a table. Thank you.

27 So this shows the material project benefits and
28 risks for different projects, the results from the

1 inputs in Copperleaf. Would you be able to submit
2 how the pole renewal mitigated risk of 43 -- 41.3 and
3 the switch removal of 72.1 was calculated, what the
4 inputs were?

5 R. BASSINDALE: Ms. DeFazio, these values are
6 cumulative on a per-asset basis, so we can take an
7 undertaking to go back and see what we can provide to
8 you in regards to potentially aggregating the risks
9 by category rather than necessarily providing you
10 thousands of individual risks.

11 M. DEFAZIO: Okay.

12 For those projects in this table that do have
13 unique identifier numbers, can you provide the inputs
14 for those?

15 D. COBAN: Ms. DeFazio, I think just really
16 considering the breadth of your request and the time
17 effort involved, would it be satisfactory if we could
18 perhaps take one of these projects and show you that
19 as a demonstrative example? It is a lot of work, and
20 I am just mindful of how many undertakings we have
21 taken already --

22 M. DEFAZIO: Okay.

23 D. COBAN: -- and more to come.

24 M. DEFAZIO: How -- could I ask you to do one
25 pole removal and one voltage removal -- sorry -- one
26 pole renewal and one voltage conversion project, just
27 the inputs for those? I am assuming it is just a
28 data dump of some kind.

1 R. BASSINDALE: Just to clarify, risk and
2 benefit or just the risk?

3 M. DEFAZIO: Both, please.

4 D. COBAN: Okay. It sounds like we are unsure
5 if that can be done, so we will undertake to consider
6 this, and if we can, we will; and if we can't, we
7 will explain why.

8 M. DEFAZIO: Thank you.

9 R. DHILLON: Thank you. I will mark that as
10 Undertaking JT-2.13.

11 **UNDERTAKING JT-2.13: PROVIDE THE RISK AND**
12 **BENEFIT INPUTS FOR ONE POLE RENEWAL PROJECT AND**
13 **ONE VOLTAGE CONVERSION PROJECT FROM THE TABLE IN**
14 **IR 2-STAFF-85, INCLUDING AN EXPLANATION OF WHY**
15 **ZERO BENEFITS ARE SHOWN FOR CERTAIN PROJECTS**
16 **SUCH AS POLE RENEWAL AND SWITCH REMOVAL**

17 M. DEFAZIO: I was looking at the benefits. Can
18 you explain how the benefits for existing assets were
19 considered when you calculate the incremental benefit
20 for renewal projects, like, what is the benefit
21 before, and what is the benefit after?

22 H. IBRAHIM: Ms. DeFazio, we have articulated
23 how the value measure of benefits are calculated also
24 with an illustrative figure, and if I can point you
25 to Exhibit 2A, tab 1, schedule 1, section 531, page
26 102.

27 M. DEFAZIO: Okay. Thank you.

28 There is benefits shown for every project and

1 grouping of projects in this table except for pole
2 removal and switch removal. Can you explain why
3 there is no benefits listed for pole removal and
4 switch removal -- sorry -- renewal?

5 R. BASSINDALE: So I believe we have already
6 taken an undertaking to try to see what we can
7 provide in regards to one of those projects to help
8 give you that information.

9 M. DEFAZIO: I am just curious, why would a
10 project -- maybe this is more a theoretical question
11 because this comes up on other tables as well with
12 other assets that I am going to go to later -- is
13 that there is zero benefits shown. How could a
14 project not have benefits? I understand it reduces
15 risk.

16 R. BASSINDALE: We will provide an explanation
17 for that in the previous undertaking.

18 M. DEFAZIO: Thank you.

19 If you can look towards the bottom of the
20 project list that is shown on the screen, there is
21 two projects listed called "joint-use pole removal,"
22 just curious what those projects were. I looked for
23 a definition in the application, and I was still
24 confused. Can you just describe to me what the
25 joint-use pole removal projects are?

26 D. FAIRCHILD: Capital projects that require new
27 poles to be installed into the system leave old poles
28 behind in the system. Often there is a lag to remove

1 those poles out of the system until the joint-use
2 tenants can complete their transfers, at which time
3 those poles get removed. We just refer to them as
4 "joint-use pole removals."

5 M. DEFAZIO: Okay. Thank you.

6 So those -- those are the situations where you
7 drive down the road and you see the new pole and you
8 see the old pole cut in half with the telecom still
9 on it, and then you go back and replace -- pull those
10 out?

11 D. FAIRCHILD: Correct.

12 M. DEFAZIO: Would -- so you separate that work
13 out from the initial pole replacement project if it
14 is a lag, then, a time lag?

15 D. FAIRCHILD: Yeah, so in any project in that
16 situation that the pole exists, generally, the
17 project that caused that, you know, joint-use pole to
18 remain in place, the original project would, you
19 know, get completed, and this is sort of a left-
20 behind pole, and we just capture it under -- under
21 this category of work.

22 M. DEFAZIO: Thanks.

23 Just curious how you deal with these types of
24 things in your project optimization or prioritization
25 with Copperleaf. Is there a flag or some kind of
26 thing where you can force a project through where you
27 say, "this needs to be done," where it is a force-
28 through? Because I imagine these things aren't

1 discretionary.

2 H. IBRAHIM: Ms. DeFazio, if I can point you to
3 SEC-28 -- 2A-SEC-28, there is a project list that was
4 attached in response to part A. If it is part of a
5 planning group, it would list it beside it. So if it
6 is in a planning group that is forced through the
7 optimization or another part of a planning group as
8 described in our evidence, it would list it beside
9 it. And I don't have the column name, but it would
10 say "planning group," and it would list it there, the
11 name of the planning group. And I believe I
12 discussed with Mr. Rubenstein the other day the new
13 to scenario.

14 M. DEFAZIO: Thank you.

15 Can we please go to 2-Staff-126, please. And
16 down to page 2. So I am particularly looking at the
17 second line, the rear lot conversion line, and we see
18 quite a step increase in 2029. No need to pull this
19 up, but you gave an explanation as to why this occurs
20 in 2-Staff-127 where you say spending was reduced
21 earlier to redirect funding towards other higher-
22 priority projects.

23 Can we please now go to 2-Staff-59. And page 2,
24 please.

25 So here, this shows the investment values for
26 these projects, including the rear lot -- sorry.

27 Here, we saw -- see the rear lot conversion
28 values, and the total is 307. Can you discuss the

1 relative priority of rear lot conversions to other
2 priority projects during the historic period and how
3 that has changed in the forecast period? Has
4 something dropped away, or has this -- the priorities
5 for this changed? How has it been bumped through the
6 -- what has changed that has bumped it up in 2029?

7 T. WASIK: Ms. DeFazio, you referenced the
8 original IR response to this. Could you reference
9 that again, please?

10 M. DEFAZIO: Sure. It is 2-Staff-127.

11 T. WASIK: Thank you. Thank you.

12 H. IBRAHIM: And if you please can clarify the
13 question, please, or restate it.

14 M. DEFAZIO: No problem. You state in 2-Staff-
15 127 that this project was reduced to redirect funding
16 to other higher priority projects. Could you explain
17 how this has now become a higher priority project?

18 H. IBRAHIM: Ms. DeFazio, as we stated in Staff-
19 127, in the historical period, we focused on
20 underground renewal. In this plan, we are tackling
21 rear lot, but we do need time to prepare, and we do
22 explain that in E14 as to why we need more time, and
23 hence you see that delay in the program starting.

24 M. DEFAZIO: Okay. Thank you.

25 Can we go to 2-Staff-85, please. And can we go
26 down to the table in the response. Thank you.

27 I want to look at "overhead conductor number 6
28 replacement feeder MK-11." And then the line above

1 it is "overhead conductor number 6 replacement
2 feeders," and it lists three feeders, PA-F3, F5, and
3 F6. Can you explain how you decide how many feeders
4 to group into a project?

5 R. BASSINDALE: It is based on the proximity of
6 the number 6 wire being together. So in the case of
7 the PA feeders, the number 6 wire is within the same
8 kind of geographical location. In some cases, it is
9 even on the same pole. Because multiple feeders go
10 on the same pole. Where on the MK-11, the number 6
11 is just on that one particular part of the feeder.

12 M. DEFAZIO: Okay. Thank you.

13 If you were to address -- just, say, on the MK-
14 11, rather than addressing the entire feeder, you
15 addressed half the feeder, what would happen to the
16 benefit and mitigated risk values? Would they drop
17 by half?

18 R. BASSINDALE: Under the hypothetical scenario,
19 I just -- I wouldn't know what -- what impact that
20 would have. That would have to be an assessment
21 based on exactly what is remaining within that
22 portion of the work.

23 M. DEFAZIO: So when we talked about the 307 for
24 the rear lot conversion project, that weighting of
25 307, it is for the project as you defined for that
26 period. Right? Like, the amount of rear lot
27 conversions you are doing, if you were to do a
28 portion of that, like, would it get the -- like, I

1 imagine that is quite a bit of work over five years.
2 If you broke it into smaller pieces, would it get
3 different weightings or the same weightings?

4 R. BASSINDALE: Can you just take us back to the
5 reference you had for the 307, please.

6 M. DEFAZIO: Okay. Or we could even use any of
7 them here. Like, you said -- you can't say it would
8 go to half, but the risks and the benefits -- if it
9 is based off things like lost load or impact to
10 customers, would a smaller scope of project give you
11 smaller risks and benefits? Or would it -- would you
12 expect to still have the same risks and benefits?

13 R. BASSINDALE: Sorry. If you could provide us
14 that reference to the 307 so we can -

15 M. DEFAZIO: Sure. The 307 is on 2-Staff-59,
16 page 2.

17 R. BASSINDALE: So subject to check, the 307
18 would be the total value of all the rear lot
19 investments.

20 As provided more discretely in 2-Staff-85, each
21 project has its own unique benefits and risks and
22 total value. So making the assumption that, you
23 know, removing half the work would result in half the
24 value, I would not agree with that statement.

25 M. DEFAZIO: Okay. Thank you.

26 What I am looking at is that some of these are -
27 - well, a lot of these are five-year programs. If
28 you had a budget cut and had to reduce the scopes or

1 look at things on a yearly basis, you could expect to
2 have different -- different outputs, then, if you had
3 different scopes?

4 R. BASSINDALE: Again, you are asking a
5 hypothetical. We have put forward the plan with the
6 risks and benefits and the values as is, and, you
7 know, entertaining alternative options would not be
8 something we could respond to.

9 M. DEFAZIO: I am not asking you to. I am just
10 saying, theoretically, if you put in a five-year year
11 project, it would get a much higher weighting than a
12 one-year project that is one-fifth the size. Would
13 that be reasonable to assume?

14 R. BASSINDALE: So I cannot agree with that
15 assertion. A smaller project might have more
16 deteriorated assets and a greater reliability impact
17 which would generate a different benefit and risk,
18 and, therefore, it would be potentially different
19 than a larger project.

20 M. DEFAZIO: Okay. Let's move on to 2-Staff-64,
21 please. And could you open the file Staff sent, the
22 Excel attachment for 2-Staff-64. We are going to
23 look at tables 3 and 4, so could you please scroll
24 up. Thank you.

25 The number of overhead transformer is -- in 2018
26 is larger than the number of overhead transformers in
27 2023, which means -- sorry, to put it the other way,
28 the number of overhead transformers in your system

1 decreased over time. Can you explain why, over time,
2 you have fewer overhead transformers?

3 D. COBAN: Sorry. I just want to make sure that
4 we all have the same information on the screens in
5 front of us. Could you just direct us, Ms. DeFazio,
6 where in this tab we should be looking to follow --

7 M. DEFAZIO: So if you look at table 4, the
8 total number of overhead transformers in 2018 is
9 32,123. And if you look at table 3, the number of
10 overhead transformers in 2023 is 31,807, which shows
11 a decrease in the number of transformers when you are
12 increasing the number of customers, which I am
13 assuming includes a little bit of growth.

14 R. BASSINDALE: So I have conferred the majority
15 of the new installations we put forward is
16 underground infrastructure, so it would be either
17 pad-mounted or vault-mounted transformers.

18 In regards to why the number decreases, there
19 could be a variety of factors. We have completed
20 projects in rear lot which we removed the overhead
21 transformer from the back. Additionally, it could be
22 that the customers upgraded their service, and that
23 has forced them to go pad mounted rather than
24 overhead. Because there is a finite size you can put
25 in a transformer with regards to transformation.

26 M. DEFAZIO: Thank you.

27 Similar to the question we had about the wood
28 poles, also looking at transformers, there is a

1 number listed in fair and good that seem to move to
 2 very good -- let me make sure I got this right.
 3 Yeah, that move to very good in 2023. Can you
 4 undertake to explain why?

5 R. BASSINDALE: We will undertake best efforts
 6 to explain the differences between them.

7 M. DEFAZIO: Thank you.

8 R. DHILLON: I will mark that as Undertaking JT-
 9 2.14.

10 **UNDERTAKING JT-2.14: ADVISE WHY A NUMBER OF**
 11 **TRANSFORMERS ORIGINALLY LISTED AS FAIR AND GOOD**
 12 **MOVED TO VERY GOOD IN 2023**

13 M. DEFAZIO: How does Alectra assess the asset
 14 condition for its pole-top transformers?

15 R. BASSINDALE: From a health index perspective,
 16 this is provided in Exhibit 2A, tab 1, schedule 1,
 17 appendix E on page 17, table 4.

18 M. DEFAZIO: Thank you.

19 Can we go to 2-Staff-97, please. And down to
 20 the response for F. When it comes to your
 21 transformer replacement program, do you have a
 22 forecast split, whether by budget or activity,
 23 between the three types you classify them as, pole
 24 top, pad mount, or vault?

25 R. BASSINDALE: To clarify, you are looking that
 26 when we budget out transformer renewal, whether we
 27 budget out by specific unit going forward?

28 M. DEFAZIO: Yes. Do you know how many you are

1 spending or -- yes, what you are doing in each
2 category?

3 R. BASSINDALE: So the budget would be based on
4 an estimate. Actual units would be based on the
5 latest inspection information -- or latest asset
6 information we have. Obviously if we were to
7 discover a unit that might be leaking, we might take
8 that over one that has, you know, a moderate leak
9 versus a major leak.

10 M. DEFAZIO: Yes, yes, of course. Do you have
11 that estimate you can share?

12 R. BASSINDALE: We will take that as an
13 undertaking. I don't know off the top of my head if
14 we can get that out of that system, but, yes, it will
15 be best efforts.

16 M. DEFAZIO: Thank you.

17 R. DHILLON: I will mark that as Undertaking JT-
18 2.15.

19 **UNDERTAKING JT-2.15: PROVIDE THE ESTIMATED**
20 **TRANSFORMER RENEWAL FORECAST SPLIT BY**
21 **TRANSFORMER TYPE INCLUDING POLE TOP, PAD MOUNT,**
22 **OR VAULT**

23 M. DEFAZIO: Can we go to Staff -- oh, sorry,
24 the Excel file Staff shared, please. And go to 2-
25 Staff-103.

26 This table was taken from 2-Staff-103, and it
27 shows the number of transformer failures and customer
28 hours of interruptions in the historic period. And

1 Staff used the built-in functions and magic of Excel
2 just to come up with some graphs.

3 And it shows a declining trend line in both the
4 number of outages and customer hours interrupted per
5 year in the historic period are decreasing despite
6 increasing customer numbers. Can you explain how
7 this ties in with your plan to increase the number of
8 transformers you are replacing over the forecast
9 period?

10 R. BASSINDALE: Sorry for the wait. I just want
11 to clarify that when I was listening to you, I teased
12 out two specific questions.

13 So the first is to kind of reconcile the
14 reduction of outages that we are having in regards to
15 transformer outages specifically, and then the second
16 one is why the increase in -- why we proposed an
17 increase in transformer replacements. Is that fair?

18 M. DEFAZIO: I would say it is one question. If
19 you are seeing decreased outages due to transformer
20 failures, why are you proposing to increase
21 replacements?

22 R. BASSINDALE: So if you actually take a look
23 at a combination of both AMPCO-38 -- response to
24 AMPCO-38, which provides the number of planned
25 transformer replacements, and I believe it is AMPCO-
26 54, which provides the number of reactive transformer
27 replacements, what you will see there is there is a
28 steadily increasing trend of those two together.

1 Even if you just look at the planned portion.
2 The planned portion, I believe, is going up over the
3 2020 to 2025 period, I think, by, subject to check,
4 like, 88 percent, 80 percent, something like that.

5 So the reason for the decrease in the number of
6 outages that we are seeing is because the number of
7 replacements we have going on is increasing. And so
8 there is a relationship between the amount of planned
9 work we do and, obviously, reduction of the number of
10 outages, right.

11 M. DEFAZIO: So the planned replacements are not
12 included in these numbers; those are just failures
13 that cause an unplanned replacement?

14 R. BASSINDALE: So, yes, to kind of --

15 M. DEFAZIO: That makes sense.

16 R. BASSINDALE: -- clarify, your table says
17 "number of transformer failures." It should be
18 number of outages, right.

19 M. DEFAZIO: Right. But it is not planned
20 outages?

21 R. BASSINDALE: Correct.

22 M. DEFAZIO: Okay. Thank you.

23 Can we go to 2-Staff-104, please. And this is
24 very similar to the overhead table we looked at with
25 the underground table. And I was going to ask you
26 the same types of questions, but you did an
27 undertaking for the overhead.

28 Can you do the same thing for just two projects,

1 one transformer -- actually, just one. One
 2 transformer renewal project from the first line of
 3 this table and provide the inputs that gave the
 4 benefit and risk?

5 D. COBAN: I think similar to the previous
 6 undertaking, we will take that away to consider if we
 7 can provide it.

8 M. DEFAZIO: Thank you.

9 R. DHILLON: I will mark that as undertaking JT-
 10 2.16.

11 **UNDERTAKING JT-2.16: PROVIDE THE INPUTS USED TO**
 12 **CALCULATE THE BENEFIT AND RISK VALUES FOR ONE**
 13 **TRANSFORMER RENEWAL PROJECT FROM THE FIRST LINE**
 14 **OF TABLE 1 ON 2-STAFF-104**

15 M. DEFAZIO: Can we go to 2-Staff-96, please.
 16 So if you go down, I think it is the fifth line,
 17 "vault cover renewal." And "multiple," so the
 18 weighting here, that is a combination of all the
 19 vault renewal projects you plan on doing for the
 20 year, not for an individual vault renewal
 21 replacement. Is that correct? Or, sorry, for the
 22 period?

23 R. BASSINDALE: Yes. That is the cumulative of
 24 all the vault cover renewal that is planned over the
 25 period.

26 M. DEFAZIO: Thank you.

27 Can we go to 2-Staff-126, please. And scroll
 28 down to the table. Thank you.

1 The different utilities that come to the OEB to
2 set rates all have different names for their programs
3 and grid modernization and SCADA.

4 So could you please just remind us the
5 difference between your two programs, one called the
6 "SCADA automation and system control" and the other
7 called "grid modernization."

8 T. WASIK: We believe we provided a detailed
9 explanation as to what the differences are in
10 appendix B14 of schedule 2A, tab 1, schedule 1. That
11 is on page 570. Again, appendix B14.

12 In that particular section, the first three
13 pages explain, quite detailed, what the differences
14 are that are part of each of those investment types.

15 M. DEFAZIO: Okay. So for discussions today, I
16 just wanted to remind people the SCADA is all the
17 field and SCADA stuff, and the grid modernization is
18 kind of like IT stuff that supports that. But I
19 understand you have submitted that in the
20 application.

21 Can you explain any significant risk or benefit
22 changes that occur that explain the big jump in
23 spending between the historic period in 2029, 2030,
24 '31 in these categories?

25 T. WASIK: Ms. DeFazio, I believe we provided
26 that in our evidence in that same exhibit under
27 section 2.5, "Investment Timing and Pacing," with
28 respect to SCADA automation and system control and

1 communications performance. So there is an
2 explanation there in terms of the timing per year.

3 We believe we provided the same with respect to
4 rear lot in terms of investment timing and pacing,
5 which is on page 611 of the same appendix, B14. And
6 consistently with the grid modernization, I am just
7 looking up the investment timing and pacing in
8 section 4.5 that speaks to the historical grid years
9 and forecast years. There is quite a lot of details
10 there that can give you a breakdown per each
11 initiative.

12 M. DEFAZIO: I understand the project cases and
13 the explanations you have given.

14 What we are curious about is how that -- what
15 has changed over time, and what we have seen in your
16 Copperleaf outputs is a program for the whole period,
17 and it doesn't really describe yearly what is
18 changing that some projects go up, and some go down
19 in a period, because you are doing it for the period,
20 not by year. So just curious if this is driven by
21 the outputs of Copperleaf or some other driver that
22 you have these step changes in these programs?

23 H. IBRAHIM: Ms. DeFazio, as I explained
24 yesterday to Mr. Rubenstein, we perform an
25 optimization, and optimization maximizes the total
26 value of the portfolio, and it does select different
27 options in projects as well as changes the timing of
28 the intervention that would provide the best value as

1 part of the plan.

2 M. DEFAZIO: Okay. Thank you.

3 Can we please go to 2-Staff-61. And scroll down
4 to the response for C. And in this, Alectra
5 discusses the theory of diminishing returns with
6 automation. When it comes to putting the automation
7 project valuations in, has Alectra come to the point
8 where it has changed any of the inputs due to
9 diminishing returns?

10 J. BUTLER: So Alectra at this point -- you are
11 right, theoretically, when you get to a certain
12 saturation with automated devices, you could get some
13 diminishing returns. We are not at that penetration
14 level yet, so over the course of this -- the filing,
15 our penetration won't be there.

16 And if I can refer you to the response to 2-
17 AMPCO-52. And if you look at -- response to part A
18 is currently we are at 48 percent of our grid is
19 currently automated, and by 2031, we are going to get
20 to 68 percent. So -- so at some point, we may have
21 to do that but not during this filing period.

22 M. DEFAZIO: Thank you.

23 Can we please go to 2-Staff-86A.

24 In the response here, you state that Alectra
25 utilizes the cable degradation curves to determine
26 the health index. And I understand you have a lot of
27 non-tree retardant and first-generation XLPE cables
28 in the system.

1 How do you go about identifying and prioritizing
2 what to do first when it comes to -- or what areas to
3 tackle first when it comes to your cable replacement?

4 R. BASSINDALE: So just to remind you, Ms.
5 DeFazio, from a total capital portfolio perspective,
6 we optimize through C55. The discrete business cases
7 are made up of a combination of ACA and reliability
8 data, and just to kind of remind you, the majority of
9 our outages have been on a non-TR direct buried
10 cable.

11 M. DEFAZIO: So you use the outage data to help
12 identify those hotspots; would that be correct?

13 R. BASSINDALE: The reliability and ACA combined
14 help us identify the hotspots. I think it was
15 actually provided in our last ICM as well when we
16 described how we go about the methodology. And from
17 there, those business -- the three business cases are
18 input into C55, and then the optimization takes it
19 from there.

20 M. DEFAZIO: Thank you very much.

21 Okay. We are done with Copperleaf finally.

22 I am going to ask you a logistics question. Can
23 we go to Excel file CCC-11, 2AA. And go down to the
24 -- if you can scroll down so we can see the system
25 renewal category. I am looking at cable remediation.

26 So the cable remediation, which is cable
27 replacement, shows quite some step jumps from 37
28 million in '26, 55 million in '28, and 120 million in

1 2030. How are you going to ramp up and resource
2 those -- those increases in work?

3 M. WITTEMUND: So, Ms. DeFazio, through our
4 planning and analysis and through, you know,
5 outlining what we need to execute on these projects,
6 we determined through, you know, internal -- our
7 internal resources as well as, you know, extensive
8 discussions and conversations with our external
9 partners that we are able to resource, and we have a
10 proper resource plan, as outlined in our execution
11 program, to be able to deliver on these -- these
12 increases in our cable remediation projects.

13 M. DEFAZIO: Okay.

14 And who are your external partners? What -- I
15 am just curious, what type of work on these projects
16 do you outsource? Do you outsource the civil, for
17 example, or is that done internally?

18 M. WITTEMUND: For the most part, our civil work
19 is outsourced. That is correct.

20 M. DEFAZIO: Okay.

21 When I look at pole remediation, overhead
22 rebuilds, voltage conversion, and transformer
23 renewal, these also have very identifiable increases.
24 Do these programs use the same resources internally
25 and externally as the cable remediation?

26 M. WITTEMUND: Yeah, not necessarily the same
27 resources will be doing the cable replacement as
28 opposed to the overhead. We have a wide range of

1 external partners that can do both underground civil
2 work as well as overhead electrical work.

3 M. DEFAZIO: Thank you.

4 I apologize. I am going back to Copperleaf
5 question. I added one after listening to Ms. Grice
6 yesterday. Can we go to 2-AMPCO-21, please. And
7 scroll down to table 1 when we get there. And this
8 table shows the consistent labour hours being used as
9 an input into the draft capital plan constraints.

10 I would now ask you to go to 4-Staff-171,
11 please. And scroll down to a table.

12 And here, this table shows a number of positions
13 being added in '28 and '29. And if you scroll down
14 to the bottom, you will see the total number of
15 positions being added in those years. And I note
16 that some of these positions are in distribution
17 design, overhead inspection and maintenance, some
18 project execution staff.

19 Can you -- can you just add on to that
20 undertaking with Ms. Grice to look into the numbers
21 that went into the table in 2-AMPCO-21, also look at
22 reconciling it with the information in this table?
23 And I am sorry. I didn't write the number down. Oh,
24 it is JT-1.24.

25 D. COBAN: Can we just, in the interest of
26 making sure we don't lose sight of that, give it its
27 own unique undertaking number to --

28 M. DEFAZIO: Yes.

1 D. COBAN: -- reconcile this information with JT
2 point --

3 M. DEFAZIO: JT-1.24.

4 D. COBAN: Thank you.

5 M. DEFAZIO: Thank you.

6 R. DHILLON: I will mark that as Undertaking JT-
7 2.17.

8 **UNDERTAKING JT-2.17: RECONCILE THE NUMBERS USED**
9 **IN THE TABLE IN WITH THE INFORMATION PROVIDED IN**
10 **UNDERTAKING JT-1.24**

11 M. DEFAZIO: Can you please go to 2-Staff-97.
12 And to page 3, please.

13 In line 22, Alectra states it has 3,994 leaking
14 transformers at the end of 2023. How does Alectra
15 define that a transformer is a leaking transformer?

16 R. BASSINDALE: Primarily through a visual
17 inspection, but we could also get, you know, a call
18 from a member of the public saying, hey, we think
19 this transformer is leaking, and then we would go out
20 and assess that. But primarily through the
21 inspection program.

22 M. DEFAZIO: Does there have to be, like, a --
23 is there a threshold or a certain amount of leaking
24 to call it leaking or just any evidence of oil
25 leaving the transformer? I am just looking at this
26 number of almost 4,000 transformers.

27 Maybe if I could help you out here, if you
28 scroll down to page 4, there is two pictures of

1 transformers shown, showing different -- what you
2 call "severity of oil leaks." Would both of these be
3 included as leaking transformers?

4 R. BASSINDALE: So through inspection, we do
5 grade the severity of the oil leak. These are two
6 examples of transformers that we would classify as
7 leaking.

8 M. DEFAZIO: Thank you.

9 What would the health index of a leaking
10 transformer be rated as?

11 R. BASSINDALE: So in Exhibit 2A, tab 1,
12 schedule 1, 5.3.2, page 175, in the table, we provide
13 that we consider the transformer leaking oil -- I
14 will just wait until the reference comes up. So that
15 -- that first row of the table there, we define
16 "transformer is leaking oil" as having failed.

17 M. DEFAZIO: So it would be a -- like, a very
18 poor?

19 R. BASSINDALE: Yes.

20 M. DEFAZIO: Thank you.

21 And you have stated that Alectra is required to
22 report leaking transformers to the Ministry of
23 Environment if they spill more than 100 litres. If
24 we could go back to that -- those pictures of those
25 two transformers, how would you know how much oil has
26 leaked from these transformers?

27 R. BASSINDALE: So, first off, I do want to
28 clarify there is the other environmental obligation

1 around PCBs. If they leak 1 gram into the
2 environment, then we also have to report that as
3 well.

4 In regards to how we determine the amount of oil
5 that has leaked, the transformer, when it is brought
6 back, is weighed, and an assessment is done in terms
7 of how much oil we believe has leaked from the
8 transformer based on the nameplate weight.

9 M. DEFAZIO: Okay. So in the field, you can't
10 tell how much it has leaked?

11 R. BASSINDALE: So the field staff assess the
12 severity and, you know, the impact of the surrounding
13 environment. The determination of the amount of oil
14 leaked is done when the transformer is brought back
15 and weighed.

16 M. DEFAZIO: Thank you.

17 Can you provide a table summarizing the number
18 of spills reported to the MOE per year and the
19 equipment not -- that failed, not just transformers,
20 but oil-insulated switches?

21 R. BASSINDALE: We will take that back with best
22 efforts to provide the information you are looking
23 for.

24 M. DEFAZIO: Thank you.

25 Can you please also -- oh, you need a JT?

26 R. DHILLON: I will mark that as Undertaking JT-
27 2.18.

28 **UNDERTAKING JT-2.18: PROVIDE A TABLE**

1 **SUMMARIZING THE NUMBER OF SPILLS REPORTED TO THE**
2 **MOE PER YEAR AND THE EQUIPMENT THAT FAILED,**
3 **INCLUDING OIL-INSULATED SWITCHES**

4 M. DEFAZIO: Can you also provide the amount of
5 money you have spent in the historic period on spill
6 remediation and where that is included in the OM&A
7 budget?

8 R. BASSINDALE: Similar to the last undertaking,
9 best effort, we will try to provide you the
10 information you are looking for.

11 M. DEFAZIO: Okay.

12 These 4,000 leaking transformers, do you
13 forecast them being addressed in the forecast period?

14 Oh, sorry. Undertaking number. I am jumping
15 ahead of myself.

16 R. DHILLON: I will mark that as Undertaking JT-
17 2.19.

18 **UNDERTAKING JT-2.19: PROVIDE THE AMOUNT OF**
19 **MONEY SPENT IN THE HISTORIC PERIOD ON SPILL**
20 **REMEDICATION AND WHERE THAT IS INCLUDED IN THE**
21 **OM&A BUDGET**

22 R. BASSINDALE: So as we provided in evidence,
23 we are forecasting to, from a planned basis, replace
24 4,771. We are expecting some of the transformers
25 might have to be removed reactively, either due to
26 failure or because the oil leak becomes so severe
27 that it needs immediate intervention.

28 M. DEFAZIO: Thank you.

1 And one last question: Do you -- can you
2 provide the forecast expenses for spill remediation
3 you have included for the forecast period and where
4 that is included in the maintenance budget?

5 R. BASSINDALE: I have been told we will provide
6 that.

7 M. DEFAZIO: Thank you.

8 R. DHILLON: I will mark that as Undertaking JT-
9 2.20.

10 **UNDERTAKING JT-2.20: PROVIDE THE FORECAST**
11 **EXPENSES FOR SPILL REMEDIATION INCLUDED FOR THE**
12 **FORECAST PERIOD AND WHERE THAT IS INCLUDED IN**
13 **THE MAINTENANCE BUDGET**

14 M. DEFAZIO: Thank you.

15 And thank you very much, panel. That was my
16 last question, and I think, if I am right, it is time
17 for lunch.

18 T. LADANYI: Excuse me. May I ask one
19 clarifying question?

20 R. DHILLON: Yes. Go ahead, Mr. Ladanyi.

21 T. LADANYI: Yes. This question is on behalf of
22 Coalition of Concerned Manufacturers & Businesses of
23 Canada.

24 Now, based on what I have heard yesterday and
25 again this morning, I am actually now confused about
26 -- or at least my clients are -- about when they have
27 to pay a deposit for new connection and when they get
28 the deposit back. So do they pay a deposit when they

1 apply for a new connection or only when the new
2 connection is established?

3 D. FAIRCHILD: When a customer is seeking a new
4 connection, and let's just use an example, a store
5 front has applied for a connection, and there is
6 existing capacity in the distribution system, there
7 is already wires in front of their property, the
8 customer is responsible to pay 100 percent of the
9 connection costs for those -- for those assets, for
10 that service. Is that helpful?

11 T. LADANYI: No. Actually, it is the time I am
12 interested in. At what point in time do they pay it?
13 Do they pay it when they ask for the connection, or
14 do they pay it when you connect them?

15 D. FAIRCHILD: In that example, Alectra will
16 provide the customer with an offer to connect, and
17 then the customer would review that, sign it back
18 along with the required payment. And that is how it
19 is -- that is the process in that example.

20 T. LADANYI: Okay. So you mentioned the
21 deposit, and that is a part of the payment, is the
22 deposit. How long would you keep that deposit? When
23 would the customer get the deposit back if everything
24 turns out according to plan?

25 D. FAIRCHILD: Okay. In that example, there is
26 no deposit provided by the customer. There will be -
27 - once the project has real life and legs to it, we
28 would collect a design fee to initiate the project

1 and do all the necessary work. And then at the time
2 of the offer to connect, the full costs are included,
3 it is a fixed price, and settlement is fully
4 completed at that point.

5 T. LADANYI: But then the deposit -- would the
6 deposit only be applicable to customers where you
7 have to build more facilities that might take, let's
8 say, six months or something? Is that what you were
9 talking about?

10 D. FAIRCHILD: Yeah. So if we were to take
11 another example where we had to build a system
12 expansion to the distribution system, then we would
13 run an economic model and determine the cost
14 apportionment. And in that case, the customer does
15 provide a capital contribution to Alectra. That
16 capital contribution is non-refundable. We will keep
17 that forever.

18 But in addition, there is a security deposit, a
19 letter of credit, if you will, that stays with
20 Alectra for the duration of the connection horizon
21 which is standard five years.

22 If during that time the customer load
23 materializes as they have indicated to us, they will
24 get that deposit back. And that is reviewed annually
25 each year over the five-year period.

26 T. LADANYI: So if the load materializes, my
27 last question, within the five-year period, for
28 example, in year 2, the customer can get that deposit

1 back?

2 D. FAIRCHILD: If -- yes, they would get the
3 deposit back.

4 T. LADANYI: Okay. Thank you.

5 R. DHILLON: Thank you, Mr. Ladanyi.

6 We will break for lunch. The time now is 12:35.
7 Mr. Court Reporter, are we okay to come back at 1:30?
8 Okay. So we will resume at 1:30. I believe that OEB
9 has about 20 minutes left of questioning, and we will
10 resume at 1:30. Thank you.

11 --- Recess taken at 12:36 p.m.

12 --- Upon resuming at 1:30 p.m.

13 R. DHILLON: Good afternoon, everyone. Welcome
14 back. The time is now 1:30. We have one preliminary
15 matter from Alectra.

16 **PRELIMINARY MATTERS**

17 J. MYERS: Thank you.

18 In the morning session, the panel referred a
19 matter relating to Project Centricity to Panel 2,
20 but, in fact, there is nobody on Panel 2 who can
21 speak to that, so this panel will take an undertaking
22 to respond.

23 R. DHILLON: I will mark that as Undertaking JT-
24 2.20[sic].

25 J. MYERS: Thank you.

26 **UNDERTAKING JT-2.21: ADVISE WHETHER ALECTRA HAS**
27 **A STRATEGY OR PLAN FOR SEEKING THIRD-PARTY**
28 **FUNDING IN RELATION TO NWS PROGRAMMING AS A**

1 **WHOLE, INCLUDING ANY CORRESPONDENCE OR PLANS TO**
2 **ENGAGE WITH RELEVANT FUNDING BODIES**

3 R. DHILLON: We have OEB Staff Ms. Ahmed who is
4 joining us virtually. Please go ahead. Over to you,
5 Ms. Ahmed.

6 **CROSS-EXAMINATION BY Z. AHMED (OEB STAFF)**

7 Z. AHMED: Thank you very much.

8 So my first question is related to 1-Staff-5, A
9 and C. So in that response, you explained how the
10 proposed custom scorecard is linked to the capital
11 and operating initiatives and how it supplements the
12 electricity distribution scorecard; however, based on
13 your response, I am still unclear as to how you
14 prioritize the custom SAIDI target both as a metric
15 and their value.

16 And I understand based on your response to 1-
17 Staff-6 that some of this prioritization came from
18 customer engagement, but if you pull up Exhibit 1,
19 tab 5, schedule 2. And then if you go to the
20 Innovative Report, page 6. And then if you can zoom
21 also so we can see the entire page, perhaps. Or
22 maybe that's too small for everyone to read

23 But on this page, you will see that customer
24 service as well as safety has been one of the either
25 topic responses or somewhere up in the top. So I am
26 still unclear as to why SAIDI was prioritized as a
27 custom target.

28 Can you please explain that -- why or how you

1 prioritize the SAIDI target as part of your custom
2 scorecard over safety and customer service,
3 especially when you already meet the OEB target for
4 reliability but consistently did not meet the target
5 for both safety and customer service, which is the
6 telephone calls answered?

7 Do I need to repeat my question?

8 R. BASSINDALE: That would actually be helpful.
9 I was trying to write down a couple of the comments
10 you made to make sure I had the question correct. So
11 that would be helpful for me.

12 Z. AHMED: Yeah, sure. So what I am trying to
13 understand is why you prioritized the SAIDI target to
14 be part of your custom scorecard -- which you already
15 meet the SAIDI target based on the OEB target that we
16 set for that -- but you did not choose safety and
17 customer service, particularly telephone calls
18 answered, which you have consistently not been
19 meeting.

20 And you did mention that, you know, as part of
21 your customer engagement, you -- based on that, you
22 prioritized safety, but I can also see in the
23 customer engagement survey that customer did also
24 point out to customer service and safety.

25 R. BASSINDALE: So I would just like to refer
26 you back to part C of the response to 1-Staff-5. It
27 is on page 4.

28 So in there, we specifically note that this

1 scorecard supplements the existing one. So we are
2 still going to report on the telephone calls and the
3 serious incidents. That is still going to be
4 reported. Furthermore, we do mention that there are
5 a number of proposed investments within the plan that
6 will specifically deal with both -- improvements on
7 both of those, the -- specifically in lines 7 to 12,
8 we talk about all the renewal investments that would
9 specifically attribute for us bettering the serious
10 electrical incident score.

11 And then in lines 13 to 20, we talk about the
12 investments we are making that will specifically
13 benefit the telephone calls answered.

14 Z. AHMED: Thank you for that.

15 But can you explain why, for example -- you
16 already have these targets for improving your
17 telephone calls answered and your safety, but can you
18 explain why you did not feel like these two to be
19 part of your custom scorecard? What was it that went
20 behind selecting which one goes to the custom
21 scorecard?

22 And the only reason I am asking because the
23 latter two does not meet the targets that OEB has set
24 where whereas the reliability does. So I am just
25 confused as to why one would make it to custom
26 scorecard and the other would not. Is it because one
27 has more emphasis than the other?

28 R. BASSINDALE: So as we already mentioned,

1 these performance metrics are to supplement existing
2 performance metrics that we already report. We
3 believe that the metrics we have suggested for the
4 DSP, specifically when you look at the reliability,
5 it is more informative to the outcomes we expect
6 customers to receive in totality on our plan.

7 Z. AHMED: Okay. Okay. Thanks for that.

8 Now, can you please explain how you came up with
9 the 20 percent improvement to get to 0.74 target?
10 Like, what was the reasoning and the calculation
11 behind it? Why not 10 percent? Why not 5 percent?

12 R. BASSINDALE: So I believe what you have done
13 is you have kind of mischaracterized the way that
14 that metric was developed. So we did not set a 20
15 percent SAIFI target and then build a plan to achieve
16 that. We built a plan that we presented to customers
17 after post customer engagement. We finalized that
18 plan. The execution of that plan, we believe, will
19 result in the SAIDI benefits. So it is not the
20 target was set and the plan was developed. The plan
21 created the target.

22 Z. AHMED: Okay. No, that explains it. Thanks
23 for explaining that.

24 Okay. My next question is on 1-Staff-6A, page
25 2, line 4. Here, you compare yourself to the
26 industry average of a peer group. Can you clarify
27 whether this number that you have used here, which is
28 0.872, is excluding MED only or excluding both MED

1 and loss of supply?

2 J. BUTLER: Sorry. Could you provide us the
3 reference again so we could look it up and put it on
4 the screen.

5 Z. AHMED: Yes. Yes, sure. It is 1-Staff-6A,
6 page 2, line 4.

7 J. BUTLER: Perhaps we could pull up table L-7
8 that is referenced there so we can pull that on
9 screen to reference.

10 R. BASSINDALE: The reference would be Exhibit
11 2A, tab 1, schedule 1, appendix L.

12 J. BUTLER: So table L-7 here that we are
13 looking at, I can confirm that both MEDs and loss of
14 supply are removed from these values.

15 Z. AHMED: Okay. So that 0.8 -- sorry, can we
16 pull that 1-Staff-6A again. So that is 0.872. So
17 this number here that you provided and you are
18 comparing yourself to is both loss of supply and MED
19 removed. Correct?

20 J. BUTLER: Yes, that is correct.

21 Z. AHMED: Okay. Perfect. Okay.

22 Moving on, the next question -- I am sorry I am
23 going back and forth, but the next question is on 1-
24 Staff-5E, page 7, table 2. So, yeah, thanks for
25 providing this information.

26 In this response to tracking -- how you track
27 these custom targets or how you will be tracking
28 these custom targets, you provided this table showing

1 how often each item will be reported.

2 For SAIDI, you noted annual reporting and
3 objective target, but in the DSP Exhibit 2A, part 1 -
4 - is that something you want to pull up?

5 So at DSP Exhibit 2A, part 1, tab 1, there is a
6 tiny table, table 5.2.3, where you present the target
7 or that 0.74 target by 2031 only. So there is just
8 one target.

9 So Exhibit 2A, part 1, tab 1. That is not the -
10 - it is 5.2.3-8, please. So if you scroll down.
11 5.2.3, yes. Yeah.

12 So here, we can see that the target is end of
13 2031. So because you said that you are reporting the
14 custom SAIDI target annually as part of that tracking
15 table we saw earlier, which is table 2 in the
16 response, 1-Staff-5E, as you have an annual target as
17 well for this custom target from 2027 to 2031.

18 My first question, though, is do you have these
19 annual targets for 2027 to 2031? And is this 2031
20 target an average of the previous year? How was that
21 calculated?

22 So because you said you will be tracking it
23 annually, I just want to see the -- this target, this
24 custom target every year starting 2027.

25 R. BASSINDALE: I apologize. The response in
26 the IR should not have said "annual," it should have
27 said "end of 2031." We do not have yearly targets
28 for SAIDI that bring us down to the 0.74 by end of

1 2031.

2 Z. AHMED: Okay. Thanks for clarifying that.
3 Would it be possible to calculate that? Can you take
4 that as an undertaking?

5 D. COBAN: I think at this time, because that is
6 not our proposal in terms of how we believe it is
7 appropriate to track this specific measure and the
8 target associated with it, so I don't think we are
9 prepared to do that.

10 Z. AHMED: Just bear with me. I think you did
11 receive a similar question from -- on the day 1 as
12 well where there were some undertakings for providing
13 the 2031 target that includes -- sorry, that excludes
14 MED, and then another target that is OEB equivalent
15 that is the excluding MED and loss of supply. Right?

16 J. BUTLER: The undertaking on day 1 was to
17 provide our equivalent target, removing MEDs and loss
18 of supply, so that could be compared against the OEB
19 target.

20 Z. AHMED: Okay.

21 R. DHILLON: Ms. Ahmed, just a reminder that we
22 have a few minutes approaching.

23 Z. AHMED: Okay. Sorry. Yeah. Thank you so
24 much. Okay.

25 So the next question is with regards to 1-Staff-
26 5, and this is something you have already touched
27 upon. So 1-Staff-5C, line 14 to 19. In your
28 response, from line 14 to 19, you list all the

1 improvement plans to reduce safety incidents, but I
2 don't see any forecasted safety incident reduction
3 target, at least not in this response, and the total
4 cost to get to that.

5 Can you please undertake that -- to provide a
6 breakdown of all the improvements listed from line 14
7 to 19 by forecasted spending and the corresponding
8 reduction target year over year from 2027 to 2031,
9 please.

10 An example of that is for the customer service,
11 you did provide a very detailed breakdown. And I
12 could refer back to that, the exact percentage, how
13 much you are going to improve, but I couldn't find
14 that for the safety part from lines 14 to 19.

15 Yeah. So if you want to scroll down to line 14
16 to 19, please. Yeah. Maybe that will be helpful.
17 See response C, line 14 to 19.

18 D. COBAN: Sorry. The panel is just conferring.
19 Just give them a moment, please.

20 Z. AHMED: Sure. Sure.

21 R. BASSINDALE: We can provide the dollar
22 amounts for those investment categories that are
23 listed. Alectra Utilities is working towards
24 achieving the targets set out by the OEB in that
25 scorecard; however, we can't forecast the improvement
26 those investments are going to make.

27 Z. AHMED: Okay. I would like to have the
28 breakdown of the dollar investment, please, as an

1 undertaking.

2 R. DHILLON: I will mark that as Undertaking JT-
3 2.22.

4 J. MYERS: Could I just ask, I think the last
5 undertaking, which was the Centricity, I think you
6 said that was JT-2.20, but it is 2.21. 31? No, I
7 think we are at 21?

8 R. DHILLON: Sorry. I have a -- JT-2.21 as the
9 preliminary clarification question.

10 J. MYERS: That is right.

11 R. DHILLON: Okay. My apologies, I will mark
12 that as undertaking JT-2.23.

13 J. MYERS: I think this one is 2.22. I don't
14 think we have had one in between. Sorry if I have
15 caused confusion.

16 R. DHILLON: Sorry. Just for clarity, prior to
17 the break, we were -- we ended at JT-2.20, and the
18 next undertaking was the clarification questions from
19 Alectra in the preliminary matter, which was JT-2.21.
20 So this should be marked -- this current undertaking
21 should be marked as JT-2.22; is that correct?

22 J. MYERS: Correct.

23 R. DHILLON: Thank you. I will mark it as JT-
24 2.22.

25 **UNDERTAKING JT-2.22: PROVIDE A BREAKDOWN OF THE**
26 **IMPROVEMENTS LISTED FROM LINE 14 TO 19 IN 1-**
27 **STAFF-5C BY FORECASTED SPENDING AND THE**
28 **CORRESPONDING REDUCTION TARGET YEAR OVER YEAR**

1 **FROM 2027 TO 2031**

2 Z. AHMED: Thank you.

3 So the next question is on 1-Staff-5D, page 5,
4 if you can pull that up, please.

5 So here, when asked to identify the risks of not
6 being able to meet the custom targets, Alectra
7 identifies funding as the main risk and states:

8 "Any constraints in funding identified in
9 proposed investment will impede the ability to
10 delegate the outcomes proposed in the DSP and
11 target performance measure developed in the
12 custom scorecard." [as read]

13 You did not identify any other risk. Do you see
14 any other material risk that can impede the ability
15 to meet these custom targets, especially the SAIDI?
16 An example could be cost control.

17 T. WASIK: There is no other material risks that
18 we have identified at this point that will -- beyond
19 the one that we have identified in terms of approval
20 and funding for implementation of this plan that
21 would prohibit Alectra from executing as proposed.

22 Z. AHMED: Okay. Thank you.

23 And my last question is in 1-Staff-7C, page 2,
24 please. Line -- line 24. I can see the -- yeah.
25 Okay.

26 So here, Alectra mentions that over the 2020 to
27 2024 period, Alectra Utilities incurred an average of
28 16 percent higher expenditure on completed planned

1 capital work. Can you please clarify how you will
2 ensure that you do not incur higher expenditure or --
3 that is overspend going forward to complete the
4 proposed work to meet the target, especially within
5 the custom scorecards, when you have identified
6 funding as the main risk factor of not being able to
7 meet these custom targets?

8 T. WASIK: So in this response, we identified
9 that the main driver was related to the COVID
10 pandemic, which was a global pandemic. We have not
11 incorporated the risk of another global pandemic over
12 the next --

13 Z. AHMED: Okay.

14 T. WASIK: -- five years. And as a result,
15 that's -- that was why the last response was we
16 didn't see any -- any material risk outside of
17 attaining the funding.

18 Z. AHMED: Okay. So this is -- the 16 percent
19 is a one-off event due to pandemic; is -- am I
20 correct in understanding that?

21 T. WASIK: That's -- that was the experience
22 that we had over the 2020 to 2024 period, yes.

23 Z. AHMED: Okay. Thank you so much. That is
24 all for me.

25 R. DHILLON: Thank you, Ms. Ahmed.

26 Let's take a few minutes before we start on
27 Panel Number 2. Thank you, Panel Number 1, for
28 participating over the last day or two. Thank you.

1 --- Recess taken at 1:55 p.m.

2 --- Upon resuming at 1:59 p.m.

3 R. DHILLON: Thank you, everyone. Just a few
4 housekeeping items; one, we have a very tight
5 schedule today. We are running behind. I would ask
6 that you stick to your allotted time. I will provide
7 a ten-minute reminder as to when your time is up.

8 And with that said, Ms. Coban, Mr. Myers, if you
9 can introduce Panel Number 2.

10 J. MYERS: Sure. I will just hand it over to
11 Ms. Parker to introduce herself and then pass it on
12 to the rest of the panel.

13 S. PARKER: Good afternoon. I am Shelley
14 Parker. I have been 35 years in the utility space.
15 The first 10 years of my career, I was a lineman or a
16 power line maintainer and then was a few years in the
17 control room. I transitioned to metering -- or sorry
18 -- to metering. I am here as the VP of network
19 metering, and my team is responsible for the delivery
20 of the metering program as well as the execution of
21 the AMI renewal strategy.

22 James.

23 J. MACUMBER: James Macumber, the VP of supply
24 chain. So I have facilities fleet and the services
25 group for supply chain procuring and securing
26 material. I have been with, previously, Legacy
27 Intersource, and then when we merged, Alectra.

28 K. LAKATOS-HAYWARD: Good afternoon. My name is

1 Kerry Lakatos-Hayward. I am a director of customer
2 care at Alectra. I have 30-plus years in the
3 utilities industry in a variety of roles in both
4 natural gas utilities and here at Alectra. I joined
5 Alectra about 5 years ago. Thank you.

6 And I will turn it over to my colleague.

7 J. ILARI: Thank you. My name is James Ilari.
8 I am the VP of digital and innovation business. My
9 primary areas of responsibility are IT
10 administration, enterprise architecture, and data. I
11 have 20 years of experience within the utility
12 industry and various technical and leadership roles
13 within IT. My background is in computer engineering
14 with an executive MBA with the specialty of
15 innovation leadership. Thank you.

16 J. MYERS: The panel is now available for
17 questions.

18 R. DHILLON: Thank you, panel.

19 I will turn it over to SEC, Mr. Rubenstein.

20 J. MYERS: I believe Ms. Scott will begin for
21 SEC.

22 R. DHILLON: Thank you.

23 **CROSS-EXAMINATION BY JANE SCOTT (SEC)**

24 J. SCOTT: Good afternoon, panel. My name is
25 Jane Scott. I am a consultant with the School Energy
26 Coalition. I just have a few questions for you. If
27 we could start with 1-SEC-19.

28 And this was providing a breakdown of the 2.8

1 million that was being funded by the shareholder for
2 the GRE&T Centre. And if you just scroll down to the
3 table 1 and the direct labour cost of 2.56, and my
4 understanding is that those are included in the
5 numbers that are given in appendix 2K? That is what
6 part B has referred to?

7 J. ILARI: That is correct.

8 J. SCOTT: And I assume, therefore, the FTEs,
9 the equivalent FTEs, are also included in appendix
10 2K?

11 J. ILARI: That is correct.

12 J. SCOTT: So I don't know if we have this
13 somewhere but -- or if we can get those broken out,
14 then, of either a version of 2K that has those taken
15 out or information that would allow us to do that
16 ourselves in the format of appendix 2K?

17 D. COBAN: Yes, we can that.

18 J. SCOTT: Okay.

19 R. DHILLON: I will mark that as Undertaking ST-
20 2.23 -- sorry -- correction, JT-2.23.

21 **UNDERTAKING JT-2.23: PROVIDE A VERSION OF**
22 **APPENDIX 2K THAT HAS THE GRE&T CENTRE DIRECT**
23 **LABOUR COSTS AND EQUIVALENT FTES TAKEN OUT OR**
24 **INFORMATION THAT WOULD ALLOW IT TO BE DONE IN**
25 **THE FORMAT OF APPENDIX 2K**

26 J. SCOTT: Thank you.

27 In 4-SEC-77, we asked about customer contact,
28 and probably the best one to look at is -- for this

1 question is 4-CCC-43 and table 6. Yes.

2 So if I understand this correctly, it is just
3 either the actuals or the forecast of the total
4 number of customers' inquiries that are going to be
5 received by customer service?

6 K. LAKATOS-HAYWARD: Table 6 reflects the total
7 customer inquiries before layering in the impact of
8 digital transformation through the -- from 2023 to
9 2031.

10 J. SCOTT: Right. Oh -- sorry.

11 The 2025 numbers in this table, my
12 understanding, are a forecast. Do you have the
13 actual numbers available now?

14 K. LAKATOS-HAYWARD: We do, yes.

15 J. SCOTT: Could you provide those for us?

16 K. LAKATOS-HAYWARD: Could you just clarify, are
17 you looking for total actual call volumes?

18 J. SCOTT: Well, if you have it broken down,
19 that would be useful, but I understand that might be
20 difficult for you. So if you total -- if you have
21 the total number.

22 K. LAKATOS-HAYWARD: We do have the total
23 number, and just subject to check, it is
24 approximately 535,000 calls, voice calls, in 2025.

25 J. SCOTT: So that is -- that is the equivalent
26 of line 1? Or is that the equivalent of line -- the
27 bottom, the 800, what I compare that to?

28 K. LAKATOS-HAYWARD: It would be the bottom row

1 there -- well, it would be the actual inquiries, so
2 that would be all -- both before the shift to digital
3 and after the shift to digital as well because it is
4 an actual number of voice calls.

5 J. SCOTT: So it is comparable to the 818,384?

6 K. LAKATOS-HAYWARD: It -- apologies. I just
7 want to clarify what I stated there. It would be
8 equivalent to line 1, which is equivalent to the
9 636,233.

10 Just to clarify, there is a line there on e-
11 mail, which is 136,347. I would have to endeavour to
12 provide that. I don't have that number today, but I
13 do have the calls.

14 J. SCOTT: Okay. If you could do that, and
15 maybe just put down the number of -- because I didn't
16 quite catch the number that you said for the calls,
17 put that in the undertaking as well.

18 R. DHILLON: I will mark that as Undertaking JT-
19 2.24.

20 **UNDERTAKING JT-2.24: PROVIDE THE TOTAL NUMBER**
21 **OF CALL VOLUMES FOR 2025**

22 J. SCOTT: Okay.

23 So then if we look at the table 4-2-45, which is
24 the after digital transformation in the evidence, if
25 we could go to that. Right.

26 And so when I -- if I look at this, now I am
27 looking at 2027, and so the total inquiries after
28 shift to digital is 886,615. And if we refer back to

1 the -- well, I guess the other -- no. It was
2 updated. But if we refer back to the table 6, that
3 is the same number. I just want...

4 K. LAKATOS-HAYWARD: Apologies. Could you just
5 clarify the question, what data you are asking me to
6 compare, please?

7 J. SCOTT: The total customer inquiries after
8 shift to digital for 2027.

9 K. LAKATOS-HAYWARD: Yes. The --

10 J. SCOTT: I am just confirming that that number
11 is the same as the number we saw in table 6 before
12 shift to digital.

13 K. LAKATOS-HAYWARD: This one is the after shift
14 to digital, and this one would be the before shift to
15 digital. The total customer inquiries is the same;
16 however, what we are trying to parse out here is to
17 understand which customer interactions require
18 effort, let's say, from a customer service
19 representative versus ones which are -- you know, can
20 be digitally or, you know, automated and do not
21 require the assistance of an agency.

22 J. SCOTT: Yeah, and I understand. I was going
23 to --

24 So if we go back to the other one. Sorry.

25 I guess my first question was so there is no
26 attempt or do you have any initiative to actually
27 reduce the number of inquiries by improving
28 information on your web page or whatever? The number

1 of inquiries stays the same; it is just how they are
2 dealt with that changes?

3 K. LAKATOS-HAYWARD: Thank you for the question.
4 We anticipate that the -- that there will be an
5 increase in the total customer interactions. There
6 is a shift at the channel that they are landing in.

7 So, for example, you know, we see that the
8 number of voice calls are going down -- we -- and
9 that customers are also choosing to utilize our
10 digital channels, which we have reflected in our
11 forecast year including, you know, channels like
12 webchat, utilizing some of our online forms on our My
13 Alectra Portal as well as e-mail.

14 There are, of course, you know, the website. We
15 know that the customer -- our customers do go to our
16 website to find information. So we are -- you know,
17 we do endeavour to provide the information on that
18 web channel, and that is certainly a factor. But,
19 overall, we do believe that the total number of
20 customer interactions are going to increase.

21 J. SCOTT: So on this table 4-2-45 for 2027, so
22 the number of interactions not requiring a CSR, the
23 133,024, my understanding is that the sum of the
24 automated moves -- and is it the chatbot or the
25 webchat that is added to that?

26 K. LAKATOS-HAYWARD: So in terms of the number
27 of inquiries not requiring a CSR, that would be the
28 inquiries from chatbot as well as the automated

1 moves.

2 J. SCOTT: Okay. Is there any reason that the
3 webchat and the chatbots are the same number?

4 K. LAKATOS-HAYWARD: At this point, our
5 discussions or our early analysis indicates that our
6 overall digital transformation or use of this
7 technology will, you know, increase to about 20
8 percent by 2031.

9 It was -- we had parsed it out fairly equally
10 between chatbot and webchat because it is -- we were
11 unclear at this point what kind of interactions or
12 questions that customers might have would be able to
13 be handled by chat versus one that, you know, the
14 customer would still require assistance via webchat.

15 So it was a little early for us in terms of
16 making that determination, so we did make that equal
17 between the two new technologies and channels.

18 J. SCOTT: Okay. Thank you.

19 My next question is regarding 4-SEC-84. And
20 this is on the Hamilton water billing fixed charges.
21 And if you scroll down, I think there is a table that
22 shows -- keep going -- yes, so table 2 that shows the
23 direct labour, the 2.3 million that my understanding
24 is these are costs that are people who were doing the
25 water billing for Hamilton and will no longer be
26 doing the water billing for Hamilton when it stops;
27 is that a correct interpretation?

28 K. LAKATOS-HAYWARD: Let me -- not quite. Let

1 me try and be helpful here. So with the Hamilton
2 water billing contract, from a regulatory
3 perspective, we receive a credit in customer services
4 OM&A of approximately 87 percent. And what that, you
5 know, represents is a contribution to offset the
6 costs associated with delivering the water billing
7 service. Some of this is fixed cost, and some of
8 this is variable cost.

9 So the variable costs will cover, as sort of
10 implied by the name, costs that will, you know,
11 disappear when we stop providing that service to
12 Hamilton. The fixed costs are costs that are
13 required to support a combined electric water bill.
14 And as that table 2 shows, it is, you know, a
15 combination of direct labour.

16 So I think to be responsive to your question
17 there, that direct labour are staff within customer
18 service who perform functions or services to deliver,
19 you know, a combined bill. Similarly, postage would
20 be the cost contribution from the City of Hamilton --
21 from City of Hamilton to deliver a combined bill, et
22 cetera.

23 So I think the purpose of showing this -- and I
24 believe we have responded in the interrogatory
25 response here -- is that although when Hamilton --
26 that water billing service ends this year, that we
27 still will be required -- or these costs will now be
28 absorbed. There are still services that are required

1 to deliver, you know, the electric bill. And so this
2 fixed cost is now absorbed back into customer
3 services OM&A.

4 J. SCOTT: I guess -- so are there things that
5 these people will be doing because they are not --
6 and I understand when you say delivering a combined
7 bill, but they are still delivering a bill. So there
8 is no -- there is no time saving for -- and I --
9 maybe it is -- I understand the variable costs go
10 away. But it is -- it is getting a feeling or an
11 idea of what these fixed costs are for the labour, I
12 guess, is still elusive.

13 K. LAKATOS-HAYWARD: I will try to be responsive
14 to the inquiry here. The \$3.6 million that is
15 indicated in the table here, you know, represent, you
16 know, services that are still required to deliver an
17 electric bill, and that, you know, when we -- say,
18 for example, we have a billing exception, you know,
19 it could -- you know, it is -- we are looking at, you
20 know, what the time is to, you know, work and clear
21 that billing exception.

22 We have estimated in terms of the variable costs
23 what that reduction is. And, you know, we had
24 estimated that for Hamilton, there was approximately,
25 you know, five reduction in FTE associated with the
26 end of the Hamilton water billing contract.

27 J. SCOTT: Okay. I will leave it there.

28 My last question is just on 1-SEC-24. And I

1 don't know that you have to pull it up, but 1-SEC-24
2 provided us with an updated appendix 2JC with actuals
3 for 2025. And I already have an undertaking from
4 Panel 1 who are going to explain, in asset
5 management, the variance between the forecast for
6 2025 and the actuals.

7 And so my question was just going to be on the
8 digital and innovation, but I also see that there is
9 some variances in other areas. So maybe I will ask
10 for -- maybe you can explain -- we will start with
11 digital and innovation. Is -- the actual in 2025 was
12 49.7 versus the -- sorry, the actual was 45.7 versus
13 the forecast of 49.7, if you can explain the reasons
14 for the variance.

15 J. ILARI: Are you able to pull that up on the
16 screen, please?

17 J. SCOTT: So 1-SEC-24 is the attachment 2JC,
18 yeah. There we go. So -- in 2025 actuals, digital
19 innovation is the 45.6. You would have to pull up
20 the previous 2JC to see the forecast. It shows the
21 49.7.

22 J. ILARI: Ms. Scott, I don't have those details
23 readily available, but we can take an undertaking to
24 provide the variances.

25 J. SCOTT: If you could do that. And then I
26 would also ask you then at the same time to explain
27 the variance in operations and in sustained.

28 D. COBAN: That is fine. We can do that.

1 J. SCOTT: Okay.

2 R. DHILLON: I will mark that as --

3 J. SCOTT: Thank you, those are my -- sorry.

4 R. DHILLON: I will mark that as Undertaking JT-
5 2.25.

6 **UNDERTAKING JT-2.25: EXPLAIN THE VARIANCES**
7 **BETWEEN THE ACTUALS AND THE FORECAST FOR 2025**
8 **FOR DIGITAL, INNOVATION, OPERATIONS, AND**
9 **SUSTAINED**

10 J. SCOTT: My colleague, Mr. Rubenstein, has a
11 question or two, I believe. Thank you.

12 **CROSS-EXAMINATION BY M. RUBENSTEIN (SEC)**

13 M. RUBENSTEIN: Thank you very much, Panel.

14 Can we go to -- I just have a couple questions.
15 Can we go to 2A-SEC-53. Thank you. Can we go down
16 to part F.

17 Just so we can familiarize ourselves with the
18 question, the question had asked to provide a
19 breakdown of the net gains on sale from the sale of
20 each of the Mavis and Sandalwood -- the Mavis and
21 Sandalwood facility, and then you provided here in
22 part F. Do you see that?

23 J. MACUMBER: Yes.

24 M. RUBENSTEIN: Just can you help me explain
25 what carrying value is? What is included in that?

26 J. MACUMBER: That would be the book value.

27 M. RUBENSTEIN: So that is the net book value at
28 the time --

1 J. MACUMBER: Of the sale.

2 M. RUBENSTEIN: -- of the sale?

3 J. MACUMBER: Yes.

4 M. RUBENSTEIN: Can I ask you to go to 4-Staff-
5 177. And I have a couple questions here.

6 And so, first, you were asked in part A with
7 reference to a table in the pre-filed evidence to
8 provide the annual incremental productivity savings,
9 not sustained savings, per year for each initiative
10 for the 2027 to 2031 period.

11 And if we can go to the response, you say --
12 just let's stop here for a second before we get to
13 the table. You say:

14 "Please see table 1 below for annual
15 incremental product savings by initiative.
16 This table shows incremental savings beyond the
17 sustained or incremental savings in 1-SEC-12,
18 attachment 1 framework initiatives. The
19 incremental portion only for My Alectra Portal
20 is defined in 1-SEC-13."[as read]

21 So and then if you go down to the table, you
22 have a table of annual incremental productivity
23 savings.

24 So I have a couple of interrelated question
25 here. So the first is -- and I recognize the 1-SEC-
26 12 is a different panel, so if the answer is punting
27 me, you will let me know. Do I take it, then, 1-SEC-
28 12 is not all the quantified savings? Because you

1 say that this is in addition to what is in 1-SEC-12.

2 And 1-SEC-12, to be clear, is asking for
3 information with respect to the productivity evidence
4 in -- which is a bit confused.

5 K. LAKATOS-HAYWARD: Yes. With -- you are
6 correct. With 1-SEC-12, I would prefer to have my
7 colleagues on that panel reference that.

8 What we have -- just in terms of the
9 differences, there is the attachment 4-Staff-177;
10 however, where we have tried to do -- provide a
11 reconciliation between SEC-12 and then also what we -
12 - what we have listed here in table 1. So the 13.7
13 million is in addition to SEC 12, yes.

14 M. RUBENSTEIN: And then just so I understand
15 how this table works, can you -- I want to understand
16 what you mean by "annual incremental productivity
17 savings." So I just want to know how I should read
18 this table.

19 Should I read this table that every year, you
20 are saving -- so let's just use an example, the
21 webchat and AI chatbot. This is row 2. Just using
22 that as an example, should I read this, in 2027,
23 there would be \$700,000 in savings, and then in 2028,
24 there is an additional 800,000? So, really, if you
25 are looking at this as compared to 2027, 1.5 million?
26 Or is it really just there is just 800,000, and the
27 incremental is 100,000? How should I read that
28 table?

1 K. LAKATOS-HAYWARD: It is the -- you know,
2 compared to if -- I will try and answer it this way:
3 If we had not done the initiative, our OM&A budget in
4 2027 would have been -- the difference would have
5 been \$700,000, and in 2028, would have been \$800,000
6 difference.

7 So it is trying to take the difference of, you
8 know, if we had done the project or not done the
9 project.

10 M. RUBENSTEIN: Okay. So then when I am looking
11 at 2028 and I am trying to figure out, just using
12 that as an example, what are the incremental savings
13 over the previous year, it is 100,000?

14 K. LAKATOS-HAYWARD: To the -- I would agree
15 that -- compared to the previous year. So it is --
16 kind of comes to the definition of what incremental -
17 -

18 M. RUBENSTEIN: That is my question, of how you
19 define "incremental" for the purpose --

20 K. LAKATOS-HAYWARD: Yes.

21 M. RUBENSTEIN: Just so I understand --

22 K. LAKATOS-HAYWARD: Okay.

23 M. RUBENSTEIN: -- how that chart works. Okay.
24 That is helpful.

25 R. DHILLON: Mr. Rubenstein, we have a question
26 from the OEB Staff for a moment.

27 M. RUBENSTEIN: Yeah.

28 N. JOTIBAN: Sorry to interrupt. I also have a

1 question on this topic as well. I just need a few
2 minutes.

3 So if you could refer to the footnote 1 below
4 the table, it says that 1-SEC-12, attachment row 44,
5 the negative values in the table are due to the
6 benefit, the productivity benefit using 2025 actual
7 Canada Post rates compared to the pre-filed evidence.

8 So where you see the numbers shown at the top
9 row for My Alectra Portal project, that is just the
10 difference between the old numbers, the productivity
11 numbers, in Exhibit 4 versus -- sorry, not Exhibit 4,
12 but from the application, versus the updated number
13 using the 2025 actual Canada Post rates.

14 K. LAKATOS-HAYWARD: Thank you. That is
15 correct. And if -- it is perhaps illustrated in the
16 1-Staff-177, attachment 1 in row -- sorry, row 5 and
17 6 where what we filed for the My Alectra Portal, as
18 an example, was 26.6 million, and in SEC-12, it is
19 28.5 million.

20 And it really is, you know, a passage of time.
21 I think as we all know, Canada Post had increased
22 their rates, and so we have updated and reflected the
23 higher productivity in that SEC-12.

24 N. JOTIBAN: Okay. So only just the first line
25 for My Alectra Portal, that is just the update, but
26 not based on the actual data, but not the rest of the
27 other initiatives on the table?

28 K. LAKATOS-HAYWARD: So with My Alectra Portal,

1 that is -- subject to check, that is based on the
2 actuals for 2025.

3 The other initiatives are -- there is one -- one
4 addition that -- on chatbot where we have a reduction
5 in 2025 that has been reflected. But the other --
6 for the most part, the initiatives are forward-
7 focused, really starting in late 2025 to 2031, so
8 there really isn't that much to update at this point

9 But, obviously, the -- you know, the materiality
10 of the My Alectra Portal, it was important that we
11 updated that number for the interrogatory.

12 N. JOTIBAN: Okay. Thank you so much. Thanks
13 for your time. I appreciate it.

14 M. RUBENSTEIN: I just want to make sure I -- if
15 we just go back to the table just so I understand the
16 incremental nature.

17 And so when you are -- for notes 1 through 6,
18 they point me to something in 1-SEC-12. Is that just
19 to -- since obviously the numbers shouldn't be the
20 same since, as I understand, these are in addition to
21 that, is that -- are you just pointing to me where
22 the similar category of initiative is?

23 K. LAKATOS-HAYWARD: That is correct. We just
24 wanted to make sure that, you know, there was -- you
25 know, for example, like, the IBR enhancements are a
26 little bit more bundled, and so we have just tried to
27 make -- just for ease, to try and make it easier to
28 align, you know, the specific initiatives.

1 But, again, that -- if I could take you to
2 Staff-177, the Excel attachment, that does do a -- I
3 think a nice job of aligning what is in SEC-12 versus
4 what is in the evidence so that we can -- how do --
5 how do we get to the 13.7 million.

6 M. RUBENSTEIN: Well, the -- you can take me
7 there. I mean, as I understand, what it is showing
8 is the methodology of the table.

9 K. LAKATOS-HAYWARD: Correct, yet.

10 M. RUBENSTEIN: I am not sure it is reconciling
11 with 12. I think --

12 K. LAKATOS-HAYWARD: Oh, okay.

13 M. RUBENSTEIN: At least is how I read it. Tell
14 me if I am...

15 K. LAKATOS-HAYWARD: If -- sorry. On -- there
16 was two tabs in that. There is tab I and tab 2 --

17 M. RUBENSTEIN: Oh, okay. All right.

18 K. LAKATOS-HAYWARD: -- and 2 and 3.

19 M. RUBENSTEIN: Sorry. You are right. It
20 automatically -- I didn't notice it.

21 K. LAKATOS-HAYWARD: Yeah. Sorry.

22 M. RUBENSTEIN: That is fine.

23 K. LAKATOS-HAYWARD: Glad we were able to
24 clarify that.

25 M. RUBENSTEIN: Okay. One question I did have -
26 - and so maybe the -- it will answer itself, but I am
27 going to ask it anyway.

28 The one when I compare from the tab II and III

1 where it explains the methodology, the one thing, one
2 area where I am a bit confused is that in the
3 productivity in 1-SEC-12, attachment 1, there is
4 actually three tabs in that one. And under the
5 "Innovation" tab, there is a set of productivity --
6 there is a customer service AI initiative which reads
7 very similar to one of the ones in the table. And
8 the -- and it talks about, you know, average -- it is
9 using very -- there is very similar explanation about
10 average handling time as in the methodology that you
11 are setting out in this.

12 So I just want to know if when we are talking
13 about incremental, is it incremental to the framework
14 initiatives tab or incremental to all three of the
15 tabs in 1-SEC-12, attachment 1?

16 And if you would like to take an undertaking,
17 that is fine, and -- you know.

18 K. LAKATOS-HAYWARD: Would you mind just
19 reframing the -- or restating the question, please.

20 M. RUBENSTEIN: Sure. When you are talking
21 about being incremental to 1-SEC-12, I want to
22 understand if that is incremental to the framework
23 initiatives tab in 1-SEC-12 or all the tabs.

24 And the reason I ask is because in the
25 innovation tab, you will see the customer service AI
26 initiative. And if you read the explanation, it
27 reads very similar to some of the initiatives that
28 are in the -- in your table and in the 77 tabs, you

1 know, II and III where it explains the explanation of
2 the methodology. They read very similar to me. I am
3 just not sure if they actually are the same or they
4 are not.

5 K. LAKATOS-HAYWARD: We would like to take that
6 as an undertaking.

7 M. RUBENSTEIN: That is fine.

8 K. LAKATOS-HAYWARD: Thank you.

9 R. DHILLON: I will mark that as undertaking JT-
10 2.26.

11 **UNDERTAKING JT-2.26: ADVISE WHETHER THE**
12 **REFERENCE TO BEING "INCREMENTAL" REFERS TO BEING**
13 **INCREMENTAL TO THE FRAMEWORK INITIATIVES TAB IN**
14 **1-SEC-12 OR TO ALL OF THE TABS**

15 R. DHILLON: And, Mr. Rubenstein, just a
16 reminder that we have less than 10 minutes left for
17 SEC.

18 M. RUBENSTEIN: That is all my questions.

19 R. DHILLON: Thank you, Mr. Rubenstein.

20 M. RUBENSTEIN: I will cede that time to some
21 other panels. Thank you very much, Panel.

22 R. DHILLON: I will hand it over to you, Mr.
23 Gluck, for CCC.

24 **CROSS-EXAMINATION BY L. GLUCK (CCC)**

25 L. GLUCK: Thank you. Good afternoon.

26 I would first like to discuss the central region
27 facilities review, so if we could pull up 2-CCC-13
28 and go to page 3, please. Thank you.

1 And I understand that this table is showing the
2 initial assessment of the options available with
3 respect to the central region facilities; is that
4 right?

5 J. MACUMBER: This was requested as an
6 additional assessment to the feasibility to proceed
7 doing further analysis.

8 L. GLUCK: Thank you.

9 And I understand from this table that Cresa -- I
10 think that is how you pronounced it -- reflected the
11 proceeds from the sale of Alectra's existing Mavis
12 Road and Sandalwood Parkway properties as an offset
13 to the upfront costs in the analysis; is that right?

14 J. MACUMBER: That is correct.

15 L. GLUCK: And so when I am looking at the
16 comparison of the total occupancy costs and the
17 average annual occupancy costs, are those costs net
18 of the proceeds from the sale of the existing
19 properties?

20 J. MACUMBER: The occupancy cost would have been
21 the cost to maintain the facility, so they are doing
22 the present value. By moving to option 3, it was --
23 we anticipate we were going to save operating costs,
24 so that is why the occupancy cost of option 3 was
25 less than option 2. It is not so much the cash flow.
26 The cash flow was -- is the upfront cost.

27 L. GLUCK: So the occupancy costs do not include
28 the proceeds from sale?

1 J. MACUMBER: No. They didn't factor in.

2 L. GLUCK: Okay. Thank you.

3 Can we go to 2A-SEC-53, please. And if we go to
4 attachment 1 of that response, please, and page 3.

5 So you will see the third bullet about halfway
6 down the page provides a comparison of the 2027
7 revenue requirement of option 3 relative to option 2.

8 J. MACUMBER: Yes.

9 L. GLUCK: Thank you. And I didn't -- I didn't
10 see the calculation of that anywhere, like, the more
11 detailed calculation of how -- I saw there is some
12 assumptions in this -- in this report, but I didn't
13 see the full calculation. Is that something you
14 could provide?

15 J. MACUMBER: Yes.

16 L. GLUCK: Thank you.

17 R. DHILLON: I will mark that as Undertaking JT-
18 2.27.

19 **UNDERTAKING JT-2.27: PROVIDE A FULL CALCULATION**
20 **OF THE COMPARISON OF THE 2027 REVENUE**
21 **REQUIREMENT OF OPTION 3 RELATIVE TO OPTION 2**

22 L. GLUCK: Thanks.

23 If we could go to 4-CCC-43, please. And if we
24 go to page 12. Thank you.

25 In part J of this response, I understand that
26 third-party agents of a cost that is approximately
27 \$28,000 less per employee than internal labour; is
28 that accurate?

1 K. LAKATOS-HAYWARD: That is correct.

2 L. GLUCK: Thank you.

3 K. LAKATOS-HAYWARD: Subject to check on the
4 math.

5 L. GLUCK: Thanks.

6 And between '24 -- 2024 and '26, there is a
7 significant increase to internal agents and a smaller
8 increase to third-party agents; is that fair?

9 K. LAKATOS-HAYWARD: To clarify, for 2024, the
10 internal agents reflect the actual staff that were
11 available -- let's say, available for in queue. So
12 in terms of the -- and apologies if that was not
13 clear in the explanation -- the equivalent number of
14 internal agents in 2024 actual would have been
15 comparable to the -- to the 59. It is just that in
16 terms of actual agents available were 29.

17 L. GLUCK: Sorry. Can you explain that again?
18 Sorry.

19 K. LAKATOS-HAYWARD: Well, in terms of approved
20 FTEs, it would have been approximately 59.

21 L. GLUCK: Okay.

22 K. LAKATOS-HAYWARD: However, due to vacancies
23 or absences, like, long-term, you know, disability
24 absences, other kinds of leaves, and vacation, the
25 average number of staff that we had available from
26 internal agents was 29.

27 L. GLUCK: Okay. Thank you.

28 And between 2027 and 2031, it appears that the

1 trend is to move towards more internal agents with a
2 decrease to third-party agents; is that fair?

3 K. LAKATOS-HAYWARD: That is correct. As table
4 -- noted on table 9 there, the percentage of internal
5 agents is planned to increase from about 48 -- sorry
6 -- 49 percent to 58 percent by 2031.

7 L. GLUCK: Thank you.

8 And my understanding of the reasoning for this
9 trend that we are seeing is that the digital strategy
10 -- with the digital strategy being implemented, the
11 more routine inquiries will reduce, and the more
12 complex inquiries will remain; is that fair?

13 K. LAKATOS-HAYWARD: That is correct.

14 L. GLUCK: Okay. And those more complex
15 inquiries are addressed by internal staff?

16 K. LAKATOS-HAYWARD: Typically, that -- that --
17 that is what -- what -- how we manage our workforce,
18 yes.

19 L. GLUCK: Thank you.

20 And is there a way that Alectra can train third-
21 party agents to start taking on more of the complex
22 tasks over time?

23 K. LAKATOS-HAYWARD: Thank you for the question.
24 We have stated in CCC-43 there our rationale for, you
25 know, preference, and which is, I think, data-driven
26 as well in terms of an internal agent having higher
27 percentage of our agent complement compared to
28 external agents.

1 And the -- you know, and that -- just quickly to
2 summarize, that really comes down to lower quality
3 assurance, first-call resolution, and also another
4 factor that is a little harder to train is attrition.
5 We have much higher attrition rates with third
6 parties. And, you know, with that, you are
7 continually training, lots of, you know, knowledge.
8 So it does make it challenging to, you know, replace
9 -- replace that complement of required agents.

10 So that -- that -- you know, with the digital-
11 first strategy, we believe that is more sustainable
12 to strike that right balance to serve our customers
13 in providing, you know, with our more -- we are
14 seeing that customer service is more complex. Their
15 inquiries are, you know, more involved, and that is,
16 in part, driving our higher average handle time, and
17 that, really, our digital-first strategy is, you
18 know, let's use other channels and self-serve to be
19 able to reduce the third parties and the costs in
20 that category.

21 L. GLUCK: Thank you.

22 When I look at table 9, am I right that the
23 internal agent count is for staff that are directly
24 involved in managing customer inquiries?

25 K. LAKATOS-HAYWARD: That is correct. That is
26 our frontline customer service and senior customer
27 service representatives.

28 L. GLUCK: Thank you.

1 And I understand that the total internal
2 staffing for customer care is significantly higher
3 than the amounts that are in table 9; is that right?
4 I found this information, if it is helpful, in CCC-64
5 at page 4.

6 K. LAKATOS-HAYWARD: Correct. I -- sometimes we
7 get it at different places. I actually did reference
8 back to table 4-2-43 where we had the customer -- it
9 would be in the customer care call centre FTEs.

10 L. GLUCK: Okay.

11 And can you undertake to provide an alternative
12 version of this table that includes the entire
13 internal complement for customer care?

14 K. LAKATOS-HAYWARD: Just to make sure I
15 understand the undertaking, is it table 9 of CCC-43?

16 L. GLUCK: That is right.

17 K. LAKATOS-HAYWARD: And what would you like us
18 to do?

19 L. GLUCK: To include in the -- it is an
20 alternative view of this table. In the internal
21 line, it would be internal staff, and it would
22 include all the customer care FTEs.

23 K. LAKATOS-HAYWARD: We can certainly provide
24 that mathematically, and I know in the undertaking,
25 we will provide the right context. My experience
26 with, you know, customer care organizations where you
27 have in-source, I think what you are suggesting is a
28 fully outsourced model, and we -- would that -- is

1 that sort of what you're --

2 L. GLUCK: I am certainly not suggesting
3 anything.

4 K. LAKATOS-HAYWARD: Okay. I just want -- I
5 just want -- the implications of the table would be
6 very different, and I think we would be extremely
7 hesitant on a fully outsourced model where you really
8 can't control the -- you know, the outcomes.

9 So is there -- I mean, we can provide the
10 undertaking, but I think there would be some context
11 that we would like to provide in that.

12 L. GLUCK: That is very reasonable.

13 K. LAKATOS-HAYWARD: Okay.

14 D. COBAN: Just a moment. Mr. Gluck, I am a bit
15 confused by this because all this information is
16 already on the record. You have the FTE numbers.
17 I'm not really seeing the value of updating this
18 table in light of the context that the witness has
19 given around our concerns about the appropriateness
20 of this analysis. So I maybe just challenge that on
21 the basis of relevance.

22 L. GLUCK: Sure. Maybe we can -- maybe I could
23 ask more what is the concern? You know, all I have
24 heard so far from the witnesses is that the concern
25 is that I am somehow suggesting for a fully
26 outsourced call centre. And so if you were to add
27 the customer care FTEs in this table, what would be -
28 - what is the -- what are those concerns or context

1 that you would want to provide?

2 K. LAKATOS-HAYWARD: Well, I think, first of
3 all, the roles that we would be including in this
4 table are management roles providing oversight. We
5 would actually have other -- other -- in the customer
6 excellence segment as well, we have our QA and
7 training function as well. There are certain areas
8 that we would be extremely hesitant to outsource.

9 We -- you know, as I mentioned previously, we
10 would want to have, you know, control and
11 accountability over those outcomes. So the
12 management, we -- you know, we would really be
13 hesitant to outsource that. We believe that this is
14 the most illustrative because it is the agents that
15 we would -- you know, would be directly comparable,
16 what we would be in-sourcing versus outsourcing.

17 L. GLUCK: Is there a subset of supervisors and
18 managers that are directly involved in the call
19 centre? Because you mentioned customer excellence
20 now, and I am most interested in call centre-related
21 stuff.

22 K. LAKATOS-HAYWARD: Apologies. I think we've
23 probably gone a little bit back and forth. Would you
24 mind, just one more time, repeating --

25 L. GLUCK: Sure.

26 K. LAKATOS-HAYWARD: -- what you are looking
27 for, and we will see what we can do, yeah.

28 L. GLUCK: So what I am looking for, now that

1 you've mentioned that there is customer excellence
2 FTEs, I am not looking for them --

3 D. COBAN: Okay.

4 L. GLUCK: -- in this table. What I would be
5 looking for are the internal FTEs that are directly
6 related to the call centre, including the supervisors
7 and managers.

8 D. COBAN: Sure. We can do that.

9 L. GLUCK: Thank you.

10 R. DHILLON: I will mark that as Undertaking JT-
11 2.28.

12 **UNDERTAKING JT-2.28: PROVIDE THE INTERNAL FTES**
13 **THAT ARE DIRECTLY RELATED TO THE CALL CENTRE,**
14 **INCLUDING THE SUPERVISORS AND MANAGERS**

15 L. GLUCK: And if we can go to page 11, I think
16 one page up. My understanding of table 8 is that it
17 shows the assumptions for calls related to
18 electrification; is that right?

19 K. LAKATOS-HAYWARD: That is correct.

20 L. GLUCK: And am I correct that the basis for
21 the assumption -- the assumptions you made related to
22 these calls for electrification is really tied to EVs
23 and not any other form of electrification?

24 K. LAKATOS-HAYWARD: That is correct.

25 L. GLUCK: Thank you.

26 And these forecast electrification-related calls
27 are not associated with customer connections; is that
28 right?

1 K. LAKATOS-HAYWARD: Customer connections as a -
2 - as the program segment?

3 L. GLUCK: Yeah, I read this somewhere, and I
4 actually don't have it in front of me, but my
5 understanding is that there is two categories of
6 calls that are made to Alectra, and there is the
7 customer care category including these
8 electrification-related calls, and then there is
9 another category of calls that includes EV-related
10 connection calls; is that right?

11 K. LAKATOS-HAYWARD: That is correct. We do
12 manage two separate contact centres. One is the
13 customer connections, which is not included in this
14 total. They principally answer inquiries, could be
15 builders, contractors, customers, who are
16 specifically inquiring or making an application for
17 connection.

18 This -- for table 8 in here, this is in
19 reference to customers who have acquired or purchased
20 an EV who are calling in into our main Alectra
21 contact centre.

22 L. GLUCK: Thank you. So these are customer
23 care related EVs?

24 K. LAKATOS-HAYWARD: Correct, yeah.

25 L. GLUCK: Thanks.

26 And based on the numbers in this table, it
27 appears that the assumption is that 80 percent of new
28 EV owners are going to make a customer care related

1 call to Alectra.

2 K. LAKATOS-HAYWARD: In the first year that they
3 purchase an EV. Correct.

4 L. GLUCK: Right. And how did Alectra come up
5 with that assumption?

6 K. LAKATOS-HAYWARD: We started with the -- from
7 -- I believe it is in appendix J. I think it is page
8 34. But the -- Alectra's forecast of EVs, so
9 obviously tying into that forecast. And there, it
10 was really a management estimate, you know, informed
11 by JD Power as well in terms of, you know, what is
12 the likelihood that the, you know, the customers will
13 be calling Alectra.

14 So in that JD Power research, you know,
15 indicates that customers with EVs are, you know, more
16 likely to call -- call Alectra, you know, if they
17 have an EV. It could be for things like, you know,
18 my bill seems higher, you know, why is that? Trying
19 to get some clarity on that. Perhaps rate options,
20 you know, inquiring what rate option might be best.

21 So, you know, it was really around those factors
22 that we thought, you know, until customers really
23 kind of got -- this was really a net change for a lot
24 of customers that we thought it was a reasonable
25 assumption to build that into the forecast of, as you
26 said, about 80 percent, you know, one call in that
27 first year.

28 L. GLUCK: Thank you.

1 So is it fair to say it was mostly, you know, a
2 management assumption? Because the JD Power talks
3 about 21 percent. So is this a management assumption
4 of 80 percent?

5 K. LAKATOS-HAYWARD: So the way that we
6 interpreted that 21 percent is that when you asked
7 all EV customers, that 21 percent would be inclined
8 to call. And I believe the other metric is 12
9 percent for customers who own, you know, a gasoline
10 vehicle.

11 So it was really that population compared to,
12 you know, if we were just to take a segment of those
13 customers in that first year where, yes, we had
14 expected 80 percent, but we believed that was still
15 consistent with overall, you know, EVs ownership.

16 L. GLUCK: Okay. Thank you for that.

17 Can we go to 2-CCC-12, please.

18 R. DHILLON: Mr. Gluck, you have about 8 minutes
19 remaining.

20 L. GLUCK: Okay. Can we go to page 12.

21 So I understand that this table is showing the
22 capital expenditures associated with each of the four
23 meter deployment options and the accelerated
24 depreciation associated with those options. Is that
25 right?

26 S. PARKER: That is correct.

27 L. GLUCK: And would it be possible to undertake
28 to provide a version of this table that provides a

1 comparison on a revenue requirement basis?

2 D. COBAN: I think we would have to put that
3 question to Panel 4.

4 L. GLUCK: Okay. Sure. Can we go to 4-CCC-44,
5 please.

6 So this table shows the total bills and a
7 breakdown of the cost between e-bills and paper
8 bills. Something I should have asked in the original
9 question, but can you please undertake to add the
10 number of bills by type to this table?

11 K. LAKATOS-HAYWARD: Could you just clarify what
12 you mean by "type."

13 L. GLUCK: Yeah. Number of e-bills and number
14 of paper bills. We have the total number of bills,
15 we have the cost for e-bills, we have the cost for
16 total with bills, we have total cost, but we don't
17 have the numbers for the e-bills and the paper bills.

18 K. LAKATOS-HAYWARD: Yes, we could do that.

19 L. GLUCK: Thank you. And I understand --

20 D. COBAN: Sorry, Mr. Gluck. Let's just give
21 that undertaking.

22 L. GLUCK: Oh. Sorry. I had 8 minutes left, so
23 I started rushing.

24 R. DHILLON: We will mark that as Undertaking
25 JT-2.29.

26 L. GLUCK: Thank you.

27 **UNDERTAKING JT-2.29: ADD THE NUMBER OF BILLS BY**
28 **TYPE TO THE TABLE AT 4-CCC-44 SHOWING THE NUMBER**

1 **OF E-BILLS AND PAPER BILLS**

2 L. GLUCK: Can we go to Exhibit 4, tab 2,
3 schedule 7, page 22, please. And sort of in the
4 middle of the page here, it shows that the baseline
5 e-billing rate was 39.8 percent in March 2024, and it
6 is expected to rise to 68.4 percent by 2031. Do I
7 have that right?

8 K. LAKATOS-HAYWARD: That is correct.

9 L. GLUCK: Does the company have a more up-to-
10 date e-billing penetration rate, something, you know,
11 more recent than 2024?

12 K. LAKATOS-HAYWARD: Yes, we do. It is
13 approximately 50.5 percent, and subject to check.

14 L. GLUCK: And that is as of sort of the end of
15 '25?

16 K. LAKATOS-HAYWARD: That is correct, yeah.

17 L. GLUCK: Thank you.

18 If we could go to 4-CCC-48, please. If we go to
19 page 3. Yeah. And it is in table 2, so if we can
20 make that a bit easier to see. These are the more
21 granular costs in the digital and innovation program.
22 Is that right?

23 J. ILARI: That is correct.

24 L. GLUCK: And I have a few questions about
25 individual line items here.

26 First, with respect to the phone and mobile
27 costs in IT operations, can you explain the 35
28 percent increase between 2025 and 2027?

1 J. ILARI: Yes. Most of those increases are
2 attributable to IVR licensing costs to support
3 increased call volumes.

4 L. GLUCK: And those are call volumes related to
5 customer care?

6 J. ILARI: Those are call volumes related to
7 customer service call centre. Yeah, it is customer
8 service. All of customer service is customer-facing.

9 L. GLUCK: Okay. Thank you.

10 And the next is -- I would like to ask about is
11 the 72 percent increase in the other costs in IT
12 operations. It goes from 700 grand to 1.2 million.

13 J. ILARI: And, sorry, can you repeat the years
14 you are looking in?

15 L. GLUCK: Yeah. I am looking -- I am just
16 doing a comparison. All these questions are a
17 comparison between 2025 actual and the proposed for
18 the test year 2027.

19 J. ILARI: Okay. These variances are explained
20 in Exhibit 4, tab 2, schedule 8, section 6.3. There
21 are several that are related to licensing costs, the
22 overall labour costs, and telecom costs that make up
23 variances between 2025 and '27.

24 L. GLUCK: Was there something you were pointing
25 me to there?

26 J. ILARI: Just specifically the section that
27 explains the variances in terms of the differences
28 between '25 and 2027 test year. Was there a --

1 sorry, I might have missed it. Was there --

2 L. GLUCK: Yeah. Sure. So I have read the
3 variance analysis, and it is at a bit a higher level
4 than the questions I am asking. So it was for the
5 "other" cost. There is an "other" line item in IT
6 operations.

7 J. ILARI: So "other" is made up of things such
8 as training. There are additional subscription costs
9 -- not licensing subscription, but employee
10 subscriptions and certifications. I could -- would
11 you like every line item for me to list and what is
12 in "other" or...

13 L. GLUCK: So training.

14 J. ILARI: Like, if you just give me one second,
15 I will pull that up.

16 L. GLUCK: Sure.

17 J. ILARI: So "other" would be travel and
18 accommodations, training and development,
19 subscriptions and memberships, small tools, repairs
20 and maintenance, printing and office supplies.

21 L. GLUCK: So is it related to the FTE count?
22 Would that be fair? If the FTE count is higher, the
23 "other" category is higher? Is that driving that?

24 J. ILARI: Part of it, yes. Because, you know,
25 training would go up with additional FTEs and such.

26 L. GLUCK: Okay. No, that is great. Thank you.

27 Just one last question in this area. I see in
28 the cybersecurity segment, there is a \$1 million

1 increase in consulting costs between 2025 and 2027,
2 and then it falls back off. It falls back sort of
3 toward 2025 levels. Can you help me with that, what
4 is causing the one-time increase?

5 J. ILARI: So with regards to the cyber costs,
6 there is an expected increase in -- so from 2025,
7 there was an increase on moving to cloud for an on-
8 premise solution. With regards to consulting, there
9 were additional cybersecurity assessments, assistance
10 with tabletop exercises and penetration testing, and
11 information protection and roadmaps. So there was
12 consulting costs to refresh some of our cybersecurity
13 program in terms of its roadmap.

14 L. GLUCK: So that is -- what you just
15 mentioned, those activities, that is for 2027?

16 J. ILARI: So, yes, the approximate 1 million in
17 2027 is attributable to the cyber roadmap refresh,
18 identity and access management, and enterprise
19 information protection initiatives.

20 L. GLUCK: Okay. So you do those activities,
21 and then they are done, and consulting costs fall
22 back off in 2028?

23 J. ILARI: That is correct.

24 L. GLUCK: Thank you. And I just have one last
25 question.

26 R. DHILLON: Let's try and make it quick. We
27 want to go on a short break.

28 L. GLUCK: Sorry. If we can go to 4-CCC-49,

1 please.

2 And in part B, we had asked for an estimate of
3 the annual support costs that the GRE&T Centre
4 attracts.

5 And in the response, you explain that there are
6 no support costs allocated to the GRE&T Centre as it
7 is part of the regulated utility.

8 And so I understand that there are no indirect
9 costs that would be formally allocated to this
10 business segment, but would you agree that the GRE&T
11 Centre does use company resources that are outside of
12 the GRE&T Centre budget that you have included in
13 appendix 2JC?

14 J. ILARI: Yes. Just like any other segment,
15 the GRE&T Centre does incur costs related to those
16 support services.

17 L. GLUCK: Okay. Thank you. Those are my
18 questions.

19 R. DHILLON: Thank you, Mr. Gluck.

20 The time is 3:14. If we can take a short break
21 and return back in 10 minutes. Let's just say 3:25.
22 Thank you.

23 --- Recess taken at 3:15 p.m.

24 --- Upon resuming at 3:23 p.m.

25 R. DHILLON: Welcome back. The time is 3:23.

26 I will turn it over to Mr. Garner for VECC. I
27 understand that Mr. Garner has asked for 20 minutes
28 as opposed to the 15, and Ms. Grice for AMPCO will be

1 taking 15 minutes versus 20 minutes. Is that
2 correct?

3 M. GARNER: I think it is, although I challenge
4 the Panel to play a game of beat the clock with me.
5 Your answers can be fast. They don't have to be
6 accurate.

7 D. ROSENBLUTH: Excuse me. If I may interrupt.
8 It is Dan Rosenbluth with the Power Workers'. I had
9 5 minutes scheduled coming up later this afternoon.
10 I was actually going to advise that I no longer
11 intend to ask any questions at all given what has
12 already been covered, so that may assist in the
13 remaining time allocation.

14 R. DHILLON: Thank you, Mr. Rosenbluth. We
15 appreciate it.

16 **CROSS-EXAMINATION BY M. GARNER (VECC)**

17 M. GARNER: I will gladly take Mr. Rosenbluth's
18 5 minutes and his Magritte. I see it behind him,
19 so...

20 So I am going to -- I think I have a question --
21 maybe just one question for each person. So let me
22 start with the easiest. It is 2-VECC-17. And this
23 is about trucks and cars.

24 And there is a table there that is pulled in
25 that interrogatory that shows the historical
26 spending. And in the interrogatory, what I was
27 really trying to understand was the large increase
28 between '24 and the other years after.

1 But I think the best place I ended up finding
2 maybe an asset, because I didn't really understand
3 from the answer in the response there, was if you
4 look at 2A-SEC-54, you see a table in there that
5 actually has a number of incremental vehicles.

6 And why I brought my IR up first and then this
7 table second is my first question -- if we can find
8 that table which has the -- there it is, if you can
9 see it large enough -- is I assumed this table -- I
10 may be wrong. I assumed this table was related to
11 the other table of costs, so I assumed that when I
12 was looking at this table in -- the growth I was
13 seeing in vehicles, for instance, was due to in 2027,
14 et cetera, in '28, there was a large increase in
15 double bucket trucks, for instance.

16 So my first question was -- is are these tables
17 related in that fashion? Is that how -- what I am
18 looking at, the growth in costs is the growth in the
19 number of vehicles shown here?

20 J. MACUMBER: Yes.

21 M. GARNER: Okay. So then the first problem I
22 had with that -- or a thing I didn't really
23 understand is if you look in the other -- the other
24 historical spending, which is same as appendix 2AA,
25 in 2020, take -- 2020, take -- it says \$8.1 million
26 was spent. Now, in that table we are looking at,
27 there is zero vehicles in there, so I was trying to
28 say to myself, how does \$8.1 million work with the

1 zero vehicles in 2020; do you know what I mean? I am
2 trying to put those two tables together as a concept.

3 J. MACUMBER: This is growth above our regular.
4 I think you are trying to look at what we renewed.

5 M. GARNER: I see.

6 J. MACUMBER: So there is renewal vehicles that
7 we have every year. This is growth on top of our
8 renewal.

9 M. GARNER: Okay. Thank you. That is what I
10 was wondering. Thank you for that.

11 So then the question I really had at the end of
12 the day with this is I didn't really understand
13 things like double-bucket trucks. There are no --
14 there -- sorry. Maybe what I am seeing is there are
15 bucket trucks bought every year, but there is going
16 to be an increment of five -- I'm -- how do I -- what
17 is the increment of bucket trucks?

18 J. MACUMBER: Yes.

19 M. GARNER: Well, it is an increment of five
20 over what, though? Like, you are saying, is we are
21 going to buy five more than usual; right? That is
22 what you are saying there?

23 J. MACUMBER: Five additional.

24 M. GARNER: But each year, do you spend the same
25 amount? So why is it five? Why is it not 2.3, do
26 you know what I mean, or, like, that kind of number?

27 J. MACUMBER: Our additions of growths go with
28 our capital investment plan, so the more people we

1 hire for linemen, et cetera, to do the work, we need
2 vehicles to be able to perform the work.

3 M. GARNER: Well, here is what I was really
4 trying to understand. I think I understand that in
5 order for it to be an increment of 5, I would have to
6 say there were -- you know, in every other year,
7 there were, let's say, 10, and that year is going to
8 be 15; so, therefore, I have an increment of 5. That
9 is kind of the -- the arithmetic of the way I look at
10 the table. And I couldn't figure out how you got
11 that 5 because you would have to say, well, every
12 year, I have 15; and, therefore, this year, I have 5
13 more.

14 J. MACUMBER: No. We came up with 5 additional
15 based on operational requirements.

16 M. GARNER: Okay. Okay. So leave it at that.
17 I don't think I need more. I think I understand what
18 you are saying.

19 Now, that seems to be a -- then, however it is
20 done -- phenomenal increase over -- you know, like,
21 over a period of time. I mean, double-bucket trucks
22 are big trucks; right? These are not -- these are
23 not small. How many -- how many bucket -- double-
24 bucket trucks would you normally buy in a year?

25 J. MACUMBER: It is not so much how much we
26 normally buy. I am just trying to look for the
27 evidence where we have --

28 M. GARNER: Sure. You go ahead. Thank you.

1 If you would like some time, what you can do is
2 look at it, and then I will ask my next question. I
3 will come back to you. Don't worry. Yeah, if you
4 don't mind, I will come back to you in a minute.
5 Yeah, absolutely.

6 J. MACUMBER: Yeah.

7 M. GARNER: So let me move on while you are
8 doing that to another area that I had some difficulty
9 understanding, and this was -- this was -- the best
10 place to go to this is -- and it was brought up
11 earlier today -- 4-SEC-84, and this is going to be
12 about the Hamilton water billing issue.

13 I also -- like a few people, I think I had a
14 hard time understanding the evidence, whether
15 disputing or not, just understanding what it is
16 trying to show me.

17 And if you go to that table 2 that was talked
18 about at 4-SEC-84, you had this 3.5. That is the
19 table. Thank you. So let me say what I think I
20 heard so I can see if I am understanding this.

21 First of all, what I -- the first thing I think
22 I have heard is there is \$3.56 million here that
23 cannot be eliminated just because we are not doing
24 the water billing. It can't be eliminated; is that,
25 first, correct? Okay. Thank you.

26 K. LAKATOS-HAYWARD: That is correct.

27 M. GARNER: Thank you.

28 So then the second thing I heard was -- and that

1 is because some -- the items are not, in a sense,
2 incremental. I would call them coincidental, and I
3 will use postage as one because it makes, I think,
4 the simplest example of what I think you are saying.

5 We spend \$642,000 in postage sending out water
6 bills, but they are Alectra bills, so the fact is
7 they don't have water on them; we are not saving
8 \$642,000. Is that the way I read the table?

9 K. LAKATOS-HAYWARD: That is correct. That is
10 the contribution from Hamilton to offset.

11 M. GARNER: Right.

12 So let me say that the table -- let me suggest
13 the table is maybe, at least in my mind, mislabelled.
14 It is not so much billing costs; it is billing
15 contributions that you are looking at in this table
16 because that represents your cost of those bills that
17 were sent out under the ambit. You know, they are
18 Hamilton water bills. And they were paying you for
19 that, I take it, because you were -- you were -- you
20 were sending out their bills for them; right? It is
21 also -- it is like a revenue more, that one. It's
22 more, like, the revenue you are getting from Hamilton
23 in order to send out their bills?

24 You shouldn't get all involved. I might have to
25 say my third set of questions while you are going
26 through that one so...

27 K. LAKATOS-HAYWARD: No. That is fine.

28 So I would -- I would agree with the

1 characterization that we include an OM&A credit or an
2 offset --

3 M. GARNER: Right.

4 K. LAKATOS-HAYWARD: -- let's say, and that's --
5 we have -- and that's approximately 87 percent of the
6 revenue that we receive from Hamilton, and then we
7 allocate that. We have the variable costs to deliver
8 the service and then also the -- and what this
9 represents is the contribution towards --

10 M. GARNER: Right.

11 K. LAKATOS-HAYWARD: -- the fixed cost.

12 M. GARNER: But let me say it to you another way
13 because you've said that answer before.

14 The way I see it is Hamilton water, call them,
15 was paying you an amount of money X, and you in your
16 own accounting said, well, that X covers these
17 things; right? You are making something. They are
18 paying you for a service at the time. That service
19 was to, I guess, read the meter and create the bill,
20 collect the money. That was the service; right?

21 K. LAKATOS-HAYWARD: In essence, that is
22 correct.

23 M. GARNER: And answer calls, et cetera, on it.

24 So they paid you a sum of money, and you made a
25 determination, an allocation, of what that money was
26 covering. So, for instance, this postage amount, it
27 is not the -- you are telling me it is not the number
28 of bills sent out for Hamilton water bills that were

1 -- you know, where you were doing water bills for
2 them multiplied that year by, you know, whatever the
3 postage was? That's not how that was done? Is it
4 done differently? Like, was it done by just you took
5 their 87, whatever, percent, and you somehow
6 allocated it to different categories?

7 K. LAKATOS-HAYWARD: That is correct. We start
8 with the overall revenue for City of Hamilton, and
9 then in terms of the OM&A -- or credit to OM&A, which
10 is the approximately 87 percent, from there, we look
11 -- we looked at the variable cost.

12 So, for example -- and I just sort of want to
13 just raise the variable cost -- there are water-only
14 customers as an example. So we -- that would be an
15 example of a variable cost.

16 Once we remove the variable cost to deliver that
17 service, it would be what fixed costs are, you know,
18 available, and, you know, we have allocated it to the
19 -- you know, the various components on a kind of pro-
20 rata basis.

21 M. GARNER: Okay. So -- but -- and so I am not
22 sure -- thank you.

23 Whatever that all comes to, this basically
24 presents it as, we think the postage amount that kind
25 of was there was \$642,000, and we are not eliminating
26 that because we are not sending any less bills out.
27 And that is the simple one to understand.

28 The one I then don't really understand is you

1 then create a direct labour concept too. But in
2 order to create a direct labour allocation, you have
3 to make a determination that there are labour hours
4 being utilized, don't you, in order to do that, just
5 like you did for the postage?

6 How -- whatever your methodology is, aren't you
7 saying, well, this amount of labour is how we would
8 allocate it, or are you saying, is that the water
9 billing service caused no incremental labour to the
10 utility, none whatsoever? It was all free? Those
11 people never -- there were no people really spending
12 money; it was all just cash in the bank for the
13 utility at the time, the Alectra utility? Because
14 you are presenting it as a cost; right?

15 K. LAKATOS-HAYWARD: So I believe that we have
16 just clarified it was a contribution to the direct
17 labour, so that is an approximation of the fixed
18 customer service direct labour, the 2.3 million.

19 M. GARNER: No, I understand. I think I am
20 starting to understand your accounting, but now I am
21 asking -- I am changing the question slightly. I
22 don't want to confuse you, but I am trying to say is
23 that your accounting is trying to represent
24 something; right? And here, it is representing a
25 cost, and in some fashion, you are saying to yourself
26 is -- through the accounting, this represents a cost
27 to us of doing this service; right? Otherwise, you
28 could have allocated it to anything, or why allocate

1 it at all? Because you were trying to find -- you
2 are saying, this is what -- this is what this is
3 costing us to do some -- to do this work, which is
4 why I took it you were -- why you present it as a
5 cost.

6 So is there no incremental -- you know, that's -
7 - let me take your CRs. Your CRs, you have one year
8 example. It is \$107,000 roughly per CR -- CSRs. If
9 this was divided by CSRs, this would represent over
10 20 million people; right? And obviously there were
11 some people on your CSR system who were answering
12 calls related to water billing. Those people are not
13 answering calls relating to water billing after this;
14 isn't that correct?

15 K. LAKATOS-HAYWARD: So I think what you are
16 referencing in that last -- last statement was what
17 we would consider variable labour. So if I -- we can
18 go to the IR, but as an example, in Staff 181, we
19 have -- you know, we have indicated that -- sorry --
20 and I think that was in total.

21 But after the full exit of water, you know, we
22 will realize 15 redundant positions and save 1.7
23 million. Of that, I can confirm that that variable
24 cost component for Hamilton specifically is five
25 FTEs.

26 So, yes, we do anticipate that there are, you
27 know, some efficiencies, some reduction, in FTEs
28 after the Hamilton exit.

1 M. GARNER: Okay. Thanks.

2 I am going to move on quickly, then, to -- if
3 you go to -- this is just a clarification too of the
4 same issue. Again, go to 4-CCC-43, and if you look
5 at table 1 in that IR, can you tell me, does the --
6 okay. That is great -- in the second part of that
7 table under 2025A is a credit of 3.63. Is that
8 credit of 3.63 at all related to the 3.5 whatever we
9 were just talking to? Is that the same thing?

10 K. LAKATOS-HAYWARD: That is correct. So you
11 can see -- and the way to interpret that is in 2025,
12 you know, we had, you know, credit of 3.63, as stated
13 there. In 2026, it disappears with the end of the
14 water billing service. So that is where the increase
15 in OM&A is really just the difference.

16 M. GARNER: So that is the same number; this is
17 just a rounded version of the same number? Is that
18 what we are looking at?

19 K. LAKATOS-HAYWARD: That is correct, yeah.

20 M. GARNER: Is that why it is slightly higher,
21 because then it adds up -- if you go to the next
22 table 2, you will see credits again in '25 of .26 and
23 .82. Do I add all those numbers up to basically
24 create the number that is in --

25 K. LAKATOS-HAYWARD: Sorry. Sorry. I perhaps
26 just want to go back and just clarify one statement.
27 I didn't realize we were looking at the detailed --

28 M. GARNER: Segment.

1 K. LAKATOS-HAYWARD: -- segment.

2 So on the actual basis, the -- sorry. I can
3 certainly get that number for you. This is -- this
4 would be 87 percent of the actual water billing
5 revenue that we received for City of Hamilton. And I
6 can certainly provide that number for you. That is
7 comprised of variable and fixed costs. So I
8 apologize. I probably did --

9 M. GARNER: That is okay.

10 K. LAKATOS-HAYWARD: -- the same thing that you
11 did as I looked at that 3.6 and went, oh, that is the
12 number. But that is really, you know, the 87 percent
13 when you add up that is allocated to each segment.
14 And when you add it up to the segment, you will end
15 up with 87 percent of the water billing revenue.

16 And then that is further broken down into
17 variable costs, which go away with the end of the
18 service, and then the difference is the fixed cost
19 component, which does not go away with the end of
20 water billing.

21 M. GARNER: Okay.

22 So then would I be incorrect -- it sounds like I
23 might be incorrect to just -- to take all of those
24 credits -- because in 2025 in table 1, 2, 3, there
25 are credits in each one of those years, like, you
26 know, for that thing. It would be wrong to add up
27 all of those as the total amount that is actually not
28 being -- is being carried forward because there is no

1 credit anymore? It is not 3.563; it is 3.63 plus
2 0.82 plus 0.26, if you look at the numbers, take it
3 for -- or sorry -- 0.82 for water billing in table 2
4 and 0.72 in table 3, et cetera. I don't add all of
5 those up, and that's the lost credit, you are saying?
6 That doesn't work that way?

7 K. LAKATOS-HAYWARD: You would add up all the
8 lost credit, let's call it, by segment, so billing,
9 collections, et cetera, for the appropriate segment,
10 and that would be the lost credit. Again, that is 87
11 percent of the water billing, and the impact --
12 really, the impact that we -- just to tie it back to
13 the table 2 -- is that there is a fixed cost
14 component and a --

15 M. GARNER: And a variable one.

16 K. LAKATOS-HAYWARD: -- variable cost component.

17 M. GARNER: While we are on this interrogatory,
18 I am going to change gears completely. It was in the
19 same interrogatory, but it was somewhere else, but
20 this is a good place to see it.

21 If you go to table 6 at page 9 in that, I was a
22 little confused -- and when -- I am glad Mr. Gluck
23 brought this up earlier -- about this number about
24 electrification and customer inquiries of 15,124, and
25 2,025. If you take a look at that number and then
26 you go to the later table that is table 8, you see
27 that 15,124, but you also see 18,905 for vehicles.

28 And I couldn't figure out why the vehicles seem

1 to be in that table, table 8, but they don't seem to
2 be in table 6, and table 6, I thought, was the
3 aggregate of everything. Am I -- I am obviously
4 confused by, like -- by something here. Is that --

5 K. LAKATOS-HAYWARD: No. I mean, I think that
6 is what I would just perhaps want to clarify is that
7 in line 1 is the -- you know, total EVs that we are
8 adding in the given year. The calls due to
9 electrification is slightly different.

10 M. GARNER: Oh.

11 K. LAKATOS-HAYWARD: We have taken 80 percent of
12 that, and then that is the line that is in --

13 M. GARNER: Oh, I am sorry. It is my mistake.
14 These are not calls. 18,905 is not calls, that is
15 number of vehicles. Is that what that is?

16 K. LAKATOS-HAYWARD: That is correct.

17 M. GARNER: Thank you very much. I was
18 wondering.

19 Now, for the electrification number, 15,124, in
20 addition to EVs, which seem to be very easy to
21 identify in a call centre, the other parts of
22 electrification, if you go through your evidence, are
23 a little bit more -- not ambiguous, there is
24 certainly a term. But if I was in a call centre,
25 they would be harder to kind of ascertain. Do you
26 know what I mean?

27 How do you -- how do you -- do you have a set of
28 criteria that, let's say, after the fact, you will be

1 able to measure this against? I mean, the EVs will
2 be the easy one, electric car. But then the I got a
3 heat pump and I decide to rip out my gas system
4 thing, you know, like, how does that one fit into the
5 call centre? Is there a system for that?

6 K. LAKATOS-HAYWARD: There is. And, you know,
7 as we move forward and we invest in more in data and
8 analytics, we will be able to utilize, you know,
9 things like, you know, voice -- you know, basically
10 take a transcript of that call and, you know, really
11 hone in on keywords and get some good trends. So,
12 for example, how many times this week did a customer
13 mention EVs or a high bill because of heat pumps.

14 So that is the -- in the future, the next level
15 of data analytics that we are looking to get to.

16 Right now, I mean, we have what we call
17 disposition codes that we can generally get a sense
18 of, like, oh, a customer called for a high bill, but
19 it is a little bit too aggregate.

20 M. GARNER: I guess I was just really wondering
21 is are you going to be able to prove that these --
22 show the numbers in -- after the fact later that this
23 was close, nearby -- you know, like, whatever it was.
24 Are you going to be able to have that find of data so
25 that in four or five years, whatever it is, you say,
26 okay, this is how it really turned out. You know, no
27 one called, or we had twice as many in
28 electrification. You know what I mean? Do you have

1 -- are you going to be able to do that?

2 K. LAKATOS-HAYWARD: That is our general plan to
3 -- I mean, in terms of the data analytics and that --
4 that call identification, we will be looking to see
5 whether we can to that level of granularity to
6 demonstrate that we are getting the right categories.

7 M. GARNER: Okay. Thank you.

8 R. DHILLON: Mr. Garner, you have about less
9 than 5 minutes left.

10 M. GARNER: Okay. Well, let's see how we are
11 doing on the bucket trucks.

12 J. MACUMBER: If you turn to Exhibit 2, tab 1,
13 schedule 1, appendix B08, page 320 and 321. So you
14 will see the 74, that is the additions by year.

15 M. GARNER: Right.

16 J. MACUMBER: The next page shows what we plan
17 to renew each year.

18 M. GARNER: Sorry. Can you bring up the other
19 table again, the -- sorry. Is there two tables here
20 or am I just looking --

21 J. MACUMBER: There is two tables. One is the
22 growth. This is pure additions.

23 M. GARNER: Yes. But, again, it is not
24 answering this question, is it? I am trying to say
25 is how you get the five is the growth. It would be
26 sort of like this is, you have a table that says in
27 this -- in the history, we buy three trucks a year,
28 and so the growth at eight is this. Right?

1 J. MACUMBER: Yes.

2 M. GARNER: Sorry. Is that -- which one is
3 that?

4 J. MACUMBER: So this one here is additions to
5 my assets.

6 M. GARNER: Yes.

7 J. MACUMBER: So brand new. I am not renewing.

8 M. GARNER: Oh, so these are new trucks. So you
9 brought -- is this saying is you bought no bucket
10 trucks in 2026?

11 J. MACUMBER: No. This is --

12 M. GARNER: Okay. How many did you buy in '26?
13 That is my question.

14 J. MACUMBER: Could we move down to the next
15 table.

16 M. GARNER: That is where I was trying to get
17 to, sorry, to put this simple.

18 J. MACUMBER: In '26, we don't have any
19 forecasted to be replaced.

20 M. GARNER: Sorry. I said the question wrong.
21 How many bucket trucks did you buy in '24 and '23 and
22 '22? To show me the trend. That is what I was
23 getting at.

24 J. MACUMBER: So this has been provided in
25 AMPCO-46.

26 M. GARNER: Okay. It is in there. There is a
27 table that will show it to me.

28 J. MACUMBER: It shows what we replaced each

1 year.

2 M. GARNER: Okay.

3 J. MACUMBER: It is table 4.

4 M. GARNER: Table 4. This tells me how many you
5 bought --

6 J. MACUMBER: How many -- how many I replaced
7 each year. So I have an existing bucket truck that
8 reached the end of its useful life, and I replaced it
9 with a new bucket truck.

10 M. GARNER: But is that the same thing as saying
11 this is how many I bought that year?

12 J. MACUMBER: Yes. But I disposed of one as
13 well.

14 M. GARNER: Yeah. Fair enough. But it just
15 tells me how --

16 J. MACUMBER: It is --

17 M. GARNER: Yeah. But you don't -- you don't --
18 it -- you don't always dispose of one every year just
19 because you buy one every year. Or is it always like
20 --

21 J. MACUMBER: Well, if I am renewing --

22 M. GARNER: Right. So I have to put the two --

23 J. MACUMBER: -- I buy another one.

24 M. GARNER: Okay. I think I understand. I
25 think I can derive what I need from the two tables.
26 So thank you. I think I get the -- I think I
27 understand what you are -- thanks.

28 I only have one last very simple question. It

1 is actually probably more to your executive or your
2 counsel. It is at 1-VECC-5.

3 This is about the billing design renewal that
4 you were going to undertake and then finish up in
5 2029. And basically, we said is -- you know, are you
6 looking from something from the Board? And I read
7 the answer as, we are not looking for any relief from
8 the Board on the new design of the build because we
9 are not going to change any of the regulatory stuff.
10 I wouldn't call it cosmetic, but it is something else
11 than that.

12 And then you say you are going to do some
13 engagement on here and send something to the Board.

14 First of all, I guess the first question, I hope
15 that is my correct understanding. I am assuming that
16 this isn't going to the Board for any form of
17 approval.

18 And the second part is if it is only an
19 engagement, is it the intent of the utility to engage
20 any of the intervening parties on its redesign of its
21 billing system -- or bill, not billing system?

22 K. LAKATOS-HAYWARD: First of all, just wanted
23 to confirm that the purposes is inclusion in OM&A,
24 and, you know, the -- this is part of also a small
25 component on the capital. So it is just a part of
26 the application for the cost.

27 We do understand that, you know, and we are very
28 sensitive to the bill, you know, and the regulated

1 components on the bill. Our intention certainly is
2 not to, you know, change those components, and that
3 is what we have tried to reflect in our answer there.
4 But certainly, we will engage as appropriate with the
5 OEB to ensure that we do not have any, you know,
6 compliance issues with any bill redesign.

7 In terms of your question on the stakeholder
8 kind of consultation and customers, at this point, it
9 was a little bit premature for us to -- from a
10 stakeholder perspective, you know, we tried in part B
11 there to indicate that, you know, we do plan on
12 heavily consulting with customers on both
13 qualitatively and quantitatively. I don't know if
14 that was a suggestion or -- but certainly we are
15 mindful of the need to stakeholder.

16 M. GARNER: Okay. Thanks. I will leave that as
17 a plant to seed. I am just trying to avoid getting
18 you changing your bill to look like Hydro One did to
19 change it to look like Toronto Hydro's bill.

20 But, anyways, I am all complete. Thank you very
21 much, Panel.

22 R. DHILLON: Thank you, Mr. Garner.

23 I will turn it over to Ms. Grice for AMPCO. The
24 time is now 3:52.

25 **CROSS-EXAMINATION BY S. GRICE (AMPCO)**

26 S. GRICE: Okay. Thank you. Good afternoon,
27 Panel.

28 My first question is a question that was

1 deferred from Panel 1 to Panel 2, and it is related
2 to AMPCO-2. Okay.

3 In this question, we asked for a breakdown of
4 the 106 million in capital expenditures over 2027 to
5 2031 that were a result of your customer engagement
6 process in Phase 2.

7 So if we can just go to the second page of this
8 interrogatory, I just had a couple of questions on
9 facilities management and information technology
10 where the total change is 4 million for facilities
11 and 5 million for information technology.

12 My first question is I just wanted to confirm
13 that that additional work was not optimized as part
14 of your Copperleaf. Do I have that understanding
15 correct?

16 J. MACUMBER: It was optimized, but it should
17 have tied to my vehicles. So my fleet vehicles got
18 approved. We will be buying new EVs, but I need the
19 electrical infrastructure to charge them. So they
20 should have been tied together. So why they got
21 added back is for me to be able to buy EVs.

22 S. GRICE: Okay. So that was part of my second
23 question, was the scope of work for the facilities
24 management and IT. So you were speaking about the IT
25 portion?

26 J. MACUMBER: Not the facilities, the
27 electrification.

28 S. GRICE: I am sorry.

1 J. MACUMBER: There are two that add up to 4
2 million, and it is to modify the buildings that are
3 not -- don't have capacity, so we got to change how
4 they are fed, where we are going put the EVs and then
5 charging stations to charge them.

6 S. GRICE: Okay. And then what about the IT
7 component? Thank you.

8 J. ILARI: With regards to the \$5 million
9 increase, we submitted our business cases in 2024,
10 and they were updated again a year later in Q1 of
11 2025. So there were some additional details on
12 certain projects in terms of business requirements
13 and costing estimates. So we made sure with the best
14 available knowledge at the time that we updated those
15 business cases.

16 S. GRICE: Okay. And so all the business cases
17 in the evidence reflect this update, this additional
18 spending?

19 J. ILARI: I can speak to IT. From an IT
20 perspective, yes.

21 S. GRICE: Okay. Okay. Okay, thank you.

22 My next question is with 4-AMPCO-46D. So in
23 that -- oh. Okay. I will just -- so in terms of the
24 question, we asked for the analysis and the
25 assumptions behind the derivation of Alectra's fleet
26 growth forecast of 74 vehicles.

27 And then in the response, you provided a lot of
28 information, and I just wanted to clarify one thing.

1 So when we get to the end of 2031, you have 531
2 vehicle units to serve the needs of 534 FTEs. And
3 that package of vehicle units and FTEs applies
4 specifically to the lines and stations and protection
5 and control divisions. Is it correct?

6 J. MACUMBER: If I could take you to Exhibit 2,
7 tab 1, schedule 1 of appendix B08. Oh, sorry, could
8 you go to table B08. Sorry. 9. I should be more
9 clear.

10 D. COBAN: Could we maybe just have a page
11 number in this exhibit?

12 J. MACUMBER: 338. Yes. The reason why I am
13 taking you to this table, so there is outside staff,
14 there is storage staff with, you know, forklifts,
15 fleet, metering, pull vehicles for design. So this
16 is our total fleet asset count by 2031, is 797. It
17 relates to all of Alectra.

18 So to specifically say that, you know, bucket
19 truck, single truck -- single bucket, radial boom,
20 more than likely are operations, but there are other
21 fleet assets for other groups.

22 S. GRICE: So would this number of vehicle
23 units, the 797 have an FTE count associated with it?

24 J. MACUMBER: All of Alectra. That is why I am
25 saying --

26 S. GRICE: That is all of Alectra?

27 J. MACUMBER: Yeah, so all of Alectra's
28 employees, this is how many fleet assets we will

1 have.

2 S. GRICE: Okay.

3 So then when we just look at the response,
4 because you were -- in the response, you are
5 providing ratios of vehicle units to FTEs, and my
6 understanding reading this was by the end of 2031 --
7 because you were -- you were discussing where the
8 need for the 74 incremental vehicles came from, and
9 my understanding is it is in lines and stations
10 protection and control divisions?

11 J. MACUMBER: Yes.

12 S. GRICE: Okay.

13 So then you have 536 vehicle units for 534 FTEs
14 just for those divisions by the end of 2031. So I
15 just wanted to confirm that I get a ratio, then, of
16 1.0 of vehicle units to FTEs. And I just want to
17 make sure I am doing that correctly.

18 J. MACUMBER: I am sorry. I am not quite sure
19 how you are calculating it. I am reading it as there
20 -- we are going to be hiring 120 people and adding 74
21 units.

22 S. GRICE: Okay. I was just doing it based on,
23 I thought, the math in here of the ratio of 1.1, and
24 that was comparing the FTE count of 421.6 to the 462
25 units, which was from table B08-9. That is how you
26 came up with your ratio of 1.1. So I was just trying
27 to do the same thing but at the end of 2031.

28 J. MACUMBER: I would have to look into this

1 about the -- the -- your calculation of how you are
2 calculating it and then take it with operations to
3 verify the numbers.

4 S. GRICE: Okay.

5 So -- so the undertaking would just be whether
6 or not we can do the math of 536 vehicle units
7 divided by 534 FTEs at the end of 2031, specifically
8 related to the lines and stations protection and
9 control divisions.

10 R. DHILLON: I will mark that as Undertaking JT-
11 2.30.

12 **UNDERTAKING JT-2.30: CONFIRM THE RATIO OF 536**
13 **VEHICLE UNITS TO 534 FTES BY THE END OF 2031 FOR**
14 **THE LINES AND STATIONS PROTECTION AND CONTROL**
15 **DIVISIONS**

16 S. GRICE: Okay.

17 And just one last question. I just wondered if
18 Alectra has ever benchmarked its vehicle units per
19 FTE, if that has ever been done?

20 J. MACUMBER: Not that I am aware of.

21 S. GRICE: Okay. Thank you.

22 Okay. And one more area that I just want to ask
23 a couple questions on. It is 2-SEC-54 and part B.

24 So SEC asked if Alectra tracks fleet
25 utilization, and then if so, to provide the annual
26 fleet utilization for each year starting in 2020 and
27 explain how the metric measure is calculated.

28 And if we can just go to the response, please.

1 So you provide a lot of data here, and my
2 understanding is it is an average over the five
3 years. So just with respect to the first one, the
4 average days utilized, in terms of understanding --
5 so in terms of understanding vehicle utilization,
6 would we be able to apply a denominator to that?

7 So if -- if we knew how many days the vehicles
8 are available on average over the five years, then we
9 would get a percentage of utilization for those
10 years? Is -- could you -- would you be able to
11 provide me with that, what the average total days
12 available would be for the five years?

13 J. MACUMBER: Our vehicles are essentially
14 available all the time, so I am kind of -- I am not
15 quite sure in how to answer your question.

16 S. GRICE: I guess so -- so if it is, like, five
17 days a week for 52 weeks of the year times 5, would
18 that be an acceptable denominator?

19 J. MACUMBER: Our -- because we are 24/7, our
20 vehicles are available all the time. I think we were
21 trying to show -- is the days, 24-hour days, of how
22 much that vehicle was used. So of 147 days utilized,
23 that would be 147 times by 24 hours. So we are
24 trying to take how much for a full year.

25 S. GRICE: Okay.

26 And then -- okay. Does Alectra have a -- so you
27 have a target in terms of fleet availability, which
28 is 90 percent over the rate term?

1 J. MACUMBER: That is what we are trying to
2 target, yes.

3 S. GRICE: That is your target, yes.

4 Do you have a target for utilization? Do you
5 have an internal target for that so that, you know,
6 when you are looking at these numbers, average days
7 utilized by vehicle type, you get a -- you have a
8 sense of are you hitting your target?

9 J. MACUMBER: So since we merged and over time,
10 the way we kind of look at utilization now is when
11 that vehicle comes up for renewal and we're -- it is
12 time to review it, the age, the mileage, et cetera,
13 we determine, is it being underutilized, should it be
14 replaced, should we replace it with something else,
15 should we dispose of it and not replace it?

16 And so it is usually at the time of our annual
17 assessment as vehicles come up rather than a target
18 utilization rate specifically to the vehicle itself
19 as we try to determine, is that vehicle required
20 anymore? So it is not for every -- like, a type or
21 an annual assessment; it is by vehicle.

22 S. GRICE: At the end of its life?

23 J. MACUMBER: Yeah.

24 S. GRICE: Okay. Okay. I understand, then.
25 Okay. Thank you.

26 R. DHILLON: Thank you, Ms. Grice.

27 Mr. Rubenstein.

28 M. RUBENSTEIN: I just wanted to clarify with

1 respect to the fleet utilization, what you were
2 saying with respect to 24 hours.

3 For the average days utilized, is that to mean
4 if someone uses a vehicle for an hour, is that a day
5 utilized, or is it -- is that on a 24-hour basis?

6 J. MACUMBER: For how this was calculated, it
7 was on a -- it would be an average for a 24-hour
8 period. So it would use -- the truck was used 147
9 days of the year for 24 hours.

10 S. GRICE: Okay. Thank you.

11 And those are the end of my questions. Thank
12 you.

13 R. DHILLON: Thank you, Ms. Grice.

14 Next, we have EP and CCMBC, and that is Mr.
15 Ladanyi. And I believe that we have about 35
16 minutes' combined time. The time now is 4:08.

17 **CROSS-EXAMINATION BY T. LADANYI (EP & CCMBC)**

18 T. LADANYI: Thank you. I hope to be less than
19 that time.

20 Anyway, greetings, everyone, and a special
21 greeting to Ms. Lakatos-Hayward. We worked together
22 at Enbridge 20 years ago. Nice to see you in action.

23 K. LAKATOS-HAYWARD: Nice to see you as well,
24 Mr. Ladanyi.

25 T. LADANYI: Very good.

26 So I represent two intervenors here, Energy
27 Probe and CCMBC, and I believe all my questions today
28 will be in relation to Energy Probe, and I will tell

1 you where I am coming from.

2 Energy Probe believes that -- in user pay, and
3 we believe that owners of DERs are not being charged
4 all the costs that they are incurring, so I am going
5 to explore with you some of the costs that I think
6 are hidden somewhere in your evidence that they
7 should be charged. And these are in relation to
8 interrogatory 2A-EP-8. If you could just turn to
9 that response. And go to the second page, please.

10 And to answer C, as of December 2025, Alectra
11 Utilities had 6,894 DERs connected across its service
12 territory, and by the end of 2031, there will be
13 9,569.

14 So can you turn to Exhibit 2A, tab 1, schedule
15 1, 5.4.1. It is a table, capital expenditures. It
16 is on page 361. Keep going, 361. Okay. It looks
17 different in my table. Exhibit 2A, tab 1, schedule
18 1. It is table 5.4.1. Okay. General plant. It is
19 the expenditures and gross -- keep going. Next page.
20 Here it is. Okay. Very good.

21 So the first line is network metering. So does
22 this represent -- these are capital expenditures.
23 Does this represent both bidirectional and
24 unidirectional meters? Because I understand for DERs
25 that are exporting, you need a bidirectional meter.

26 S. PARKER: Yes, it does, in that AMI 2 meters
27 are all bidirectional for Alectra Utilities.

28 T. LADANYI: So you are installing, let's say,

1 many more bidirectional meters than are actually
2 needed by customers? Because there are only 6,000
3 something customers, 7,000 customers. So you are
4 installing more than that, are you?

5 S. PARKER: Yes, that is correct.

6 T. LADANYI: So how many -- like, how many
7 bidirectional meters are you installing each year?
8 You can take an undertaking. I don't need the number
9 right now.

10 S. PARKER: No. I have that, sir.

11 Table B06-20 has our meter volumes by year. The
12 five-year deployment plan is what we are proposing.
13 So by year, that is approximately 220,000 meters
14 would be deployed, and they will all be
15 bidirectional, have bidirectional capabilities.

16 T. LADANYI: So does bidirectional meter cost
17 more than a unidirectional meter?

18 J. MACUMBER: It did for AMI 1 meters,
19 absolutely, but for AMI 2 meters, that is not the
20 case. There is no incremental cost to having a
21 bidirectional meter from a unidirectional.

22 T. LADANYI: Very good.

23 Now, look at the next line, which is customer
24 connections. Do customers that have -- that are --
25 that own exporting distribution energy resources such
26 as, let's say, big gas powered generator, like some
27 universities have, do they require some special
28 customer connections?

1 S. PARKER: I am sorry. I think -- I am not
2 sure that we can answer that one. That was probably
3 a question for Panel 1.

4 T. LADANYI: Oh, so -- but you think inside --
5 let me put it this way: Would inside, the
6 connections, all connections, be in that line?
7 Because, actually, you know, nothing depends on it.
8 I am just going to tell you that I think that there
9 are hidden costs for DER customers inside this table
10 that they are going to be hard to extract, and you
11 are essentially going to be forcing other customers
12 to subsidize DER owners. So it is somewhere in
13 there, and I couldn't have asked -- so -- because
14 Panel 1 is now gone, would it be possible for you to
15 take an undertaking here?

16 D. COBAN: Mr. Ladanyi, I am really not clear on
17 your question.

18 T. LADANYI: All right. Can I repeat it again?

19 Do customers that own a distributed energy
20 resource, for example, like a customer that has a
21 large gas-powered generator that is exporting into
22 the grid, do they require a special higher cost
23 connection?

24 D. COBAN: Sure. We can take that question back
25 to Panel 1, if we can give it an undertaking.

26 T. LADANYI: Yes.

27 R. DHILLON: We will mark that as Undertaking
28 JT-2.31.

1 **UNDERTAKING JT-2.31: ADVISE WHETHER CUSTOMERS**
2 **THAT OWN A DISTRIBUTED ENERGY RESOURCE REQUIRE A**
3 **SPECIAL HIGHER COST CONNECTION**

4 T. LADANYI: Okay.

5 Now, let's go to the next table, which is
6 exactly on the next page. So first line is SCADA and
7 automation. That stands for "supervisor control and
8 data acquisition and automation." Now, that line, I
9 presume this is all IT expenditures, is it, or it is
10 some hardware as well? Or is it software and
11 hardware? Let's put it that way.

12 S. PARKER: Again, the SCADA and automation was
13 part of Panel 1.

14 T. LADANYI: I am sure it was Panel 1. I am,
15 however, thinking that most of SCADA, in fact, is an
16 IT expenditure. These are software. That is what it
17 is.

18 So, you know -- so I understand the witness who
19 is expert on IT is on this panel. They can tell us
20 that there is -- if there is absolutely no software
21 involved in SCADA, then I will just leave it.

22 J. ILARI: Mr. Ladanyi, with regards to the
23 SCADA and automation line, I would have to take an
24 undertaking in terms of understanding what makes up
25 that calculation. Is that what you're asking in
26 terms of what makes up that calculation?

27 T. LADANYI: Yes. Whether there is some special
28 equipment, SCADA equipment, and software that allows

1 you to control supervisory control -- that is what it
2 means -- control DER customers. You have to probably
3 somehow -- some computer at your office has to tell
4 those generators when to -- when your system can
5 accept exported power and when it can't.

6 And then if you can't, you should be able to --
7 through SCADA possibly, to cut them off and say, no,
8 you can't export any power because we have excess
9 power now. That is exactly what I was thinking
10 about, so I thought, maybe, well, it must be some
11 software at your control office wherever it may be,
12 in Mississauga or somewhere, and that is what you
13 were communicating, and there will be some software
14 involved with this. That is what I am thinking
15 about.

16 D. COBAN: Mr. Ladanyi, I don't think this panel
17 can speak to you about any of that. We are here to
18 speak about the general plant expenditures that we
19 see here on the screen.

20 T. LADANYI: Yeah.

21 D. COBAN: So at best, what we can do to be
22 helpful with measure is give you an undertaking, but
23 I do just want to caution that we were really clear
24 that these topics were supposed to be addressed to
25 Panel 1.

26 T. LADANYI: All right. So I thought this was
27 general plant panel, but, anyway, this is general
28 plant exhibit. So, anyway, not a problem. I will

1 take an undertaking.

2 R. DHILLON: I will mark that as Undertaking JT-
3 2.32.

4 **UNDERTAKING JT-2.32: ADVISE WHETHER THE SCADA**
5 **AND AUTOMATION LINE INCLUDES ANY SOFTWARE.**

6 D. COBAN: Thank you.

7 T. LADANYI: Do you know what system control
8 communications and performance is? Can this panel
9 speak to system control or not?

10 D. COBAN: No, Mr. Ladanyi. Like I just said,
11 this panel can only speak to you about the general
12 plant programs that we see here up on the screen.

13 T. LADANYI: Okay. That is fine. So -- so you
14 know nothing about what distributed energy resources
15 are? You have not at all?

16 D. COBAN: Again, that would have been a
17 question for Mr. Butler on Panel 1. I believe you
18 did have an exchange with him about DERs on Panel 1.

19 T. LADANYI: Yes, I did. Definitely. So not a
20 problem. We can deal with it in the hearing.

21 Let's go down to the line "information
22 technology." That is inside general plant. Can I
23 ask a question about that?

24 J. ILARI: Yes, Mr. Ladanyi.

25 T. LADANYI: All right. Does information
26 technology include any software whatsoever to control
27 or operate distributed energy resources? You can
28 take an undertaking because I don't have a lot of

1 time.

2 J. ILARI: So, Mr. Ladanyi, our information
3 technology investment category here does include
4 operational technologies; however, it is beyond my
5 scope of expertise to understand exactly how that
6 interacts with DERs. If that is helpful, we could
7 take an undertaking to provide that understanding.

8 T. LADANYI: Please do. Can I have an
9 undertaking?

10 R. DHILLON: Mr. Ladanyi, can you just repeat
11 what the undertaking is?

12 T. LADANYI: Does the information technology
13 line on this exhibit -- and we can go into quote the
14 exhibit too. It is 5.4.1, capital expenditures
15 summary -- include any expenditures for software for
16 operating and dealing and collecting data from
17 distribution -- distributed energy resources?

18 R. DHILLON: Thank you. I will note that as
19 Undertaking JT-2.33.

20 **UNDERTAKING JT-2.33: ADVISE WHETHER THE**
21 **INFORMATION TECHNOLOGY LINE ON EXHIBIT 5.4.1**
22 **INCLUDES ANY EXPENDITURES FOR SOFTWARE FOR**
23 **OPERATING AND DEALING AND COLLECTING DATA FROM**
24 **DISTRIBUTED ENERGY RESOURCES**

25 T. LADANYI: I have another question related to
26 this particular line is that the entire information
27 technology budget, or there are chunks of information
28 technology on other lines, for example, on this table

1 or in other tables? Because I am not clear. And now
2 I have asked your questions, and the things I thought
3 were information technology, for example, SCADA, is
4 that included in this line or not included in this
5 line? Or is it separate? So is this entire hundred
6 percent of all of the information technology
7 spending?

8 J. ILARI: So, Mr. Ladanyi, to the best of my
9 knowledge, what I can confirm is the information
10 technology line here is an aggregate of B14 and B09,
11 which should represent Alectra's information
12 technology investments.

13 T. LADANYI: Thank you.

14 Now let's go to OM&A. So with Panel 1, I
15 discussed the idea that -- or at least my knowledge
16 what happens with DERs, and essentially for billing
17 and settlement perspective customers who export to
18 the grid, impose higher costs as it requires
19 additional activities such as billing function, data
20 capture, review time, and settlement with the IESO.
21 Do you agree with that?

22 K. LAKATOS-HAYWARD: With respect to the meter
23 to cash process, perhaps if I can speak to that. I
24 would agree that, typically, a customer that is a DER
25 would be more complex and, therefore, you know,
26 require additional effort.

27 T. LADANYI: Are these customers charged extra
28 for this, or are all the customers picking up this

1 cost?

2 K. LAKATOS-HAYWARD: To the best of my
3 knowledge, and not taking into -- just thinking about
4 the meter to cash process, they -- you know, it is
5 all, you know, rate -- driven by rate classes. So
6 they would -- they would have, you know, additional -
7 - or sorry, they would have, you know, equivalent --
8 equivalent, you know, rates, everything else being
9 equal.

10 Maybe just the one caveat, and certainly getting
11 perhaps a little bit beyond -- and I would perhaps
12 defer this question, but, you know, there are other
13 rates for other, you know, DERs. So that -- but I
14 think for your question here on the meter to cash and
15 sort of the level of effort, you know, it -- and
16 charges, it is, you know, comparable -- I --
17 comparable, you know, level.

18 T. LADANYI: Thank you.

19 So if you could turn to Exhibit 4, tab 1,
20 schedule 1, page 7, which is table 4-1-2, bridge test
21 and forecast year OM&A expenditures by program. We
22 are just going to look at network metering line.
23 Thank you.

24 And does network metering line contain all of
25 these costs that I just described? Is it all in
26 there, or is it somewhere else -- or are they
27 somewhere else?

28 S. PARKER: Billing and settlement, for example,

1 is not included in network metering. Network
2 metering's component is related to data validation.
3 That would be one task that that team provides.

4 T. LADANYI: So where are the other functions
5 that you just mentioned? Where are they on that
6 table?

7 S. PARKER: Back in customer service.

8 T. LADANYI: In customer service, okay.

9 So would it be possible for you to separate the
10 costs that are related for -- that are required -- or
11 imposed by DER customers in the customer service line
12 and at a network metering line? Can you separate
13 that?

14 S. PARKER: Our processes are too intermingled.
15 I am not sure how we would be able to do that.

16 T. LADANYI: So you don't know. There is no way
17 you can estimate it considering how many customers
18 have DERs? One of the answers to one of my
19 interrogatories mentions that. And I think it was --
20 where we started my questioning today, I mentioned
21 how many customers have DERs. You couldn't work
22 backwards and say how much of these costs that are
23 listed here are related to DER customers?

24 S. PARKER: Network metering would not be able
25 to do that, no.

26 T. LADANYI: Well, in customer service as well.

27 K. LAKATOS-HAYWARD: Yes, I believe customer
28 service, it would be, you know, challenging as well.

1 You know, we have other, you know, large, say, GS
2 greater than 50 customer. They may or may not be --
3 have DERs, but they would require the same, you know,
4 amount of effort. So it would be challenging for us
5 to -- we would almost have to do it on a case-by-case
6 basis, I think.

7 T. LADANYI: Now, some utilities in Ontario have
8 a net metering charge. Alectra and its predecessors,
9 do they have a net metering charge? Or you don't
10 know that? I can ask at Panel 4.

11 K. LAKATOS-HAYWARD: I don't believe this panel
12 will be able to answer that. Yes, it might be
13 appropriate for Panel 4.

14 T. LADANYI: Okay. These are all my questions.
15 Thank you.

16 S. PARKER: Mr. Ladanyi, if I could just correct
17 the record, I pointed you to an incorrect table when
18 you were asking about the number of meters being
19 installed. I should have pointed you to appendix
20 B06, network metering, table B06-23.

21 T. LADANYI: Thank you.

22 R. DHILLON: Thank you, Mr. Ladanyi.

23 Next we have the OEB Staff. I will turn it over
24 to Ms. Bernardo.

25 **CROSS-EXAMINATION BY A. BERNARDO (OEB STAFF)**

26 A. BERNARDO: Thank you. Arlene Bernardo, OEB
27 Staff.

28 So for my first question, could we pull up 4-

1 Staff-175A. So in this IR, OEB Staff asked what were
2 the 800,000 obsolete materials that were written off
3 in relation to the 1.1 increase in 2018.

4 Alectra stated in its response that the credit
5 of 700,000 was required in 2017, which is a one-time
6 adjustment related to inventory adjustments and
7 legacy utility provisions that occurred upon
8 consolidation and alignment of accounting policies.

9 So my question is could you please explain the
10 700,000 credit in 2017 and how it relates to the 2018
11 variance of 1.1 million and the 800,000 obsolete
12 materials?

13 J. MACUMBER: Upon the merger of Alectra with
14 all the different utilities, different utilities
15 provided for certain material write-offs. Upon
16 aligning our accounting policies, a credit was
17 reversed or a provision was reversed, which didn't
18 occur afterwards. So it was a one-time event.

19 A. BERNARDO: How does it relate to the 1.1
20 million?

21 J. MACUMBER: So if you have a credit one year,
22 and you don't have that credit going forward, you
23 would have a 700,000 increase.

24 A. BERNARDO: Thank you.

25 Next, could we go to 4-SEC-84C, page 3. Thank
26 you.

27 Alectra stated in this response that the City of
28 Hamilton and Alectra are on track to transition water

1 billing back to the City of Hamilton in mid-April.
2 Could you give us an update whether that timeline for
3 mid-April for Hamilton is still attainable?

4 K. LAKATOS-HAYWARD: Alectra is working very
5 closely with the City of Hamilton to align the exit
6 of water billing, you know, from our system and to
7 them taking over the water billing services. We
8 understand that they are, you know, working with
9 making recommendation to their, you know, executive
10 later this month and that we should understand
11 whether we are still on track. We believe at this
12 point, it is mid-April 2026, but we are obviously
13 aligning with their plans.

14 A. BERNARDO: Thank you.

15 How about all the other rate zones, are they
16 also on track, Guelph in 2017 -- 2027, Vaughan and
17 Markham end of 2028?

18 K. LAKATOS-HAYWARD: So with respect to Guelph,
19 the Guelph water billing exit is aligned with -- it
20 is a two-part project. So that is scheduled for June
21 of 2026 where Guelph will take over the water billing
22 for their customers, and we are taking or moving the
23 electricity billing from a legacy billing system to
24 Alectra's customer information system at the same
25 time. So at this point, we are on track for June
26 2026.

27 For Markham and Vaughan, in the evidence, we had
28 indicated that we had expected a water billing exit

1 at the end 2028. And at this point, that is the
2 latest update that we have with Markham and Vaughan.

3 A. BERNARDO: Okay. Thank you.

4 Next, could we go to 4-Staff-177A, page 4.
5 There, beginning line 15.

6 So in this response, Alectra stated that under
7 the knowledge management systems enhancement
8 initiative, Alectra did not explicitly account for
9 the benefits associated with the reduced call volumes
10 in the OM&A budget. Could you please explain what
11 Alectra meant by they did not explicitly account for
12 the benefits of these reduced calls?

13 K. LAKATOS-HAYWARD: So in this IR, as you know,
14 customer service was explicitly asked to take -- to
15 track and reconcile the savings from the productivity
16 that we had shown in Exhibit 4, tab 2, schedule 7
17 with the OM&A budgets. And so in preparation for
18 this evidence, we did go through line by line in our
19 budget to explicitly, you know, do that
20 reconciliation.

21 For the knowledge management system, we weren't
22 able to clearly identify a line in the budget to pick
23 up the reduction.

24 There is two benefits in the knowledge
25 management system. One was a reduction in average
26 handle time, which we can account for, and then the
27 second was a reduction in the calls, which on, you
28 know, further kind of review, we weren't able to.

1 I would just like to add if it -- that in terms
2 of the reconciliation that we have identified here,
3 that customer service have been able to reflect 93.4
4 million. So that is 50 million of the 53.5 million
5 of productivity savings, and sort of being able to
6 reconcile that amount. So I just wanted to also make
7 that reference.

8 A. BERNARDO: Okay. Thank you.

9 And for my last question, can we pull up 4-
10 Staff-178C page 3. Thank you.

11 So in response to this IR, Alectra stated that
12 the \$700,000 of the 1.7 million increase in 2025 was
13 due to -- Guelph CIS integration. So could you turn
14 to 4-Staff-177C. Table 6, please. Page 6. There.

15 However, in this table, table 6, there is no CIS
16 cost shown in 25 for the first row. So could you
17 please reconcile the CIS integration costs in 2025?

18 K. LAKATOS-HAYWARD: Would you mind scrolling up
19 a little bit on that table, please?

20 Subject to check, the total integration costs
21 for the Guelph would be shown in 2026, the 0.37. But
22 I would be happy to take an undertaking to just
23 confirm that.

24 A. BERNARDO: Okay, thank you.

25 R. DHILLON: I will mark that as Undertaking JT-
26 2.34.

27 **UNDERTAKING JT-2.34: PROVIDE A RECONCILIATION**
28 **OF THE CIS INTEGRATION COSTS IN 2025**

1 A. BERNARDO: Still on table 6, are there other
2 -- any other FTE reductions after 2026, say, for 2027
3 to 2031 associated with the Guelph CIS integration?

4 K. LAKATOS-HAYWARD: Following the Guelph
5 integration, we will have completed our reductions,
6 and there are five FTE reductions as a result of that
7 project. There are no additional FTE reductions
8 planned in 2027.

9 A. BERNARDO: Okay. Thank you. That is all my
10 questions. Thank you, Panel 2.

11 R. DHILLON: Thank you. Ms. Bernardo.
12 Over to you, Ms. Goher.

13 **CROSS-EXAMINATION BY A. GOHER (OEB STAFF)**

14 A. GOHER: Good afternoon, Panel. My name is
15 Amber Goher, and I am also part of the OEB Staff
16 team.

17 So my question is related to the digital
18 innovation program. In relation to an earlier
19 undertaking, JT-2.25, Alectra Utilities agreed to
20 provide the variance between the actual and forecast
21 for this program in 2025. There is about 4 million
22 in underspending.

23 Can you add on to that undertaking to provide
24 the breakdown for the 4 million at the segment level,
25 and can you also comment on the impact of that
26 underspending on 2026 forecast costs and so on?

27 D. COBAN: Just for us to be able to efficiently
28 track that, we would prefer a separate undertaking.

1 R. DHILLON: I will mark that as Undertaking JT-
2 2.35.

3 **UNDERTAKING JT-2.35: PROVIDE A SEGMENT-LEVEL**
4 **BREAKDOWN OF THE \$4 MILLION VARIANCE FOR THE**
5 **DIGITAL INNOVATION PROGRAM IN 2025 AND PROVIDE**
6 **COMMENTS ON THE IMPACT OF THAT UNDERSPENDING ON**
7 **2026 FORECAST COSTS**

8 A. GOHER: That is all for me.

9 R. DHILLON: Thank you, Ms. Goher.

10 I will turn it over to you, Ms. Jotiban.

11 **CROSS-EXAMINATION BY N. JOTIBAN (OEB STAFF)**

12 N. JOTIBAN: Hi, Panel. I just have three
13 questions. First one, please pull up 1-Staff-31.

14 With regards to productivity savings resulting
15 from innovation initiatives, Alectra states in lines
16 2 -- from line 2 to line 4 -- sorry -- that would be
17 page 4 -- from line 2 to line 4, Alectra states that
18 innovative initiative costs are tracked and reported
19 at the initiative level. Productivity savings are
20 only quantified and reported where they are -- where
21 they are material and can be reliably measured.

22 And if you please go to lines 11 to 14, Alectra
23 states that:

24 "Where benefits exceed Alectra Utilities'
25 materiality threshold for initiatives, they are
26 captured through Alectra's productivity
27 tracking and reflected in the reported
28 productivity results consistent with Alectra

1 Utilities' productivity framework."[as read]

2 So my question is what is a dollar value for the
3 materiality threshold that Alectra used in its
4 productivity tracking?

5 J. ILARI: I would need to defer that to Panel
6 3.

7 N. JOTIBAN: Okay.

8 Sorry. I am just going through the rest of my
9 questions. I guess that will be for Panel 3.

10 Okay. Next one. Please pull up Exhibit 4, tab
11 2, schedule 7, page 21. Please go to table 4-2-49
12 here. This table shows cumulative productivity
13 savings for customer service initiatives, including
14 My Alectra portal project, which is on the first
15 line.

16 Now, could you please pull up 1-Staff-29, page
17 1. I am not sure if this one -- since it is mapping
18 to Panel 3, but it relates to Panel 2. I am just
19 going to ask here if you can answer my question. In
20 this IR, Alectra provided incremental productivity
21 savings resulting from framework initiatives for the
22 2027 to 2031 period.

23 If you please go to lines 7 to 10, yeah, the
24 response. Thank you. Alectra states that:

25 "In the context of this response, incremental
26 savings are the forecasted benefits that are in
27 addition to the sustained savings realized from
28 actions taken in 2026 or prior. The forecasted

1 incremental savings for the framework
2 initiatives are for the metering renewal
3 technology and My Alectra portal framework
4 initiatives."[as read]

5 And in -- from lines 2 -- sorry -- lines 12 to
6 line 15, it states that table 1 shows the incremental
7 portion only by capital and OM&A benefit, and you can
8 see that the second component, it shows My Alectra
9 portal project, and it shows the total incremental
10 savings from 2027 to 2031.

11 So my question is are these incremental savings
12 embedded in the other reference in Exhibit 4, table
13 4-2-49, from My Alectra portal?

14 K. LAKATOS-HAYWARD: With respect to just the
15 correct interpretation of 1-Staff-29 and the
16 incremental portion of My Alectra portal, I,
17 unfortunately, would have to defer that component --
18 or -- to Panel 3 just to make sure we are getting the
19 right interpretation of the incremental.

20 And I know we had an earlier exchange around
21 SEC-12 and the Staff-177, which, you know, compared
22 and reconciled the total productivity that has been
23 accounted for for My Alectra portal. And that is
24 where -- and I know we also had a bit of an exchange
25 too on -- that SEC-12 had the 28.5 million for My
26 Alectra, and in our evidence, we had 26.6.

27 So I just wouldn't want to -- I would rather
28 just defer that specific question on Staff-29 to

1 Panel 3, if that is okay.

2 N. JOTIBAN: Okay. Thank you.

3 I have one more question, if we could, please.

4 This one, even though it is mapped to another panel,
5 but based on my question, I think it might be Panel 2
6 since it is related to IT capital and OM&A.

7 So could you please pull up 9-SEC-111, page 2.

8 Could you please go to table 2. This is SEC-112.

9 Could you please go to 111. Table 2. Thank you.

10 For this table here, it shows cloud computing
11 summary. The first part is OM&A, and the second
12 portion is capital, and then the last line shows a
13 total. So I tried to do the math here on the totals,
14 and from my math, Alectra is proposing to capitalize
15 about 39 percent of its cloud computing cost during
16 the forecast period.

17 And if we go down to page 3, table 3. So there
18 are specific projects listed here in this table. My
19 question, the first one, is can you describe the
20 nature of the cloud work that is being capitalized on
21 these projects?

22 J. ILARI: The work that was categorized for
23 these particular projects would be implementation and
24 enhancement-type work.

25 N. JOTIBAN: Okay. Thank you.

26 Have you asked your auditors to review this
27 proposed treatment?

28 D. COBAN: That would be a question for Panel 3.

1 N. JOTIBAN: Panel 3?

2 D. COBAN: Yes.

3 N. JOTIBAN: Okay. Thank you.

4 I have no further questions. Thank you so much
5 for your explanations.

6 R. DHILLON: Thank you, Ms. Jotiban.

7 That concludes the questioning for day 2 of the
8 technical conference for Alectra Utilities
9 Corporation. I just wanted to say thank you to the
10 panels and to the participants for attending
11 virtually and in person today and for the efficiency
12 in your questioning and responses.

13 We will adjourn for today and reconvene on
14 Monday at 9:30 a.m. Thank you.

15 --- Whereupon the proceeding adjourned at 4:53
16 p.m., to resume Monday, March 9, 2026, at
17 9:30 a.m.