



ONTARIO ENERGY BOARD

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

VOLUME: **4**

DATE: **March 10, 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 Tuesday, March 10, 2026, commencing at 9:31 a.m.

VOLUME 4

A P P E A R A N C E S

RAMAN DHILLON	Board Counsel
SHELLY-ANNE CONNELL	Board Staff
NARISA JOTIBAN	
MARGARET DEFAZIO	
ALEXANDER DI ILIO	
AMRIT KUNER	
ZENAN AHMED	
AMBER GOHER	
ARLENE BERNADO	
PAULINE SHEN	
PETAR PRAZIC	
LIZZIE ZHANG	
HASSAN AHMED	
DALIANA COBAN	Alectra Utilities Corporation
JONATHAN MYERS	
CHRISTINE LONG	
NATALIE YEATES	Panel 4
VITALIKA QUENVILLE	
MICHAEL LISTER	
JAMIE GRIBBON	
NICOLE FAN	
EDLIRA GJEVORI	
JOHN BONADIE	
SHELLEY GRICE	Association of Major Power Consumers in Ontario
CLEMENT LI	Building Owners and Managers Association of Toronto
TOM LADANYI	Coalition of Concerned Manufacturers and Businesses of Canada (CCMBC) and Energy Probe Research Foundation
LAWRIE GLUCK	Consumers Council of Canada (CCC)
DANIEL VOLLMER	Distributed Resources Coalition (DRC)

A P P E A R A N C E S

SCOTT WALKER	Ontario Association of Physical Plant Administrators (OAPPA)
DAN ROSENBLUTH BAYU KIDANE	Power Workers' Union
MARK RUBENSTEIN JANE SCOTT	School Energy Coalition (SEC)
MARK GARNER BILL HARPER	Vulnerable Energy Consumers Coalition (VECC)

I N D E X O F P R O C E E D I N G S

<u>Description</u>	<u>Page No.</u>
--- Upon resuming on Tuesday, March 10, 2026, at 9:31 a.m.	1
CROSS-EXAMINATION BY M. GARNER (VECC)	1
CROSS-EXAMINATION BY B. HARPER (VECC)	10
--- Recess taken at 10:43 a.m.	49
--- Upon resuming at 11:00 a.m.	49
CROSS-EXAMINATION BY T. LADANYI (EP)	52
CROSS-EXAMINATION BY S. WALKER (OAPPA)	67
CROSS-EXAMINATION BY D. ROSENBLUTH (PWU)	89
CROSS-EXAMINATION BY C. LI (BOMA)	92
--- Whereupon the proceeding concluded at 12:31 p.m.	97

U N D E R T A K I N G S

<u>Description</u>	<u>Page No.</u>
UNDERTAKING JT-4.1: AMEND THE RESPONSE TO 1-VECC-7 IR TO PROVIDE THE TOTAL COSTS OF CONSUMER ENGAGEMENTS	7
UNDERTAKING JT-4.2: ADVISE WHETHER ANY OF THE EIGHT CUSTOMERS' CAPACITY OF THEIR GENERATION BREAK THE THRESHOLD FOR GROSS LOAD BILLING UNDER THE RTSR RATES OR WHETHER THEY ARE ALL BELOW THE ONE MEGAWATT LIMIT FOR NONRENEWABLE OR TWO MEGAWATT LIMIT FOR RENEWABLE, AND IF ANY ARE ABOVE IT, ADVISE AS TO HOW THEY ARE GROSS LOAD BILLED FOR PURPOSES OF THE RTSR	17
UNDERTAKING JT-4.3: PROVIDE SEPARATE SCHEDULES FOR THE THREE ADJUSTMENTS CONTAINED IN TABLE 3-1-23 THROUGH 3-1-25 AND SHOW THE SUM	24
UNDERTAKING JT-4.4: EXPLAIN THE BASIS FOR THE FORECAST IN APPENDIX 2H AND WHY THERE IS NO YEAR-OVER-YEAR INFLATIONARY OR CHANGE IN VOLUME ADJUSTMENTS AND EXPLAIN WHY THE REVENUES ARE CONSTANT FOR 2029 AND AFTER BUT THE EXPENSES ARE INCREASING EVERY YEAR	29
UNDERTAKING JT-4.5: ADVISE WHETHER ALECTRA HAS UNDERGROUND CONDUIT THAT CARRIES BOTH PRIMARY AND SECONDARY LINES, AND IF SO, ADVISE HOW IT IS CLASSIFIED	35
UNDERTAKING JT-4.6: RECALCULATE THE RATES IN THE COST ALLOCATION SNAPSHOT AT STAFF-1, ATTACHMENT 7 BASED ON THE 2027 BILLING DETERMINANTS AS OPPOSED TO 2026 BILLING DETERMINANTS	39
UNDERTAKING JT-4.7: ADVISE WHETHER ALECTRA WAS SEEKING TO HAVE THE 2027 INTERIM RATES DECLARED FINAL AS PART OF THEIR REQUEST FOR APPROVAL IN THIS APPLICATION	42

U N D E R T A K I N G S

<u>Description</u>	<u>Page No.</u>
UNDERTAKING JT-4.8: ADVISE IF BILLED ON A GROSS LOAD BASIS FOR THE ST CHARGES BILLED BY HYDRO ONE AS A HOST DISTRIBUTOR	48
UNDERTAKING JT-4.9: ADVISE WHERE IN THE OEB'S ACCOUNTING PROCEDURES HANDBOOK (APH) IT STATES THAT 6 PERCENT OF THE TOTAL OM&A COSTS RECORDED IN THE ACCOUNT SHALL BE INCLUDED IN THE PROPOSED DISPOSITION BALANCE WHEN BALANCES ARE BROUGHT FORWARD	65
UNDERTAKING JT-4.10: EXPLAIN HOW THE TREATMENT OF THE RENEWABLE ENABLING INVESTMENTS WORK UNDER THE PROVINCIAL REGIME AND PRODUCE AN UNDERSTANDING IN PARAGRAPH FORM OF DISTRIBUTED ENERGY RESOURCE AND RENEWABLE GENERATION	66
UNDERTAKING JT-4.11: CONFIRM WHETHER ALL OF THE 11 CHP LISTED ON 8-ED-39C, TABLE 2 ARE EXCLUSIVELY SINGLE-CYCLE TECHNOLOGY WITH A SECONDARY STEAM RECOVERY GENERATOR	80
UNDERTAKING JT-4.12: ADVISE WHAT TECHNOLOGIES WOULD CONSTITUTE THE GENERATOR TYPES LISTED AS "OTHER" IN 8-ED-39C, TABLE 2, AND EXPAND THE TABLE TO DIFFERENTIATE CUSTOMERS BETWEEN STANDBY RATES AND THOSE WHO ARE ON A GROSS LOAD BILLING BASIS	81
UNDERTAKING JT-4.13: PROVIDE AN INDEX PERTAINING TO THE REDUCTION OF SERIOUS ELECTRICAL INCIDENTS	91
UNDERTAKING JT-4.14: ADVISE IF ALECTRA HAS ANY PLAN TO MITIGATE THE RISK IF THEIR ESTIMATED CDM IMPACT IN THE LOAD FORECAST IS TOO HIGH OR TOO LOW IN THE FUTURE	97

1 Tuesday, March 10, 2026

2 --- Upon resuming on Tuesday, March 10, 2026, at
3 9:31 a.m.

4 R. DHILLON: Good morning, everyone. Welcome
5 back to day 4 of the technical conference for Alectra
6 Utilities Corporation, File Number EB-2025-0252. I
7 don't believe we have any preliminary matters this
8 morning, so we can get right into it with Panel 4,
9 and I will turn it over to VECC, to Mr. Garner or Mr.
10 Harper.

11 **CROSS-EXAMINATION BY M. GARNER (VECC)**

12 M. GARNER: Thank you. It is actually Mr.
13 Garner from VECC. Good morning, Panel. And just
14 start with thanking Staff for rearranging things so
15 we could be here and see you today.

16 We are going to have two sets of questions. I
17 am going to start. I have very few, and Mr. Harper
18 has quite a few more, I believe. But I am going to
19 start with something that was on yesterday, and, in
20 fact, I thought covered by Staff, but I went through
21 it, and it was to do with the annual assessments, and
22 there was an undertaking, actually, to deal with
23 this, and it is JT-3.48. And it is the question
24 about the annual assessments.

25 And Staff had brought you to an interrogatory of
26 ours. I believe it was 51. I am just -- I'm a
27 little behind here. It may have been 50, not 51 --
28 no. I am sorry. I have got it all wrong. So it --

1 no. 4-VECC-50. I do have that right.

2 And I think it is the latter -- it says "table
3 1, regulatory segment." And Board Staff went through
4 this with you, and I was confused, like they were, on
5 this one, and it was helpful, the discussion and the
6 -- and the undertaking. I am not sure, though, the
7 undertaking will get what I was looking for.

8 So with your indulgence, I just want to ask you
9 some questions, and maybe rather than you
10 undertaking, if we need to, we could just amend the
11 one that is there -- excuse me -- to get to what I
12 think is all the issues that I was trying to resolve
13 in my mind.

14 And so the first thing to go through was to just
15 repeat what I heard yesterday, which was in the
16 response to our interrogatory, the Board annual
17 assessment amounts that you had put in there, they
18 were the ones you said were built into rates. And
19 then with Board Staff, you -- they brought you to the
20 table at Exhibit 9, tab 3, schedule 3-9-3-33, and
21 they said, well, that doesn't look like the amount in
22 rates in that table, and then I think the undertaking
23 was to resolve that variance. Have I got that -- is
24 that correct? Is that the way you understood it?

25 N. FAN: Yes, that is the way we understood.

26 M. GARNER: Okay. Thank you.

27 Now, there was a couple of other things that I
28 was trying to understand. If you go to table 9-3-3,

1 what I was trying to understand in the interrogatory,
2 I was trying to ask, like, there are other regulatory
3 costs, and the OEB section 30 is where the -- the
4 other one I was thinking about and the amortized
5 application cost.

6 First of all, can you tell me in table 9-3-3 are
7 the actual costs there simply or only the invoices of
8 the Ontario Energy Board; they are simply the invoice
9 costs for that? They are not section 30 or anything
10 else?

11 N. FAN: That is correct. That is only the
12 quarterly -- the total of the quarterly invoices from
13 the OEB representing the total cost of assessment.

14 M. GARNER: Thank you.

15 And so then if I go back to 4-VECC-50 and I take
16 the section 30, I can add that; that is additive to
17 the ones that are in the other table -- right? To
18 find sort of total regulatory Board-assessed cost, so
19 to speak; right?

20 N. FAN: So, like, we demonstrate in this table
21 the OEB cost assessment components representing the
22 total invoices from the OEB in relation to the cost
23 of assessment, and they are a separate line showing
24 here, and that is representing the cost in relation
25 to the OEB section 30.

26 M. GARNER: Right.

27 So, again, just so I am clear, though, table 9-
28 3-3 will not include those section 30 costs?

1 N. FAN: That is correct.

2 M. GARNER: Thank you.

3 Now, the other difference I was trying to
4 resolve in my mind with that interrogatory, and the
5 answer kind of confused me, but you cleared that up
6 quite a bit, was in the table that is at the OEB's
7 assessment, table 9-3-2, OEB assessments, there is a
8 variance -- this is for the variance account -- there
9 is a variance in there of that table, if you go to
10 the bottom right-hand corner, of 23.13 as a total.

11 And I was trying to understand how that relates
12 to the difference, if you go back to 9-3-3 to the
13 20.5 difference that is in that table. Are those --
14 are those relatable, I guess, is the first question,
15 and then the second would be why are they different?

16 N. FAN: So they are relatable. The difference
17 is really the carrying charge.

18 M. GARNER: That is what I thought, but I
19 couldn't -- maybe it is my math, so I will maybe just
20 ask you to confirm that in the undertaking. Because
21 when I did my math and I added the carrying charges
22 up, I couldn't get to the same figure, but it could
23 be my math, don't get me wrong. It could be I am
24 just doing something wrong. There is a lot of -- I
25 did it quickly.

26 But maybe if I ask in your undertaking that you
27 simply confirm that that's the difference between
28 those two figures, and then that is fine.

1 N. FAN: I think those two figures are separate
2 in this table right there -- right here in the
3 second-last row.

4 M. GARNER: It is the principal 20.53 at the
5 second thing there? Okay. Then I think we are done.
6 That is good. Thank you.

7 Now, there was one other thing in that. When
8 you do the actual cost in rates however you are going
9 to show it, resolving it between those two tables,
10 what I don't understand when you calculate the actual
11 amount in rates, do you give it an increment in each
12 year because in each year, you'd have an IRM
13 increase, and so the rate actually adjusts every
14 year, and so, you know, notionally, everything kind
15 of gets more money toward it because you are getting
16 an IRM increase? Do you make an adjustment for that
17 factor when you are doing what is built into rates?

18 N. FAN: We don't adjust the amount of rates by
19 inflations or PCIs.

20 M. GARNER: So you don't take into account the
21 fact that in any -- each year, you have certain
22 amount built into rates called X, but in year -- next
23 year, your rates go up by whatever the IRM adjustment
24 is, and so now, notionally, X plus Y is built into
25 rates, isn't it, because rates have gone up by
26 something?

27 N. FAN: Like I said, you can see those --

28 M. GARNER: You don't --

1 N. FAN: -- amount in rates remain the same
2 throughout the years. There is no PCI adjustment
3 embedded in those --

4 M. GARNER: Can you do that? Is it possible to
5 do that? Once you resolve what is the actual amount
6 in rates between the two tables, is there a way for
7 you to say, if I did make an adjustment, this is what
8 it would be?

9 N. FAN: I think there is an IR for that. I can
10 --

11 M. GARNER: Is there? Is it an SEC IR?

12 N. FAN: Yes. That is 9-CCC-72.

13 M. GARNER: Okay. That is fine.

14 Okay. I think I am done with that, and I am not
15 sure I ended up with any change from your
16 undertaking, so maybe there is nothing to add to
17 that, but thank you.

18 Okay. Sorry. I am just trying to get my
19 computer to work. I am going to move on to another
20 area, and it is -- I think -- here, it is 1-VECC-7.
21 And this is annual assessments -- or sorry. This is
22 the cost of the -- of a number of consumer
23 engagements, and you have redacted it. And just so
24 you know, we don't at VECC -- or at least I don't at
25 VECC -- I don't sign confidentiality. I -- our
26 position is what people see, we see.

27 Now, I don't want to make an argument about your
28 redactions. That is not really my purpose. I want

1 to see if we -- I can resolve what I might need this
2 a different way. Just so you know, most -- I've
3 asked this question to LDCs all over, and I have
4 never really -- I have never gotten redactions, but
5 Ottawa Hydro did do something recently that maybe
6 gets to the point you are getting to.

7 What they gave me instead was simply the
8 combination of them all, so they didn't give me the
9 individuals. They said -- you know, I asked for all
10 three. They said, okay, for all three, here is the
11 amount. So you couldn't distinguish individual
12 amounts. So I am wondering -- and, again, I guess I
13 am looking down in front of me also. I am wondering
14 if that would be a resolution where you could amend
15 the IR and simply provide the total costs of those
16 engagements, not any of them individually.

17 Would that be satisfactory, or maybe you would
18 undertake to consider it, Ms. Coban.

19 D. COBAN: Yes, Mr. Garner, we can do that. I
20 suggest we just give it an undertaking number to make
21 it efficient in terms of filing that information.

22 M. GARNER: Thank you.

23 R. DHILLON: I will mark that as Undertaking JT-
24 4.1.

25 **UNDERTAKING JT-4.1: AMEND THE RESPONSE TO 1-**
26 **VECC-7 IR TO PROVIDE THE TOTAL COSTS OF CONSUMER**
27 **ENGAGEMENTS**

28 M. GARNER: Thank you.

1 And my final question, and this one is a little
2 difficult because I am not quite sure who answers it.
3 It is 2-VECC-14. And we were trying to understand in
4 the lead lag study for working capital the
5 differences, and because Guidehouse, which I always
6 want to call "greenhouse" because they always use the
7 same green parts, so I always want to call them
8 "greenhouse," not Guidehouse.

9 But Guidehouse did this -- did both Toronto
10 Hydro study and this study, so we said, well, why are
11 they different? They said, well, they are different
12 in the collection day lag, and I -- so that just begs
13 the question, like, why are they different in the
14 collection day lag? Like, why is your collection day
15 lag different?

16 So I am not sure if that is a Guidehouse
17 question or a question to you as people who do the,
18 you know, work of billing.

19 J. BONADIE: Sure. Maybe I can help answer
20 that, and maybe it needs to be qualified first as
21 well too.

22 So in the response there -- and I am just
23 assuming what Guidehouse would have done here. In
24 their response, they took the data from Toronto
25 Hydro's collection data, which is based on 2017 data,
26 because the previous study for Toronto Hydro, which
27 would have been done in 2022, was -- I think they put
28 a note in their report suggesting that it was

1 impacted by COVID, and so they suggested for Toronto
2 Hydro to use 2017 data.

3 So in this response, Guidehouse took an approach
4 to use Toronto Hydro's 2017 data, include that in
5 Alectra's revised working capital to show that there
6 is, you know, a comparison there.

7 M. GARNER: Oh, I see. So are you saying it is
8 the period of time over which yours would be done and
9 theirs would be done ultimately that makes -- that
10 may have made an impact?

11 J. BONADIE: Yeah, I don't know that it answers
12 any of the question, but to your -- to the question
13 that you asked was whether -- what was the
14 difference?

15 M. GARNER: Right.

16 J. BONADIE: And so, you know, they basically
17 looked at that one piece of information, but I
18 believe that comparison is really not valid because
19 we are using Toronto Hydro data, not --

20 M. GARNER: Right.

21 J. BONADIE: -- Alectra Utilities' collection
22 data. We are two different utilities. We have two
23 different customer bases. And the data is from 2017
24 versus Alectra's data, which is 2024, so --

25 M. GARNER: Well, fair enough. Yeah, and I
26 don't --

27 J. BONADIE: -- years later.

28 M. GARNER: Yeah, and, you know, it is

1 Guidehouse's stuff.

2 I guess the follow-up to that is only, then, so
3 there is no -- nothing in your mind would say, well,
4 that is because our collection process somehow is
5 notably different than theirs? That is not an
6 obvious answer is what I am saying?

7 J. BONADIE: No. I don't -- I don't believe so,
8 right. We are talking about 2017 data versus 2024
9 data. There is numerous changes through the OEB and
10 the Board with policy that would have impacted
11 collections for all utilities. And then, again, I
12 just state that Toronto Hydro and Alectra Utilities
13 are two different utilities with two different
14 customer bases.

15 M. GARNER: Yeah, fair enough.

16 J. MYERS: I don't know if that has any merit in
17 that comparison.

18 M. GARNER: Okay. Fair enough. Thank you.

19 Those are all of my questions. Thank you very
20 much. I am going to turn it over to Mr. Harper.

21 **CROSS-EXAMINATION BY B. HARPER (VECC)**

22 B. HARPER: Good morning, Panel. As indicated,
23 my name is Bill Harper. I am also a consultant for
24 VECC. I have questions on the load forecast, cost
25 allocation, other revenue and rate design. I will
26 try to tell you when I am changing from one topic to
27 another so you know when you can relax and when you
28 have to pay attention, sort of thing.

1 So I would like to start off with the load
2 forecast, and I have some questions about the standby
3 adjustments to the load forecast. And I wanted to
4 make sure I understand what is going on, so if we
5 could turn to SEC-105. It is the response to part A,
6 the first sentence.

7 Now, the first sentence here states:

8 "Alectra Utilities bills load displacement
9 generators, that is LDG, or reserve capacity
10 customers, either standby power charges, as per
11 the OEB-approved Alectra tariffs or on a gross
12 load billing basis."

13 Now, I was curious to understand what you meant
14 by "reserve capacity customers," whether that was
15 just a subset of the distributed generation of
16 customers or that was something else totally again?

17 V. QUENVILLE: Reserve capacity customers differ
18 from LDG customers. Those are customers whose
19 request of full redundancy, for example, they would
20 have two feeders for the connection and asking for a
21 full redundancy, and we have a couple of instances
22 where we bill for that redundancy at standby rates.

23 B. HARPER: Okay. So -- okay. Thank you.

24 So -- and maybe I can fold this into my next set
25 of questions. So you have got three tables here:
26 table 1, table 2, and table 3. And were those --
27 these tables here would include not only customers
28 that had distributed generation, but customers that

1 require this reserve -- your reserve capacity
2 customers as well; would that be correct?

3 V. QUENVILLE: They will be part of standby --

4 B. HARPER: Just out of curiosity, how many of
5 the customers here are your reserve capacity
6 customers as opposed to customers that have load
7 displacement generation?

8 V. QUENVILLE: Subject to check, it could be a
9 couple of customers.

10 B. HARPER: Okay. And would -- would they be
11 billed -- well, they wouldn't be billed on a gross
12 load billing basis because they don't have any
13 distributed generation, so they would be billed on
14 some form of -- depending what agreement they had,
15 they would be billed on some contract amount I
16 assume. They are based on the agreement they had,
17 and the Board-approved standby charge would then be
18 applied to those agreed amounts; is that correct?

19 V. QUENVILLE: That is what we based the
20 individual agreement with each of those customers,
21 and standby rates will be applied on the reserve
22 capacity. Standby rates will be applied on the
23 reserve capacity.

24 B. HARPER: Now, as I understand it, your table
25 2 here identifies by rate zone the customers that are
26 billed on the Board-approved standby rates. Table 3
27 indicates those that are gross load billed, and
28 really, table 1 is the total of the two; is that

1 correct?

2 V. QUENVILLE: Correct.

3 B. HARPER: Okay. Now, if you look at the last
4 part of that first sentence we were looking at in
5 part A, it talks about being billed in accordance
6 with the customer-specific connection agreement or
7 legacy utility agreement.

8 Do all of these customers have an agreement with
9 you, either through their connection agreement or
10 through a legacy agreement? All these customers have
11 an agreement with you of some form that specifies how
12 they are going to be billed on standby. Is that
13 correct?

14 V. QUENVILLE: Are you referring to reserve
15 capacity customers or all --

16 B. HARPER: All customers.

17 V. QUENVILLE: -- standby customers?

18 B. HARPER: All customers.

19 V. QUENVILLE: There will be some sort of
20 connection agreement or legacy utility agreement in
21 place.

22 B. HARPER: Right. For all them. Okay.

23 And I guess except for those customers that are
24 gross load billed and going to continue to be gross
25 load billed under your proposal, I assume basically
26 you will require relations or amendments to those
27 agreements to sort of indicate and come to some
28 agreement on how they are going to be billed and what

1 billing determinants they are going to use under the
2 new proposal you have. Would that be correct?

3 V. QUENVILLE: Well, our proposal is still in
4 the works on the operational side. Customers who
5 currently on gross load billing have metering
6 infrastructure in place enabling us to do gross load
7 billing. We not necessarily require revisit those
8 arrangements. It just a change in rates.

9 But customers who on standby rates once this
10 contract capacity is established, customer is
11 expected to be notified and given an option, perhaps
12 they want to consider a different contract demand
13 amount.

14 B. HARPER: Right. Well, I would assume even if
15 they don't have -- your proposal calls for basically
16 a new way of determining standby rates with this
17 contract demand amount. So they are all going to
18 require new agreements if they are not -- if they
19 don't want to be gross load billed, they are all
20 going to require new agreements. Wouldn't that be
21 the case?

22 V. QUENVILLE: For some customers, they will
23 have to be remained on a gross load billing,
24 specifically large customers who -- above one
25 megawatt because of transmission connection charges.

26 But in terms of having a new agreement with each
27 customer, it is not really defined that way. New
28 signed agreement, if this is what you mean by that.

1 B. HARPER: Well, you are going to have to come
2 to some new arrangements with them, let's put it that
3 way, of some form or other that will be different
4 than your current arrangements with them.

5 V. QUENVILLE: The current arrangements
6 typically based for a load displacement generation
7 based on the size of a generator that is a standard
8 standby capacity. If we have this information
9 available for a customer, we know the size of the
10 generation. It all depends on customer transparency,
11 really. And if we have this information on our
12 record, that is what they will be billed at, just at
13 new rates.

14 If we don't have this information, we have some
15 process in place that we are contemplating how we are
16 going to establish this amount and how we are going
17 to coordinate with the customer.

18 B. HARPER: Okay. Now, VECC-63B notes that you
19 have eight standby customers that do not have
20 separate meters on their generation. I think that is
21 because there is some technical or feasibility reason
22 why you couldn't install a meter.

23 I guess I was just curious, do -- I think you
24 may have touched on it already. Do any of those
25 eight customers meet the billing threshold for gross
26 load billing for RTSRs? Or are they all below the
27 one megawatt and two megawatt limit for purposes of
28 billing the RTSRs?

1 V. QUENVILLE: Can you please repeat your
2 question. I was just reading.

3 B. HARPER: Right. You indicate here there are
4 eight customers -- I understood from this there are
5 eight customers that don't have an additional meter,
6 which would suggest that there is no -- their
7 generation is not metered. Correct?

8 V. QUENVILLE: Yeah. That is the -- standby
9 charges are agreed on fixed demand amount.

10 B. HARPER: Right, right. Because they don't
11 have a -- and they don't have a separate meter on
12 their generation. That is what I am taking from this
13 response.

14 V. QUENVILLE: That is we can say.

15 B. HARPER: And I am just wondering, are any of
16 those eight customers -- do any of those eight
17 customers, do their -- does the capacity of their
18 generation break the threshold for gross load billing
19 under the RTSR rates? Or are they all below the one
20 megawatt limit if you are non-renewable or two
21 megawatt limit if you are renewable?

22 V. QUENVILLE: I will have to take this away to
23 confirm specifically for eight customers.

24 B. HARPER: Okay. Okay. Because I was
25 wondering if they are -- if they do break the
26 threshold, then the question is how do you apply
27 gross load billing to them if they don't have a
28 meter? So if they are all below it, to just let me

1 know. If they are -- if one or more of them is above
2 it, maybe you can include in the undertaking an
3 explanation as to how they are gross load billed for
4 purposes of the RTSR.

5 V. QUENVILLE: Will do.

6 B. HARPER: Okay.

7 R. DHILLON: I will mark that as Undertaking JT-
8 4.2.

9 B. HARPER: Thank you.

10 **UNDERTAKING JT-4.2: ADVISE WHETHER ANY OF THE**
11 **EIGHT CUSTOMERS' CAPACITY OF THEIR GENERATION**
12 **BREAK THE THRESHOLD FOR GROSS LOAD BILLING UNDER**
13 **THE RTSR RATES OR WHETHER THEY ARE ALL BELOW THE**
14 **ONE MEGAWATT LIMIT FOR NONRENEWABLE OR TWO**
15 **MEGAWATT LIMIT FOR RENEWABLE, AND IF ANY ARE**
16 **ABOVE IT, ADVISE AS TO HOW THEY ARE GROSS LOAD**
17 **BILLED FOR PURPOSES OF THE RTSR**

18 B. HARPER: Could we turn to Exhibit 3, tab 1,
19 schedule 4. It is page 12. And it is table 3-1-18.
20 I just want to clarify my understanding.

21 My understanding, the values in this table
22 represent the megawatts associated with those
23 customers that are not gross load billed such that
24 their megawatts are not captured in historical data
25 used by Itron for load forecasting. I guess the one
26 exception being your BRZ zone where the data was
27 included even though they aren't gross load billed.
28 Am I correct in that?

1 V. QUENVILLE: Correct. Those are standby
2 adjustments to baseline load forecast. EnerSource
3 and Guelph are on gross load billing so it is standby
4 billed customers' in other rate zones incremental
5 adjustments.

6 B. HARPER: Okay. Now, as I understand it, for
7 all the standby customers that are billed on a
8 standby rate or a gross load basis, the megawatts
9 that Alectra delivers to them, including those
10 associated with supporting standby, they are all
11 metered. Like, all the megawatt hours that you
12 deliver to these customers are metered. Aren't they?

13 Like, I am not talking about the megawatts. I
14 am talking about the megawatt hours you deliver to
15 these customers. They are all metered at their
16 delivery point. Right?

17 V. QUENVILLE: You mean on gross load billing?

18 B. HARPER: Well, either one. Like, all of
19 these customers -- all of -- yeah, say the gross load
20 billing customers, all the megawatt hours you deliver
21 to them are metered. Correct?

22 V. QUENVILLE: Actual billed. Correct.

23 B. HARPER: Right. Okay. And that those actual
24 -- those megawatt hours would actually be captured in
25 the RRR data, then, that you file and that you
26 provide to the Board if they are actually metered?

27 V. QUENVILLE: Actual billed consumption, yes.

28 B. HARPER: Yeah, yeah. And those megawatt

1 hours would have also been included in the data you
2 provided to Itron for load forecasting? Because I
3 assume you gave them your RRR data.

4 V. QUENVILLE: Historical time series were given
5 to Itron.

6 B. HARPER: So can I turn to VECC-41C.

7 Here, we asked about the adjustment you made to
8 the megawatt hours for standby. And the response you
9 gave indicates that it was necessary to add the
10 megawatt hours associated with standby to the
11 baseline forecast for purposes of allocating the
12 commodity cost.

13 But, however, the conversation we just had seems
14 to suggest to me that these megawatt hours would have
15 been included in the baseline forecast that Itron did
16 because they were included in the historical data you
17 gave them.

18 So I am trying to understand why any adjustment
19 is required to the megawatt hours at all when you are
20 talking about standby rates.

21 V. QUENVILLE: What is included in baseline
22 historical time series, those are actual billed
23 consumption, which is different from standby --
24 standby volumes.

25 In terms of Itron load forecast, when we say
26 that we make those incremental adjustments for
27 standby, what those adjustments are based on from '27
28 to '31, it is on the historical three-year standby

1 volumes for each affected customers -- for each
2 affected customer.

3 What is in the historical time series given to
4 Itron is actual billed that will be excluding
5 standby. We have to make that incremental adjustment
6 towards standby contract capacity to be added.

7 B. HARPER: No, this is where I am having a
8 difficulty because you just told me that the
9 historical megawatt hours that you record and that
10 you gave to Itron included any megawatt hours that
11 would have been -- includes all the delivered
12 megawatt hours to the customer, which would include
13 megawatt hours associated with standby. And so this
14 is the point I am having trouble with.

15 Like, on the megawatts, I understand perfectly
16 well why there has to be an adjustment made because
17 some if it isn't metered, it is adjustments made via
18 contracts.

19 But on the megawatt hours side, if all the
20 delivered megawatt hours are being metered
21 historically, and the same approach is going to be
22 used in the future, and it is those metered megawatt
23 hours are the ones that you are delivering from
24 having been -- received power from the IESO and,
25 therefore, you are having commodity costs, I really
26 don't understand why any megawatt hour adjustment has
27 to be made for that because all the megawatt hours
28 are captured in historical data that Itron used.

1 And if you feel you have answered the question,
2 that is fine, but I still don't understand it. If we
3 have a misunderstanding going forward, that is fine.
4 We can leave it there with you. If you want to try
5 to explain it to me one more time, that would be
6 fine.

7 V. QUENVILLE: There is baseline capacity for
8 those customers, firm capacity, firm load versus
9 standby load.

10 Standby load, that increment is captured under
11 standby rates. When -- that standby rate could be X
12 amount, but in terms of actual usage for a given
13 month, actual load, it could be Y amount less. So
14 that is Y amount, the lesser of amount, what would
15 been actually billed, would be captured in historical
16 sales.

17 And when we make incremental adjustments to load
18 forecast, we make incremental adjustment on the load
19 side as well as corresponding incremental adjustment
20 on the consumption side.

21 B. HARPER: Okay. Well, I think we are just
22 going to have to leave it there. And we will be
23 talking about it in future weeks. Okay. Thank you
24 very much.

25 Could we go to Exhibit 3, tab 1, schedule 4, and
26 that is page 15.

27 In the first paragraph here starting at --
28 roughly at -- page 15, starting roughly line 12, I

1 think. It says here:

2 "In addition, Alectra Utilities conducted a
3 review of its FIT customers and has determined
4 that the current ERZ and GRZ customers in the
5 GS greater than 50 class require
6 reclassification to the less than 50 kW rate
7 class as their consumption -- based on their
8 consumption due to the inverter load is less
9 than 50 kilowatts."[as read]

10 Now, this suggested to me that at least for
11 these two rate zones, FIT customers were in the
12 baseline forecast; they were just classified wrong.

13 However, if I go down a little bit further to
14 line 18, you say here:

15 "The baseline forecast did not include the
16 number of FIT customers, so an adjustment was
17 also made to include the FIT customers from all
18 rate zones into the load forecast."[as read]

19 Which seems to be inconsistent with that
20 sentence I was quoting to you at line 12. Maybe you
21 could just reconcile those two sentences for me.

22 V. QUENVILLE: I will if -- the reference on
23 line 12, it's volumes are -- volumes for those FIT
24 customers and then the resource and Guelph's own are
25 captured in GS greater than 50 class and needs to be
26 reclassified in GS less than 50 class. But actual
27 customer count, number of those customers, that is
28 what is not captured in the baseline customer count

1 and needs to be added.

2 B. HARPER: Okay. Fine. Little bit of apples
3 and oranges there. That is fine. Thank you.

4 Can we go over to pages 16 and 17 here. And
5 there is three tables there. There is a table 3-1-23
6 through 3-1-25, and here you set out the adjustments
7 for distributed generation for customer count and
8 megawatt hours and megawatts by class.

9 Overall, there appear, to me -- and maybe you
10 can confirm -- there are three separate adjustments
11 that are going on here, one is for the elimination of
12 the BRZ distributed generation class, the second is
13 the reclassifying of those ERZ and GRZ FIT customers
14 we just talked about, and the third one is including
15 FIT customers that are not captured in the baseline
16 forecast.

17 Would that be a fair summary of the three
18 adjustments that are being incorporated here?

19 V. QUENVILLE: Those are three adjustments
20 related to distributed generation customers on the
21 consumption load and numbers of customers.

22 B. HARPER: And I was just going to ask you,
23 would you be willing to undertake to provide separate
24 schedules that show each of those three adjustments
25 separately for each of those three tables and then
26 show the sum of them so that I understand how the
27 three adjustments all work into each of those tables?
28 Is that something you could undertake to do for me?

1 V. QUENVILLE: Can you please clarify those
2 three adjustments --

3 B. HARPER: Well, it is the three I just
4 mentioned. One being the elimination of the BRZ
5 distributed generation class, how that affects each
6 of those three tables; the second being the
7 reclassification of the ERZ and GRZ FIT customers and
8 how that impacts each of those three tables; and the
9 third being the inclusion of the FIT customers not
10 captured in the baseline forecast, how that impacts
11 each of those three tables. Is that something you
12 can undertake to do for me?

13 V. QUENVILLE: We can do that.

14 B. HARPER: Okay. Thank you very much.

15 R. DHILLON: I will mark that as Undertaking JT-
16 4.3.

17 **UNDERTAKING JT-4.3: PROVIDE SEPARATE SCHEDULES**
18 **FOR THE THREE ADJUSTMENTS CONTAINED IN TABLE 3-**
19 **1-23 THROUGH 3-1-25 AND SHOW THE SUM**

20 B. HARPER: Okay. That is enough for load
21 forecast. You are off the hook now.

22 I would like to move on to other revenue and,
23 first, look a little bit at the treatment of the
24 other revenue in the custom incentive rate
25 application. So if we can turn to Exhibit 1, tab 11,
26 schedule 2, page 9. Just want to scroll down a bit.
27 I think that has got page 9. Is that page 9?

28 Now, as I understand your proposal for 2028

1 through 2031, the other revenue forecast as agreed
2 through -- in this proceeding when we are finally
3 done will be used as an input to derive the RGF
4 component of the CPCI escalator; is that correct?

5 N. YEATES: That is correct.

6 B. HARPER: Okay.

7 And then -- and -- and so that once we are done
8 with this application, there won't be any further
9 updates to other revenue at all in any of the -- in
10 any of the future years. That is all just captured
11 in your escalator. Once we finish this proceeding,
12 we are done with other revenue, if I can put it that
13 way. Would that be a fair way to summarize it?

14 N. YEATES: I think in addition to that, with
15 respect to the custom price cap index, the only
16 update that we are proposing during the 2020 to 2031
17 period is an update to the inflation factor.

18 B. HARPER: Right. Right. And that is part of
19 your overall formula, yeah. I understand. Okay.
20 Fine. I just wanted to make sure where we are going,
21 so that is fine.

22 So I would like to -- now, I have some specific
23 questions now on certain of the specific components
24 of the other revenue. So if we could turn to Staff-
25 212. And you had a nice table there actually, which
26 was talking about each of the USoAs and how they were
27 forecasted for purposes of your application, and
28 there were just a few I wanted to get some

1 clarification on.

2 So you can maybe go to the top. The first one I
3 was looking at was USoA 4084. And this was the
4 retail services revenue, and the response states --
5 actually, it is 4082 and 4084. They are basically
6 forecast the same way. The response states that the
7 forecast is based on prior year actuals and not
8 increased after 2027 as actual revenue has been
9 declining since 2021.

10 But if I look at the updated appendix you
11 provided, the updated appendix 2H provided in
12 response to SEC-24, the revenues in 2024 are higher
13 than those in 2021, and the actuals for 2025 are
14 higher, again, than those in 2024, which seems to be
15 inconsistent with the rationale you used -- you used
16 here for purposes of forecasting.

17 I am wondering if you could comment on that for
18 me and whether you think this approach is still
19 appropriate? Because you are talking about 2021,
20 which is about 252,000, and then if you get 2024, you
21 are 301; 2025 is 307. So, like I said, I don't see
22 this declining -- declining since 2021 trend you were
23 talking about.

24 N. YEATES: So the forecast for the 2027 to 2031
25 period approximately to 309,000, we kept that very
26 comparable to the 2025 actual amount of 307.

27 B. HARPER: Okay. So -- okay. So a little bit
28 different rationale but the same result, if I can put

1 it that way?

2 N. YEATES: Right.

3 B. HARPER: That's fine. Okay. No. Thank you
4 very much.

5 I would like to maybe go back to Staff-212,
6 then, and look at your explanation around account
7 4086, SSS admin revenue.

8 And here the response states that the forecast
9 was based on the customer count multiplied by the SSS
10 rate, which is the same rate used -- the same rates
11 used throughout the forecast period. Could you tell
12 me what annual customer count you used, like, what
13 customers you included or what was the basis for the
14 forecast for the customer count you used for each
15 year?

16 N. YEATES: So the forecast for SSS admin was
17 based on the customer account for the load forecast.

18 B. HARPER: Okay.

19 And I guess I was wondering which customer --
20 like, which customer classes did you include? I
21 guess that is what I was curious about. Like,
22 because you have got -- you have got -- you have got
23 connections for street lights. You have got, you
24 know, devices -- excuse me -- devices for street
25 lights you are now forecasting.

26 You know, so I guess I was wondering, was it
27 just the -- was it just the main -- was it the total
28 customers for the main customer classes, your

1 residential, GS, and large-use customers? Like, I
2 was just wondering what customer count you used.

3 V. QUENVILLE: The revenue -- forecasted revenue
4 would be on a monthly basis, taking a monthly
5 customer count, even for connection billed customers
6 based on a customer count, times rate, monthly
7 customer count times rate totalized for a year.

8 B. HARPER: So that would be all customer
9 classes billed on the number of connections including
10 street lights, USL, and signal?

11 V. QUENVILLE: On number of customers.

12 B. HARPER: Number of customers, basically
13 number of accounts, then, I guess is what you're
14 talking about?

15 V. QUENVILLE: Yes.

16 B. HARPER: We get this confusion between
17 accounts, customers. Like, the terminology gets
18 quite confusing, I know. So it is the total number
19 of customers, then. Okay. Okay. Fine. Thank you.

20 If we go down a little bit further, there
21 appears to be no -- in the forecast, you have a
22 forecast for account USoA 4385, but there appear to
23 be no explanation here as to the basis for the
24 forecast, which is effectively held constant over the
25 CIR period.

26 And so I was wondering, for 4085, which isn't
27 talked about here but for which you do have a
28 forecast in appendix 2H, I was wondering why you can

1 explain the basis for the forecast, and in
2 particular, why there is no year-over-year
3 inflationary or change in volume adjustments. I
4 believe 4085 does have numbers in here. Yes -- 4385.
5 Excuse me. That is right.

6 N. YEATES: We would have to take that away to
7 look at the details of that account, so that is 4385
8 with a balance of approximately 125,000?

9 B. HARPER: Yes. I was just curious. There
10 wasn't any explanation in 212, and that is all I was
11 just curious about.

12 N. YEATES: Okay.

13 B. HARPER: Thank you very much.

14 Can we get an undertaking number.

15 R. DHILLON: I will mark that as Undertaking JT-
16 4.4.

17 **UNDERTAKING JT-4.4: EXPLAIN THE BASIS FOR THE**
18 **FORECAST IN APPENDIX 2H AND WHY THERE IS NO**
19 **YEAR-OVER-YEAR INFLATIONARY OR CHANGE IN VOLUME**
20 **ADJUSTMENTS AND EXPLAIN WHY THE REVENUES ARE**
21 **CONSTANT FOR 2029 AND AFTER BUT THE EXPENSES ARE**
22 **INCREASING EVERY YEAR**

23 B. HARPER: If we flip back again to Staff-212.
24 And actually, I was more looking at -- and I notice
25 this has to do with the revenues and expenses from
26 non-regulated nonutility operation, and I notice that
27 in the forecast that you provided, the revenues are
28 held constant after 2025, but the expenses continue

1 to increase. And I was just wondering if -- excuse
2 me -- after 2029. I apologize.

3 So I was just wondering if you could explain to
4 me why for 2029 and after the revenues are constant
5 but the expenses are increasing every year? And you
6 can see that -- I apologize. If you see that if you
7 go to your updated appendix 2H, you can see that
8 there. And, again, if you want to include that in
9 the previous undertaking, that is fine by me.

10 N. YEATES: We will do that. Thank you.

11 B. HARPER: Thank you very much.

12 Could we go to CCC-71, part C. And that is at
13 page 2.

14 And here you describe the methodology used for
15 forecasting the revenues for USoA 4235. That is the
16 specific service charges, miscellaneous service
17 revenues. And you indicate here that apart from a
18 few exceptions, which you've noted later on in the
19 response, the volumes for the charges are escalated
20 by a customer growth factor. And I just want to
21 clarify, would that be the same customer growth
22 factor we were talking about earlier for the SS admin
23 charges?

24 M. LISTER: Yes. For the -- by and large, yes.
25 It is not going to exactly equal that because as we
26 walk through in the evidence, sometimes specific
27 service charges were not applicable in different rate
28 zones. So it might not appear as sort of more

1 stable. Where specific service charges didn't apply,
2 we have included them now, but, yes, the same source
3 information for customers.

4 B. HARPER: Okay. But once you establish the
5 base in 2027 when you're charged everybody --

6 M. LISTER: Yes.

7 B. HARPER: -- then after that, the growth
8 factor roughly would be the same as that --

9 M. LISTER: That is correct.

10 B. HARPER: -- that we talked about earlier?

11 M. LISTER: That is correct.

12 B. HARPER: Okay. Fine. No. Thank you very
13 much.

14 That is all I have for other revenue. I would
15 like to switch over now to cost allocation. And if
16 we could turn to Exhibit 7, tab 2, schedule 1, page
17 17. This has to do with the distributed -- excuse me
18 -- with the embedded distributor.

19 I think here you indicate that Alectra Utilities
20 currently provides service to Hydro One networks
21 through one feeder with four line sections supplying
22 power from the pleasant transformer station; correct?
23 That is the current arrangement?

24 V. QUENVILLE: In our application update, we
25 propose to eliminate this.

26 B. HARPER: I am going to get there. I am going
27 to get there. I just want to walk through and
28 understand sort of -- because I am going to talk

1 about the change. So in the original -- you know,
2 currently, you are supplying Hydro One through these
3 four line sections, the sections you talk about here;
4 correct?

5 V. QUENVILLE: We reviewed those connection
6 arrangements and only identified upon review one
7 section that is supplying this customer instead of
8 four. That is really -- drove all these updates that
9 followed after.

10 B. HARPER: Okay. Fine. So that even if Hydro
11 One -- even if Hydro wasn't building this new line
12 that they are building, you would have to -- you
13 would have to -- you would have to change your
14 application because not all those line sections,
15 sections you originally include, are actually used to
16 serve them. Okay. That is fine.

17 And so, you know, I guess your original
18 application, then -- in your original application,
19 you allocated the costs associated with those four
20 line segments directly to Hydro One. Should have
21 been one, but in the application, it was four.

22 Now, is Hydro One the only one who is using that
23 one line segment, or are other customers being served
24 off that one line segment as well?

25 V. QUENVILLE: The current line segment 1
26 feeder, that is also shared. There is capacity for
27 Alectra customers.

28 B. HARPER: But are Alectra customers actually

1 using it right now?

2 V. QUENVILLE: Yes.

3 B. HARPER: Okay. Fine.

4 And when is the line expected -- when is this
5 new line that Hydro -- the pleasant M27 feeder, when
6 is that expected to go into service such that Alectra
7 won't be required to serve Hydro One anymore? Like,
8 what is the in-service date expected for that?

9 V. QUENVILLE: I believe the timeline was 27/28.

10 B. HARPER: So I guess until such time as it
11 does go into service, between January 1st when you
12 are proposing now to stop charging them entirely,
13 they will be using the line, but they won't be
14 charged for it until such time as the -- as this new
15 M27 feeder of theirs goes into service; is that
16 correct?

17 V. QUENVILLE: Based on the past experience for
18 the past three years, there was only a couple of
19 instances when Hydro One utilized that load on that
20 feeder. And that is what prompt us to review those
21 arrangements, and if they would need to rely on
22 Alectra's capacity, we will settle it on a short-term
23 load transfer arrangement if it is going to take
24 place.

25 B. HARPER: Okay.

26 So they would be charged for it, even if this
27 rate -- even if you do away with the rate class if,
28 for some reason, they need to use it prior to the M27

1 line going into service.

2 V. QUENVILLE: Yeah, we felt like that was more
3 appropriate given the timeline versus maintaining a
4 designated class for another five years.

5 B. HARPER: Okay. No, I understand. I just
6 want to clarify that. That is good. Thank you very
7 much.

8 Could we go to Staff-231A. Maybe just look at
9 the question to begin with. I understand the
10 question asked Alectra to confirm that for accounts
11 1835, that is overhead conductors and devices; 1840,
12 which is underground conduit; and 1845, which is
13 underground conductors and devices, the assets used
14 are specific to one voltage and are identified as
15 such.

16 Now, in the response, the response indicates
17 that these assets are identified as secondary or
18 primary assets based basically on how they are
19 categorized in your information systems, the
20 geographic information system and your enterprise
21 resource system. Really, the --

22 And I guess, however, the response really didn't
23 directly address the first part of the question,
24 which was whether the assets in these USoAs are
25 specific to one voltage. And I can understand -- and
26 I can see where it is likely -- that is likely the
27 case for an overhead conductor or an underground
28 conductor because it is a specific voltage.

1 But it is not -- but it seems to me it might
2 necessarily be the case for underground conduit,
3 which could be carrying both primary and secondary
4 voltage lines. And so I was wondering, do you have
5 underground conduit that carries both primary and
6 secondary lines, and if so, how is classified in
7 these systems?

8 V. QUENVILLE: I would have to take it away.
9 That is in terms of voltage questions and I --

10 B. HARPER: Okay. If you could, that would be
11 fine. Thank you.

12 R. DHILLON: I will mark that as Undertaking JT-
13 4.5.

14 **UNDERTAKING JT-4.5: ADVISE WHETHER ALECTRA HAS**
15 **UNDERGROUND CONDUIT THAT CARRIES BOTH PRIMARY**
16 **AND SECONDARY LINES, AND IF SO, ADVISE HOW IT IS**
17 **CLASSIFIED**

18 B. HARPER: Now, I am going to strain our eyes a
19 little bit. So if we go to Staff attachment 7 at
20 page 24. And that is page 24 in the IR PDF file.
21 Staff-1, attachment 7, which is a snapshot of tab 6.1
22 from the cost allocation model. Okay. Just stop.
23 No -- yeah. Yeah, right there. And you just scroll
24 down a little bit. I wanted to look at the section
25 that deals with -- no, that must be -- it must be the
26 page above that, please. The page above that, I
27 think it must be. Where is -- yes. This page right
28 here. If you just scroll down, it will be on this

1 page right here.

2 Now, if we look at the 2026 rates that are used
3 in this model, and that is the one in the second-last
4 sort of set of rows in the table there. These rates
5 are used in the model to calculate the 2027 revenues
6 at 2026 rates. Correct?

7 V. QUENVILLE: These are 2026 harmonized rates.

8 B. HARPER: Right. But they are basically being
9 used to calculate -- in the model they are being used
10 to calculate what the 2027 revenues would be if they
11 were billed at 2026 rates?

12 V. QUENVILLE: Correct. 2026 rates.

13 B. HARPER: Okay. And, basically, you have
14 derived them basically by using the actual 2026 rates
15 from each rate zone and the forecast 2026 volumes
16 from each rate zone. You basically used by rate zone
17 to come with a weighted average rate for each of the
18 customer classes. Is that correct?

19 V. QUENVILLE: Best explained in Exhibit 8 how
20 we derived harmonized rates. We calculated revenue
21 contribution by each rate zone, total it up, and
22 divided by totalized billing determinant to derive
23 harmonized rate.

24 B. HARPER: But in this case, you used 2026
25 billing --

26 V. QUENVILLE: 2026 approved.

27 B. HARPER: Right. Now, I guess what I am
28 struggling with, if the purpose is to determine 2027

1 revenues at '26 rates, why weren't the forecast
2 volumes for 2027 by rate zone used to calculate the
3 weighted average rate for each class?

4 Like, if we are trying to do revenues for 2027,
5 why didn't you use weightings based on the 2027
6 billing determinants as opposed to 2026 billing
7 determinants?

8 V. QUENVILLE: You mean in terms of harmonizing
9 the --

10 B. HARPER: Right. In terms of -- for the
11 purposes of -- for the purposes of this -- the cost
12 allocation model and this table here, in terms of the
13 rates you used, why you didn't use -- it would be
14 2026 rates, but your 2026 rates derived based on --
15 weighted based on the 2027 volumes since you are
16 trying to determine, for purpose of this model,
17 revenues for 2027 at 2026 rates.

18 V. QUENVILLE: But typically for this tab, you
19 have existing current approved rates times your test
20 year billing determinants.

21 B. HARPER: Right. And that is what I am
22 saying. If it is times your test year billing
23 determinants, why wouldn't you, in determining the
24 harmonized rates, use your test years billing
25 determinants by rate zone to come up with an average
26 rate for each customer class?

27 And if you want to take that away and think
28 about it and get back to me, that is --

1 V. QUENVILLE: No. I want to make sure I
2 understand your question.

3 The billing determinants that we have here, they
4 are -- the rates are harmonized on Alectra-wide basis
5 based on each -- contribution of each rate zone.
6 Billing determinants are total forecasted by rate
7 zone and totalized.

8 So we moving on Alectra-wide rates, on Alectra-
9 wide total cost basis with one cost allocation model.
10 And what you are suggesting, it is to still keep that
11 rate zone specific level in --

12 B. HARPER: No. I don't have any problem with
13 the fact that you are using one rate in here and it
14 is a harmonized rate based on a weighted average of
15 the rate zones. That is fine.

16 What I am questioning is whether in coming up
17 with that harmonized rate, why you are using 2026
18 volumes to come up with the weighted rate as opposed
19 to using 2027 volumes by rate zone to come up with
20 the harmonized rate since it is revenues for 2027
21 based on '26 rates is what you are trying -- is what
22 you are trying to forecast here, what you are trying
23 to use here in the model at the end of the day

24 So it is really just the derivation of the
25 existing monthly charge and the existing distribution
26 rates for each of the harmonized rate classes, and it
27 is the derivation of that particular rate is what I
28 was questioning.

1 V. QUENVILLE: I believe there would not be
2 material difference in harmonized rates if we used
3 2027 volumes to derive those harmonized rate. But we
4 could take it away to demonstrate.

5 B. HARPER: Okay. And if you could, because,
6 actually, you just led into my next question, which
7 was if you could just undertake to recalculate those,
8 but based on the 2027 billing determinants as opposed
9 to 2026 billing determinants, just to see if there is
10 a material difference, that would be fine.

11 V. QUENVILLE: We will do.

12 R. DHILLON: I will mark that as Undertaking JT-
13 4.6.

14 **UNDERTAKING JT-4.6: RECALCULATE THE RATES IN**
15 **THE COST ALLOCATION SNAPSHOT AT STAFF-1,**
16 **ATTACHMENT 7 BASED ON THE 2027 BILLING**
17 **DETERMINANTS AS OPPOSED TO 2026 BILLING**
18 **DETERMINANTS**

19 B. HARPER: Okay. And that is the end of rate
20 design -- excuse me, cost allocation. I am now on to
21 rate design, the final topic, which hopefully with a
22 bit of indulgence, I might have to go a bit longer,
23 but it might take us to break. Or if I'm taking too
24 long, let me know, and we will stop.

25 R. DHILLON: I anticipate taking a break at
26 10:45.

27 B. HARPER: Okay. No, with luck, we will get
28 there.

1 R. DHILLON: Thank you.

2 B. HARPER: Okay. I was talking about the
3 standby rates. And in looking at your approved rate
4 schedules for 2026, except for ERZ zone, all the
5 other standby rate classifications as noted in your
6 approved rate schedule are all approved on an interim
7 basis. Is that correct?

8 V. QUENVILLE: Correct.

9 B. HARPER: So is Alectra seeking, as part of
10 this application, to have the BRZ, GRZ, HRZ, and PRZ
11 interim rates for 2026 and earlier years approved on
12 a final basis?

13 V. QUENVILLE: We are looking at Alectra rates
14 to be approved on a final basis.

15 B. HARPER: Right. But the Alectra rates for
16 reach of those rate zones, prior to 2027, there were
17 separate interim standby rates for each of those four
18 rate zones. Correct?

19 V. QUENVILLE: Correct.

20 B. HARPER: And I guess I am just wondering,
21 because I didn't see the request anywhere in the
22 application, whether you were seeking to have those
23 interim rates declared final -- those interim rates
24 for the years prior to 2026 -- excuse me, 2027
25 declared final as part of your request for approval
26 in this application.

27 Because if it was, I couldn't see it anywhere in
28 the application. I am just asking you maybe to point

1 it out to me. Because it seems to me at some point
2 in time, we are either going to have -- I don't think
3 we want to leave those interim rates interim forever,
4 if I can put it that way.

5 V. QUENVILLE: In Exhibit 8, tab 1, schedule 1,
6 we did state that we proposed to eliminate the
7 standby rate class in horizon and implement an
8 Alectra-wide harmonized standby power rate structure
9 on January 1st, 2027. But I see your point, we did
10 not reference the interim rate.

11 D. COBAN: We are wondering if it might be in
12 another part of the application, Mr. Harper, so --

13 B. HARPER: I must admit, I -- and that is why I
14 was asking, because I may well have missed it. To be
15 quite honest with you, I asked the same question at
16 Ottawa, and I missed it. So I would could well have
17 missed it here, and I was just asking whether I had
18 missed it or whether it was something that probably
19 Alectra might have to look to sort of updating their
20 request for approval.

21 D. COBAN: Yes. Maybe we can just take that
22 away with an undertaking to confirm and to provide
23 you the reference if there is one, and if not, to
24 state out our position.

25 B. HARPER: That would be great. Thank you very
26 much.

27 R. DHILLON: I will mark that as Undertaking JT-
28 4.7.

1 **UNDERTAKING JT-4.7: ADVISE WHETHER ALECTRA WAS**
2 **SEEKING TO HAVE THE 2027 INTERIM RATES DECLARED**
3 **FINAL AS PART OF THEIR REQUEST FOR APPROVAL IN**
4 **THIS APPLICATION**

5 B. HARPER: I wonder if we could turn to VECC-
6 77. There is a table 2.3 a little bit further down
7 in the response. Right.

8 Now, am I correct that you show here billing
9 quantities for standby power? Now, am I correct that
10 these are not the total megawatt hours that will be
11 billed -- these are not your total -- excuse me --
12 your total standby megawatts under your proposed new
13 standby rate, but, rather, this is just the portion
14 that is not currently gross load billed and therefore
15 not already captured in the firm load column? Would
16 that be correct?

17 V. QUENVILLE: I believe so. Those are the
18 standby power billing quantities. Excluding gross
19 load billing because we cannot really quantify gross
20 load billing.

21 B. HARPER: Okay, fine.

22 Now, if we can go to Excel attachment 1 to VECC-
23 78. This has to do with the RTSR rates. And it is
24 tab 8. If I scroll up to lines 15 to 26 -- right,
25 okay, there. We look at these first rows at 15 to
26 26.

27 Here, if I understand correctly, you are
28 determining the percentage of the 2024 RTSR network

1 revenues attributable to each customer class. Is
2 that correct? And that is what these percentages are
3 that are showing up in column H? It is the
4 percentage of the 2024 RTSR network revenues that are
5 attributable to each class based on the billing
6 determinants for 2024 and 2024 rates.

7 Am I correct?

8 V. QUENVILLE: My colleague will --

9 B. HARPER: Okay. Thank you. I saw a few nods,
10 and I just wasn't too sure whether...

11 N. FAN: We respond that question in 8-VECC-78,
12 part A.

13 B. HARPER: Right. Right.

14 N. FAN: And we said the billing determinant
15 used to calculate those percentage is the 2024
16 billing determinant. And we used the 2025 RTSR
17 values, RTSR rates, that also be used to calculate
18 the billed amount set out in the column H.

19 B. HARPER: Right. Okay. No, thank you.

20 Now, can we scroll down to rows 41 to 52.

21 As I understand it, at this part of the
22 calculation, here, you are using those same
23 percentages -- we can see 33.3, et cetera -- to
24 allocate the forecast 2027 network cost to each of
25 the customer classes. And that is what you are doing
26 in columns H and I.

27 And then in column J, you derive the 2027
28 proposed network RTSRs by dividing each class's cost

1 by the 2027 RTSR's billing determinant. Have I got
2 that correct?

3 N. FAN: That is correct.

4 B. HARPER: Okay. And I guess I was struggling
5 with whether there wasn't a bit of an inconsistency
6 here in terms of you are using 2024 volumes to
7 allocate the cost but then 2027 volumes to determine
8 the rate.

9 And whether -- like, it seems to me there is an
10 inconsistency there because the change in volumes
11 between 2024 and 2027 won't be the same for every
12 customer classes. Some of them may be going up a
13 lot, some of them may be going up a little, some may
14 actually be going down.

15 And so I was wondering if you could comment on
16 whether that is appropriate or whether we should be
17 doing the calculation some other way.

18 N. FAN: I believe this is a typical approach.
19 We followed OEB's RTSR work forum. The percentage
20 allocation typically are determined using the
21 historical data.

22 B. HARPER: Right.

23 But then in a standard RTSR work form, forecast
24 volumes are not used at all in the determination of
25 the -- of the 2027 -- of the test year rates. It is
26 all done based on historical billing data from the
27 utility's perspective. There are no forecast billing
28 determinants used in a standard RTSR work form. That

1 is the new part that you have introduced here, from
2 my perspective.

3 N. FAN: I think the logic we are trying to
4 follow here is using the historical information to
5 decide the percentage allocation for the billed
6 amount.

7 B. HARPER: Right.

8 N. FAN: And the logic is to divide the
9 forecasted loss-adjusted billed KWH or KW to derive
10 the proposed rates. That is the logic we are
11 following doing the calculation.

12 I think if we are trying to use the methodology
13 you mentioned, using the 2027 billing determinants,
14 what is the proposed RTSR rates in that scenario?
15 Are we using the 2027 rates to decide the billed
16 amount? I'm just not 100 percent sure I follow the
17 logic there.

18 B. HARPER: Well, I'm -- we can talk about this
19 some further at a future point in time, then. I
20 think I understand what you are saying from your
21 perspective. That is fine for now.

22 Can we turn to Staff-239A. Here you indicate
23 that Alectra Utilities applies gross load billing to
24 the RTSR for line and transformation connection
25 service charges to demand bill load customers with
26 load displacement generation capacity exceeding 1
27 megawatt for non-renewables or 2 megawatts for
28 renewables.

1 And in your response to Mr. -- in your
2 conversation with Mr. Frank yesterday, you indicated
3 this was because Alectra Utilities was required to
4 pay on a gross load billing basis for line and
5 transformer connection UTRs; and so, therefore, you
6 were just mirroring the way you were billed by the
7 ISO. You are billed on a gross load basis for that,
8 so you are passing that through on your RTSRs on a
9 gross load basis; have I got that correct?

10 V. QUENVILLE: Correct.

11 B. HARPER: Okay.

12 Now, can you confirm that the subtransmission
13 charges Hydro One bills you as a host distributor are
14 based similarly on gross load billing? Like, that is
15 their ST charges that they charge you, the volume
16 charges they charge you. And I got that from note 14
17 of Hydro One's currently-approved rate schedule, but
18 I am sure you understand how -- I am sure you
19 understand how Hydro One bills you. So you are
20 billed for ST charges on a gross load basis?

21 N. FAN: Maybe I can lead you to one of the IRs.
22 It may be helpful to see --

23 B. HARPER: Sure. Sure.

24 N. FAN: -- the information. It is 8-ED-45.

25 B. HARPER: Right.

26 N. FAN: So this table shows the annual amount
27 we settled with the Hydro One in relation to the
28 gross load billing.

1 B. HARPER: Maybe you can clarify, but my
2 understanding is, from the title, this is for the
3 UTRs. This is for the transmission charges that you
4 are billed not by Hydro One distribution, but
5 ostensibly by Hydro One transmission for use of their
6 transmission service?

7 N. FAN: That is correct.

8 B. HARPER: Correct?

9 What I was asking you in the question was for
10 purposes -- from Hydro One distribution, they are a
11 host distributor, and they charge you their
12 distribution ST rates for the deliveries they make to
13 you as a distributor; correct?

14 N. FAN: That is correct.

15 B. HARPER: And what I was asking you for those
16 charges, my understanding is you are gross load
17 billed for those ST charges as well at the
18 distribution level. This all deals with the
19 transmission level, but also at the distribution
20 level, you are gross load billed for your ST charges
21 from Hydro One; correct?

22 N. FAN: That is not correct. We don't get
23 billed by Hydro One at the ST level for gross load
24 billing.

25 B. HARPER: Okay.

26 Well, actually, because if I read there -- if I
27 -- because I look at their tariff, their approved
28 tariff -- we are not -- I am not going to ask you to

1 call it up. But if I look at their approved tariff
2 for 2026, footnote 14 in their tariff says their ST
3 charges are gross load billed. And maybe for some
4 reason, you managed to escape that, but I would ask
5 you to just go back and confirm that -- can I just
6 get an undertaking just to go back and make sure you
7 are absolutely correct that that is the case?
8 Because that would be inconsistent with what I
9 understand to be the Hydro One tariff -- tariff
10 approved.

11 N. FAN: I just want to clarify the undertaking.

12 B. HARPER: For the ST charges that you are
13 billed by Hydro One as a host distributor, which then
14 feeds into your LV expense, are you billed on a gross
15 load basis?

16 N. FAN: Yeah, we can take that as undertaking
17 to confirm.

18 B. HARPER: Okay.

19 R. DHILLON: I will mark that as Undertaking JT-
20 4.8.

21 **UNDERTAKING JT-4.8: ADVISE IF BILLED ON A GROSS**
22 **LOAD BASIS FOR THE ST CHARGES BILLED BY HYDRO**
23 **ONE AS A HOST DISTRIBUTOR**

24 R. DHILLON: Mr. Harper, is it okay if we take a
25 quick 15-minute break right now?

26 B. HARPER: We can. I have two questions left,
27 but we can take the break now if -- that would be
28 fine.

1 R. DHILLON: Let's take a break right now.

2 B. HARPER: Okay.

3 R. DHILLON: Thank you. We will resume at 11:00
4 a.m.

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

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

7 R. DHILLON: Welcome back, everyone. I will
8 turn it over to Mr. Harper.

9 B. HARPER: Okay.

10 Actually, I just had a couple of final
11 questions, and they are dealing with your -- some of
12 your changes to specific service charges. The first
13 one -- can we go to Exhibit 8, tab 3, schedule 2,
14 page 7.

15 And here, starting at line 9, you indicate that
16 Alectra Utilities proposes to implement a specific
17 service charge pertaining to cancelled
18 disconnect/reconnect service appointments, which
19 would apply to any customer who fails to attend or
20 cancels a customer-requested disconnect/reconnect
21 service appointment with less than two days' business
22 notice.

23 If you scroll down a little bit, you notice, I
24 think, your proposed charge for that is \$500? That
25 is the last bullet there; is that correct?

26 M. LISTER: That is correct.

27 B. HARPER: I just -- what caught my attention,
28 what I was struggling with, was I noticed your

1 proposed charges for an actual
2 disconnect/reconnection during regular hours is \$290,
3 and it is \$495 if you are on after hours -- no -- 470
4 -- excuse me -- if it is after hours. I wrote the
5 wrong number here.

6 I was trying to explain why the charge when you
7 don't have to go out there and do the work is higher
8 than when you do have to go out there and do
9 something, to be quite honest with you. And I was
10 just struggling with why -- why -- I would have
11 thought the cancelled appointment would have been
12 less than those numbers, to be quite honest with you.

13 M. LISTER: We intentionally set the -- that
14 rate in order to dissuade the behaviour, which is --
15 ties up a lot of resources. We've -- we experience a
16 lot of cancelled calls, and we still roll trucks and
17 often third-party contractors, so we intentionally
18 set the cancel rate at a level that would hopefully
19 dissuade that behaviour.

20 B. HARPER: Okay.

21 So -- it is really not a cost-based rate, and I
22 am not objecting to that at this point in time. I am
23 saying it is sort of set at the level it is, not on a
24 cost basis, but for the reason you just outlined?

25 M. LISTER: That is correct.

26 B. HARPER: Okay. Fine. Thank you.

27 Then at the top of page 7 here, you explain
28 currently all customers are eligible for one free

1 disconnect/reconnect per year but that Alectra
2 Utilities proposes to modify the current practice
3 such that eligible low income residential customers
4 would still be entitled to one disconnect/reconnect
5 per year, but all other charges -- all other
6 customers would be charged for all
7 disconnect/reconnect services; is that correct?

8 M. LISTER: That is correct.

9 B. HARPER: I guess -- and I was just wondering,
10 is there any concern on Alectra's part that by
11 discontinuing the one free disconnect/reconnect
12 service will create, say -- like, say, public safety
13 issues where customers will try or elect to do work
14 that would technically require a disconnect but where
15 they would decline to request one because they are
16 trying to avoid the charge? Like, have you thought
17 about that? Is that a concern on your part?

18 M. LISTER: No. I don't think that that
19 factored in specifically to our approach here.
20 Customers do have -- there are safety and technical
21 requirements, and we expect those to be adhered to.
22 But, no, we didn't specifically think that if we
23 removed that one free disconnect/reconnect, that it
24 would result in less safe outcomes.

25 B. HARPER: Fine. Thank you.

26 Those are all my questions, Panel, and thank you
27 very much for your help.

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

1 I will now turn it over to Mr. Ladanyi for EP.

2 **CROSS-EXAMINATION BY T. LADANYI (EP)**

3 T. LADANYI: Thank you. Good afternoon -- good
4 morning, actually. It is not afternoon. My script
5 says "good afternoon." I have to be careful what I
6 read. I was expecting to be here this afternoon.
7 Anyway, my name is Tom Ladanyi, and I am an
8 independent consultant, and I represent two
9 intervenors in this proceeding, Energy Probe and the
10 Coalition of Concerned Manufacturers & Businesses of
11 Canada. And my questions of this panel are all on
12 behalf of Energy Probe.

13 Now, yesterday, and I was monitoring this from
14 home, you were asked some questions about
15 interrogatory 8-Staff-240. Can you turn to that,
16 please, and particularly, page 3, table 1. There is
17 a large table there, 240. And, yes, there it is.
18 Maybe you will have to blow it up a little bit so we
19 can see it better. Thank you. Okay.

20 The first question I have -- oh, it disappeared.
21 Let's try again. Okay. It's on the meter dispute
22 charge plus Measurement Canada fees. Okay. And I
23 understand this is when a customer does not agree
24 with a meter read that has appeared on the bill and
25 wants the meter -- and disputes the charge. And
26 then, what, you send somebody to the location, to the
27 customer's premise, and they read the meter. And is
28 that what you do? What do you do with this?

1 M. LISTER: I believe this is a charge that is
2 enumerated or discussed in the chapter 11 rate
3 handbook. I can't say specifically what is entailed
4 in this service, but my understanding as I sit here
5 is that that is essentially what it is, to cover the
6 cost of -- of examining the -- it could be examining
7 the meter or a visit. But it is, I believe, laid out
8 in chapter 11 of the rate handbook.

9 T. LADANYI: So it came up in a Hydro One
10 distribution proceeding a few years ago that I was
11 involved in. And what I am concerned here about
12 meter dispute charge is that the charge might
13 essentially discourage customers from disputing the
14 meter read because the charge might be high.

15 Now, I see your charge is how much -- and I
16 think you are showing -- well, it says varies in \$30.
17 Is that -- what do I -- what does that mean? It
18 varies by rate zone or what?

19 M. LISTER: Yeah, if I could just -- I will take
20 one minute to try to explain this table. This table
21 is setting out in the columns to the left there 2025
22 revenue at existing rates. In fact, this process of
23 harmonization, there are many cases where there are
24 different scopes of different rates in different rate
25 zones. So that is what the term "varies" there
26 refers to.

27 What we are proposing is in the next group of
28 columns there, 2025 revenue at proposed rates, and

1 like I was saying, this is an OEB-approved specific
2 service charge in chapter 11 of the rate handbook,
3 and it is set at \$30.

4 T. LADANYI: Now, when I look at this, what does
5 the column "volume of charges" mean, for example, in
6 2027? There is a number 1 there. Does that mean,
7 like, you are expecting one customer to dispute the
8 meter? Is that what you are expecting?

9 M. LISTER: Yes, that is what this table says.
10 I don't have the history in front of me, but it is
11 likely that there has been very little history with
12 this charge.

13 T. LADANYI: Now, we heard from Panel 2 that you
14 are replacing your meters with a different type of
15 meter. And usually when meters are being replaced,
16 it means that there has been problems with the old
17 meters, and customers are disputing the readings a
18 lot. So I was very surprised that, number one, you
19 have no revenues forecast, and not all the meters
20 have been replaced, we found out from Panel 2.

21 So there might be still a lot of meters out
22 there, but you think only one customer is going to
23 dispute the meter -- meter read? I find this
24 astounding because compared to experience with other
25 utilities where there were many disputes, let's say,
26 first-generation meters, this seems very surprising.

27 M. LISTER: I am going to take you to an
28 interrogatory response. I will just need one moment

1 to locate it. I believe if you could pull up 8-SEC-
2 107 -- oh, maybe 8-CCC-71 is better. I am sorry.

3 And in this response, you will see in the tables
4 to part C at the bottom of the response, we walked
5 through the history, and so our approach here in
6 establishing the forecast volumes was to first
7 harmonize across all of the rate zones, examine the
8 history, and then create a forecast on that basis
9 that is correlated or aligned with forecast future
10 customer growth.

11 And you will see -- if you could slowly scroll
12 forward through time here -- this is 2024 -- you will
13 see we have had very little volume on this specific
14 charge, nothing for 2025 and nothing for 2026 and so
15 on. So that does accord with our historical
16 experience. It may be that you are seeing a
17 distinction between replacing the meters with more
18 advanced meters as opposed to an actual meter
19 dispute.

20 T. LADANYI: Well, no. I want to use that as an
21 example, or at least my understanding of the issue,
22 normally utilities replace old meters when there's
23 something wrong with old meters. They are not
24 replacing meters if they are functioning perfectly.
25 So -- and I thought, well, maybe Alectra is doing the
26 same, but you are telling me your old meters were
27 functioning perfectly, and customers were overjoyed
28 with their meter reads, and they never disputed any

1 of the reads, and your charge was very little. It
2 says "varies."

3 I don't know what the -- maybe one of the --
4 your, let's say, predecessor utilities might have
5 charged \$500 for a meter dispute. I have no idea.
6 And I am not going to ask you what it was.

7 But we could leave it at that. It's not very, I
8 would say, suspect, not that it makes a huge
9 difference but...

10 M. LISTER: Yeah. Again, I will simply say that
11 this charge and the proposal here is aligned with
12 chapter 11 of the rate handbook. And it may be, it
13 likely is, that the scope of this meter dispute
14 charge is not in relation to replacing a meter but a
15 dispute with an existing meter. And so I think they
16 are two different things.

17 T. LADANYI: Oh, yeah, no, I don't think a
18 customer would ask you to replace the meter. It
19 would be up to you how you decide to replace the
20 meter. I have no idea.

21 M. LISTER: That may be. But the meter dispute
22 something different all together.

23 T. LADANYI: Oh, I know. Of course not -- of
24 course it is. Just the fact that you are replacing
25 meters and you have not finished replacing meters
26 just could be evidence that there are problems with
27 the meters. You are telling me there are absolutely
28 no problems with the meters?

1 M. LISTER: No, I am not saying that. I am
2 saying that for the proposal of the specific service
3 charges, we examined the history in relation to that
4 specific service charge. And we have really had
5 really little.

6 It could happen in the future, which is why we
7 propose to maintain that rate at the OEB-approved
8 level, but we don't expect much activity in that
9 specific --

10 T. LADANYI: Okay. Thank you. I won't pursue
11 this question anymore.

12 Can we go back to 8-Staff-240, page 3, the
13 table. Look at special billing service aggregation.

14 So I understand from information, other sources,
15 that there are companies now who are aggregators of
16 distributed energy resources from multiple locations,
17 and then the -- they aggregate these, and they then
18 offer this as a bulk.

19 Now, are you actually experiencing any
20 interaction with aggregators like distribution --
21 distributed energy resource aggregators? So it is
22 big companies who would be aggregating many rooftop
23 solar locations into one bill. Is that -- you
24 experience any of this? Or this is not happening at
25 all in Alectra?

26 M. LISTER: I would like to clarify the
27 question, if I could, because I think maybe they're
28 in two different areas.

1 I can't speak to what -- thank you. That is
2 helpful. To which -- to whether or not we have been
3 working with aggregators in some sort of billing
4 function. Frankly, I don't know.

5 This specific service charge relates to -- it is
6 not aggregation as in with respect to DERs. This is
7 a service that was provided to one customer in the
8 Brampton rate zone. I am not sure when it started,
9 but a long time ago. And that customer still takes
10 this service, and so we have proposed to just simply
11 continue on with that service. It has more to do
12 with aggregating their specific bill for their needs.

13 T. LADANYI: But you have no proposal to use
14 this particular charge, which is, I think, \$125 per
15 month, for DER aggregators at all?

16 M. LISTER: That is correct.

17 T. LADANYI: Would you have any special charge
18 for them?

19 M. LISTER: I can't say that we would. If -- we
20 are not proposing anything in this application. We
21 did indicate in an interrogatory response, which I
22 could locate for you if you like -- if you would
23 like, that we would consider specific service charges
24 again in the future.

25 And as you know, that is a very active policy
26 file, and things may change. So we may circle back
27 on that. But in this plan, we don't have anything
28 proposed specifically for aggregators.

1 T. LADANYI: Thank you. I will be looking for
2 that myself. I am not going to give you an
3 undertaking.

4 Now, can you turn to interrogatory response 2A-
5 EP-8. Now, I know it is not for this Panel, but I
6 just want to refer to something in that interrogatory
7 response.

8 And in question C, I asked:

9 "How many customers currently own DERs in the
10 territory served by Alectra, and how many are
11 expected to own DERs by the end of 2031?"[as
12 read]

13 And your response, which is on the next page,
14 says:

15 "As of the end of December 2025, Alectra
16 Utilities had 6,894 DERs connected across its
17 service territory. By the end of 2031, there
18 will be 9,569."[as read]

19 Now, can you turn to interrogatory response 9-
20 Staff-267, page 4, table 2. I think that is one of
21 your interrogatories.

22 And it shows -- table 2 shows connections
23 supported by renewable generation connection
24 investment projects. And it lists FIT, which is
25 feed-in tariff, and MicroFIT, which is micro feed-in
26 tariff, and their various numbers for the various
27 rate zones.

28 Now, when I add those, I don't get anything

1 close to the number of DERs that I just quoted you
2 from the other interrogatory. I get about 3,000-
3 something.

4 So could you explain to me is this -- are these
5 numbers that are here in this table somewhere within
6 those DERs that I quoted from your response to 2A-EP-
7 8? Because -- are we talking about something
8 completely different?

9 And I might have missed if you discussed this
10 with Mr. Harper because I was on transit for about 10
11 minutes.

12 M. LISTER: Thank you. We just wanted to
13 consult to ensure that we had an understanding of the
14 question.

15 I think the best way to respond to your question
16 is to simply indicate that the FIT and MicroFIT
17 programs are not exactly synonymous with DERs. Or,
18 said another way, the number of FIT and MicroFIT
19 customers will not exactly equal DERs. That is a
20 historical program, as you will know, but the two may
21 not be the same population.

22 T. LADANYI: And I understand that. In fact,
23 when you add up these numbers, you get 3,751, using
24 my calculator. So there is still another 3,143 DERs
25 that are missing. So that is fine. I am all right
26 with this.

27 But what I was asking you, are these FIT and
28 MicroFIT inside the total number of DERs that are in

1 2A-EP-8?

2 M. LISTER: Subject to check, we believe so.

3 T. LADANYI: Okay. Thank you.

4 What is the difference between FIT and MicroFIT?

5 Can you tell me?

6 M. LISTER: It generally just pertains to the
7 size of the application. I don't recall the specific
8 parameters which define FIT versus MicroFIT, but it
9 has to with the scale of generation.

10 T. LADANYI: You had a discussion, I think,
11 earlier this morning with Mr. Harper about the
12 elimination of DGEN rate class in the Brampton rate
13 zone, and that was specifically for the FIT
14 customers. Is that right?

15 V. QUENVILLE: Correct.

16 T. LADANYI: Now, I understand from your
17 evidence that the province stopped awarding FIT
18 contracts in 2016. Are the expiring FIT contracts
19 being renewed?

20 V. QUENVILLE: I cannot comment on this, I have
21 to confirm.

22 T. LADANYI: I understand that they are, but I
23 am not allowed to give evidence. So maybe I will
24 save it for another time.

25 So if they are being renewed, would they still
26 be not incurring the same cost they were, let's say,
27 recovered in the DGEN rate class?

28 V. QUENVILLE: Can you please clarify your

1 question?

2 T. LADANYI: I will ask you again.

3 Okay. So I understand that the DGEN rate class
4 is being eliminated; you are proposing to do that.

5 Is that right? Yes.

6 V. QUENVILLE: Correct.

7 T. LADANYI: And that rate class was only for
8 FIT customers, which I believe -- I don't have it in
9 front of me, I think it is a fairly small number.
10 There were, like, 12 or something. Maybe I got it
11 wrong.

12 V. QUENVILLE: That was for FIT customers, a
13 load side of FIT customers.

14 T. LADANYI: Yeah. So these would be -- would
15 these be -- I am trying to understand who these
16 customers were -- or they are. Were they some kind
17 of a wind farm with large wind turbines? What
18 exactly were these FIT customers?

19 V. QUENVILLE: They could be a large contract
20 size FIT generation customers who require inverters.
21 And those inverter load, that is what captured in
22 DGEN FIT class, and we proposing to move this side of
23 transaction on FIT generator's load side to the
24 corresponding GS greater than -- less than 50 class.

25 T. LADANYI: Since you mentioned inverters --
26 and I didn't think this was the panel to ask this
27 question -- but do the FIT customers own the
28 inverter, or does Alectra own the inverter?

1 V. QUENVILLE: I can't comment on that.

2 T. LADANYI: You can't comment. All right.

3 Okay. Very good. So, now, maybe I should have asked
4 that of another panel.

5 But there were costs, nevertheless. There were
6 special costs for these FIT customers that Alectra --
7 that actually Brampton rate zone was -- and they are
8 trying to -- and that is why they had this rate class
9 for them, because their behaviour was different than
10 other customers.

11 V. QUENVILLE: There is load. They rely on
12 distribution system to power the inverter load, so we
13 have to charge them for that load.

14 T. LADANYI: Okay. And that has not
15 disappeared. It still is there because, as I
16 understand, they are not closed down, these wind
17 farms. They are still there. They are still these
18 costs, but you decided not to charge them anymore.
19 Is that right?

20 V. QUENVILLE: We going to charge them under
21 general service less than 50 rate based on the load.

22 T. LADANYI: But the characteristics of the
23 other customers in general service less than 50 are
24 quite different from these FIT customers. Don't you
25 agree?

26 V. QUENVILLE: But we going by the load
27 characteristic to assign them to the class.

28 T. LADANYI: So let's go back to page 1 of the

1 same interrogatory. And there, it says right at the
2 bottom of the page:

3 "Account 1532 captures 6 percent of the
4 incremental operating, maintenance,
5 amortization, and administrative expenses
6 directly related to the renewable enabling
7 improvements for ERZ incurred from 2010 to
8 2019."[as read]

9 And now you are proposing to stop capturing
10 these costs. Why?

11 R. DHILLON: Mr. Ladanyi, just a reminder that
12 you have a few minutes remaining.

13 T. LADANYI: Thank you.

14 V. QUENVILLE: I think there is two different
15 components we deal with.

16 One is the load of those generators. That is
17 what we propose to charge under general service less
18 than 50 rates because of the demand characteristics.

19 But what is in 1532, 1531, could be those
20 infrastructure connection metering investment in
21 terms of recovering this cost. So two different
22 things.

23 T. LADANYI: And it says they capture 6 percent
24 of the incremental cost, and I read them a second ago
25 -- or a minute ago. So why only 6 percent? What
26 happened to the other 94 percent?

27 N. FAN: So the 6 percent was determined
28 following the guidance from the OEB's APH. It stated

1 when utilities bring these balances forward, only 6
 2 percent of the total OM&A cost recorded in this
 3 account shall be included for the proposed
 4 disposition balance. There is RGRCP mechanism
 5 allowing the utility to recover the 94 percent of the
 6 total cost from the RGRCP funding.

7 T. LADANYI: You are reading this reference from
 8 -- can you give me the reference from where you are
 9 reading?

10 N. FAN: Yes, we can provide that reference.

11 T. LADANYI: So you can't tell me now? It is
 12 going to be, like, an undertaking. Is that what it
 13 is?

14 N. FAN: Yes, we can take that as an
 15 undertaking.

16 T. LADANYI: Thank you.

17 R. DHILLON: I will mark that as Undertaking JT-
 18 4.9.

19 **UNDERTAKING JT-4.9: ADVISE WHERE IN THE OEB'S**
 20 **ACCOUNTING PROCEDURES HANDBOOK (APH) IT STATES**
 21 **THAT 6 PERCENT OF THE TOTAL OM&A COSTS RECORDED**
 22 **IN THE ACCOUNT SHALL BE INCLUDED IN THE PROPOSED**
 23 **DISPOSITION BALANCE WHEN BALANCES ARE BROUGHT**
 24 **FORWARD**

25 T. LADANYI: And I think I am coming to my last
 26 question, I hope.

27 So did -- that includes ongoing additional
 28 activities such as billing function, data capture,

1 review time, and settlement with the IESO. So you
 2 have these large generators, and what happens to
 3 these costs? You are incurring these costs for sure.
 4 There is no question you are not incurring them.

5 So who is being charged for these costs? Are
 6 these generators being charged, or are other
 7 customers of Alectra being charged?

8 D. COBAN: Mr. Ladanyi, maybe just in the
 9 interest of time here today, what we can do is
 10 undertake to explain for you how the treatment of
 11 these renewable enabling investments work under the
 12 provincial regime that we have, if that would be
 13 helpful.

14 T. LADANYI: That would be fine. Yes, please.
 15 And also can you actually --

16 R. DHILLON: Sorry. I am just going to mark
 17 that. I will mark that as Undertaking JT-4.10.

18 **UNDERTAKING JT-4.10: EXPLAIN HOW THE TREATMENT**
 19 **OF THE RENEWABLE ENABLING INVESTMENTS WORK UNDER**
 20 **THE PROVINCIAL REGIME AND PRODUCE AN**
 21 **UNDERSTANDING IN PARAGRAPH FORM OF DISTRIBUTED**
 22 **ENERGY RESOURCE AND RENEWABLE GENERATION**

23 T. LADANYI: Thank you.

24 Maybe the very last question because I am now
 25 becoming, well, increasingly confused with this
 26 proceeding and what is a DER and what is accepted as
 27 renewable.

28 Is there any way you can produce your

1 understanding, like, in a little paragraph, what is a
2 DER, distributed energy resource, and what is a
3 renewable -- what is renewable generation.

4 Because I am sorry to say, this varies from
5 utility to utility. And so I really like to -- and
6 OEB does not have a consistent definition currently -
7 - every DER-related committee and subcommittee and
8 working group, and I can tell you it is not
9 consistent. So it's -- there is large inconsistency
10 right across the whole industry in Ontario.

11 D. COBAN: Mr. Ladanyi, I think we can do that
12 as part of the previous undertaking.

13 T. LADANYI: That would be great. Thank you.
14 So these are all my questions.

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

16 I will now turn it over to PWU, Mr. Rosenbluth.
17 I believe he is joining us virtually.

18 Maybe we will stand that one down. I will turn
19 it over to OAPPA, Mr. Walker.

20 **CROSS-EXAMINATION BY S. WALKER (OAPPA)**

21 S. WALKER: Thank you. Could I ask for --
22 sorry. Good morning, Panel.

23 Could I ask for reference 8-VECC-77A, the
24 answer, to be brought up on the screen, please. Does
25 the standby billing quantities include all customers
26 who are subject to standby power customer charges,
27 including gross load billing accounts?

28 V. QUENVILLE: The standby quantities are for --

1 due to standby charges, are in standby power column
2 versus gross load billing portion of it is embedded
3 in firm power column, and there is a small
4 clarification for Guelph rate zone.

5 S. WALKER: So -- so sorry. So the standby
6 power column does not include gross load billing; did
7 I understand that correctly?

8 V. QUENVILLE: In this table, the standby -- the
9 standby power large use, the general service greater
10 than 50, and large use of dedicated assets, that is
11 only standby power excluding gross load billing. And
12 our LU column, that represents Guelph standby
13 captured in baseline load forecast, just the way we
14 derive historical data from CIR system, so we have to
15 show it this way.

16 S. WALKER: Could you break out the gross load
17 billing quantities from the firm power as an
18 undertaking?

19 V. QUENVILLE: We cannot break out the gross
20 load power quantities.

21 S. WALKER: Okay.

22 Can you tell me how the kilowatts for billing
23 determinants are actually determined -- sorry. That
24 question may be leading a little bit. Is it an
25 annual number? Is it based on the peak load
26 forecast? Is it based on gross versus net? Could
27 you elaborate, please?

28 V. QUENVILLE: We reviewed three years of

1 historical data for all standby customers that are
2 currently subject to standby charges, assess their
3 current load on the standby side of it, and that is
4 really the three-year average for those affected
5 customers.

6 S. WALKER: So it is an average, not a peak?

7 V. QUENVILLE: Yeah, it is an average.

8 S. WALKER: Over the three-year term?

9 V. QUENVILLE: Over the three-year. That is
10 what is used for billing.

11 S. WALKER: Okay. Thank you.

12 Could I ask for reference 8-Staff-38A, the
13 answer, please, to be brought up -- sorry -- 8-Staff-
14 238. Okay.

15 So yesterday Mr. Frank asked for some clarifying
16 questions specific to the threshold criteria for RTS
17 -- sorry -- the threshold criteria between gross load
18 billing and the standby rate choice and had requested
19 an undertaking specific to the RTSR billing
20 requirement.

21 So can you confirm that the precondition for
22 gross load billing versus standby rate application is
23 the existence of a meter on the output of the
24 generator?

25 V. QUENVILLE: To enable gross load billing, we
26 need to have a separate meter.

27 S. WALKER: Okay.

28 So all of the gross load billing accounts, were

1 they required to pay for their meters and the
2 required protection control and communication
3 equipment when they were installed?

4 V. QUENVILLE: I believe this is customer --
5 customer cost.

6 S. WALKER: Excellent. Thank you.

7 Could I ask for 8-Staff-241A to be brought up,
8 please. And if you could go to page 3 of 3, and this
9 question is around customer engagement initiatives.
10 And you note -- sorry.

11 If you -- the last statement in the second
12 bullet that states:

13 "Feedback was received from 11 customers who
14 requested clarification on the proposed standby
15 methodology." [as read]

16 Can you confirm if one of the 11 was Markham
17 District Energy?

18 D. COBAN: Mr. Walker, I don't think it would be
19 appropriate for us to comment on specific customers
20 here.

21 S. WALKER: I think that is fair. Thank you.

22 Is the intention of the Panel to review the
23 letters submitted to the registrar and individually
24 address those customers' concerns and issues as
25 stated?

26 N. YEATES: With respect to the letters of
27 comment on the record, before the conclusion of this
28 proceeding, we will provide a response to the themes

1 that we have seen in the letter of comments.

2 S. WALKER: Okay. Thank you.

3 Could I ask for 8-SEC-105A answer to be brought
4 up, please. And similar to Mr. Ladanyi's concern, I
5 am trying to get a sense of the difference between
6 gross load billing, load displacement generators,
7 distributed energy resources, so that is kind of the
8 area of my questioning here.

9 So if we can go to page 2 of 8 and just down a
10 little bit into the table. So our standby or gross
11 load billing rates only charged to load displacement
12 generators, then; is that correct?

13 V. QUENVILLE: As stated, we bill all
14 displacement generator or reserve capacity customers.

15 S. WALKER: Okay.

16 So of the 66 that are identified here for 2025,
17 how many would be characterized as DER versus load
18 displacement generators?

19 V. QUENVILLE: Maybe I will try to explain in
20 terms of distributed energy resources. That is quite
21 a broad category, which includes load displacement
22 generation, energy storage. It would include smart
23 thermostat, anything that behind the meter. And for
24 the purpose of rate design, Exhibit 8, we only deal
25 with actual load displacement generation and reserve
26 capacity.

27 And what was your question?

28 S. WALKER: Sorry. Maybe I can ask a different

1 clarifying question, then.

2 So how do you differentiate and classify a DER
3 versus a load displacement generator?

4 V. QUENVILLE: Well, for us, what is relevant,
5 just a load displacement generator that we know that
6 behind the meter, it is a generator that it is used
7 to offset the customer system load. So, to us, it is
8 only relevant standby generator that equals
9 distributed energy resources.

10 S. WALKER: But aren't all DERs kind of load
11 connected behind a customer?

12 V. QUENVILLE: But what is known to us is that
13 generator-rated capacity. Smart thermostat, to us,
14 in terms of rate design is kind of irrelevant.

15 S. WALKER: Sorry. I am just trying to get a
16 sense of why you would treat a load displacement
17 generator any differently than you would any other
18 distributed energy resource.

19 V. QUENVILLE: Energy storage is also part of
20 this, and it is a part of -- will be subject to
21 standby charges.

22 S. WALKER: Okay. So energy storage is one of
23 the distributed energy resources that you would apply
24 standby charges for? Okay. I am not sure that
25 helps, but I can move on. Thank you.

26 Could we move to page 4 and 5. I think Mr.
27 Harper asked some clarifying questions, so I get to
28 skip a bunch of the things that I -- so the -- as I

1 think I understand -- or as I am trying to
2 understand, so the difference between the standby and
3 the gross load billing accounts here really have to
4 do with the fact that there is a meter on the output
5 of the generator; is that correct? Is that what
6 differentiates standby versus gross load billing?

7 V. QUENVILLE: Those tables were populated on
8 the review of our current customer connections. What
9 you see in table 3, those are customers that are
10 currently on gross load billing; in table 2,
11 customers who currently subject to standby charges.

12 S. WALKER: And I guess my question is what
13 differentiates them?

14 V. QUENVILLE: They both recover fixed cost. It
15 is really the method how you do so. If you have a
16 better enabling infrastructure, you do gross load
17 billing, as per our arrangements with the customer,
18 or you apply standby charges if there is no specific
19 meter but agreed contract amount.

20 S. WALKER: Okay. Thank you. That helps.

21 So the table -- and, again, as Mr. Ladanyi
22 reminded me, I am not trying to bring evidence into
23 here. I am not allowed to do that. But this table
24 specifically denotes the count for which rates would
25 be applied. So I guess my question is how many of
26 these customers were actually charged for either the
27 standby or the gross load billing in each of the
28 years identified in the chart?

1 V. QUENVILLE: I believe there is a specific IR
2 where we address actual customer charge standby
3 historically. That is table 4, billed standby
4 charges customer count, table 4 of the same IR.

5 S. WALKER: So approximately less than half?

6 V. QUENVILLE: It is about the same half as the
7 -- subject to standby charges because the other half
8 is gross load billing.

9 S. WALKER: Why were those customers not charged
10 in the past? Sorry. Maybe I misunderstood your
11 answer.

12 V. QUENVILLE: They were charged standby power
13 charges, this table 4.

14 S. WALKER: So all of the customers in this
15 table have in the past been charged the standby
16 charge? That's --

17 V. QUENVILLE: Correct.

18 S. WALKER: That is what you are stating? Okay.
19 Thank you.

20 So if we could go to 7 of 8, answer to C, first
21 paragraph. And so the last sentence in that first
22 paragraph states:

23 "The proposed rate design was based on a
24 general understanding that there is no
25 discernible difference in the distribution line
26 capacity for supplying firm and standby
27 power." [as read]

28 A little preamble to that, I am somewhat

1 challenged in my understanding of this statement,
2 specifically because the distribution plan as
3 provided in evidence suggests that in later years of
4 the rate application period, that non-wires solution
5 is becoming a very significant consideration and how
6 traditional assets such as lines and feeders,
7 capacities, are or are not going to be engaged.

8 So my question is, conceding that you did not
9 provide an answer here, how do you envision
10 discerning this cost difference in the pending non-
11 wires solution reality?

12 V. QUENVILLE: So for the purpose of this rate
13 proceeding, this rate design, yes, we go by the
14 principle there is no difference in terms of firm and
15 standby power because distribution system code --
16 cost is really fixed in the short term, even though
17 it is long-term investments.

18 So in the -- there is a reduction in demand from
19 one customer, it does not mean that cost is decreased
20 in the short run. And I think what you are asking is
21 really long-term benefits, so net-avoided cost of
22 those solutions, non-wires solutions, and how they
23 could be enabled in rates, those benefits.

24 But it is rather a complex exercise that
25 requires a very detailed assessment of all this
26 infrastructure enabling investment cost, requires
27 full customer transparency in terms of assessing the
28 requirements, load profiles, type of their

1 generation. We just noted the position at this time
2 to undertake this exercise.

3 S. WALKER: Fair enough. But it is something
4 that you will be considering moving forward?

5 V. QUENVILLE: In the future, if there is
6 increased penetration of those resources in agreed,
7 we will be looking into enabling this --

8 S. WALKER: I believe Mr. Ladanyi showed where
9 we were increasing earlier from 6,000-some-odd DERs
10 to over 9,000, so that will become a reality;
11 correct?

12 V. QUENVILLE: This -- in terms of quantities,
13 numbers, it could be, like, a large increase, but in
14 terms of actual impact on load, we still at 1
15 percent.

16 S. WALKER: Okay. I will come back to it.
17 Thank you.

18 Same -- same reference, just if we could move to
19 7 of 8, answer D, which describes contract demand.
20 Yes, that is the one. Thank you.

21 So what are the conditions that cause a
22 difference between the contract demand and the
23 customer's current load profile?

24 V. QUENVILLE: This statement is really if we
25 look at customer current load profile comparing to
26 the contract demand they are asking for, we really
27 should see the difference between peak demand at
28 times when generation is offline versus their average

1 12-month bill demand when generator is running.

2 So that is really what we trying to say here if
3 what they asking for in terms of contract demand
4 really makes sense in terms of the current load
5 profile when we comparing when generator is online
6 versus generator is offline.

7 S. WALKER: Okay.

8 And it will be a negotiated number; correct? Or
9 will you drive the bus on it?

10 V. QUENVILLE: We know if this generation
11 capacity is known, that is typically what they will
12 be asking for in terms of standby. That is the
13 preferred number. And if they would like to
14 negotiate something more or something less, they
15 might need to demonstrate why they think we should go
16 with something more or less.

17 S. WALKER: Okay.

18 Do you envision the contract demand being
19 variable on a monthly basis, or will it be set on an
20 annual criteria? Okay. Thank you.

21 V. QUENVILLE: We envision it on an annual.

22 S. WALKER: Okay. If a customer sets the
23 contract demand, will Alectra be holding that
24 capacity explicitly for the customer's use and
25 otherwise limit future connections and expansions
26 based on the capacity dedication under that capacity
27 demand agreement?

28 V. QUENVILLE: Well, technically, if there is a

1 reserved standby, as long as they pay standby rates,
2 that capacity is reserved. And not everybody going
3 to rely on distribution system during peak times.
4 But if apples to apples, they pay standby rate, that
5 capacity is reserved.

6 S. WALKER: Thank you.

7 So if it is set on an annual basis, will this
8 not create a potential bias for the customer to
9 potentially over contract based on their worst-case
10 scenario and inadvertently create inefficiencies in
11 the rate design due to seasonal and other variances
12 and reserved system capacity constraints?

13 V. QUENVILLE: We have billing history for
14 current customers who those standby rates will apply.

15 In the initial assessment of this contract
16 demand, we will be able to have some reasonable
17 assessment in terms of if their setup contract demand
18 is reasonable.

19 S. WALKER: Okay. Fair enough. I am going to
20 move on.

21 8-SEC-106C answer, second page, footnote,
22 please. Sorry, 106.

23 So I am just confirming that you are
24 anticipating an 800K increase in revenue from this
25 specific client type in the first year of the
26 rebasing in 2027?

27 V. QUENVILLE: Correct. And this is due to
28 difference in rates between 2026 currently approved

1 and 2027 proposed. The volumes are locked in, so
2 this impact is due to difference in rates.

3 S. WALKER: Thank you.

4 Are there any increases in service, rate
5 optionalities, or capital investments that these
6 existing customers can expect from this increase in
7 cost?

8 V. QUENVILLE: This is just our cost to service
9 those customers based on the load requirements.
10 There is no -- Alectra services have been harmonized
11 on an Alectra-wide basis. I can't exactly pinpoint
12 if some specific improvements will be applicable to
13 standby customers.

14 S. WALKER: Okay. Thank you.

15 Could I ask for 8-ED-38B answer to be brought
16 up, please. And page 3 of 3, the table.

17 Again, not asking for specifics, but can you
18 confirm if that large DER was a load displacement
19 generator?

20 V. QUENVILLE: That is all load displacement
21 generator, correct.

22 S. WALKER: Thank you.

23 Could I ask for 8-ED-39C, please, and page 3 of
24 3, table 2.

25 Are you able to confirm if all of the 11 CHP are
26 exclusively single-cycle technology with -- sorry, I
27 am going to use HRSG, which is basically a secondary
28 steam recovery generator. Is that how you classify

1 CHP as different from co-gen?

2 V. QUENVILLE: Combined heat and power. But
3 exact specification of each customer, we can take it
4 away to confirm.

5 S. WALKER: Thank you. Could I have that marked
6 as an undertaking?

7 R. DHILLON: Yes. I will mark that as
8 Undertaking JT-4.11.

9 **UNDERTAKING JT-4.11: CONFIRM WHETHER ALL OF THE**
10 **11 CHP LISTED ON 8-ED-39C, TABLE 2 ARE**
11 **EXCLUSIVELY SINGLE-CYCLE TECHNOLOGY WITH A**
12 **SECONDARY STEAM RECOVERY GENERATOR**

13 S. WALKER: I was fascinated by the "other"
14 category. Can you describe what other technologies
15 would constitute those generator types?

16 V. QUENVILLE: You mean this same table --

17 S. WALKER: I am sorry. Same table 2, yes,
18 correct?

19 V. QUENVILLE: Line "others"?

20 S. WALKER: Yes.

21 V. QUENVILLE: That really means that we don't
22 know. We know there is a generator behind the meter,
23 but we don't know the type.

24 S. WALKER: Wow, okay. Thank you.

25 Could you undertake to discover what those are
26 or pontificate on what those might possibly be? It
27 is, you know, a little more than 10 percent of the
28 total.

1 V. QUENVILLE: That will all depend on the
2 customer transparency because it is behind the meter
3 and so -- but we --

4 D. COBAN: I am hesitant to give that
5 undertaking because I think if we had the
6 information, we probably would have included it. And
7 it is a fair bit of work.

8 But to be helpful, I guess we can take it away
9 to consider. And if we can provide any additional
10 insight, I guess we will. And if not, we can explain
11 why.

12 R. DHILLON: I will mark that as Undertaking JT-
13 4.12.

14 S. WALKER: Thank you.

15 **UNDERTAKING JT-4.12: ADVISE WHAT TECHNOLOGIES**
16 **WOULD CONSTITUTE THE GENERATOR TYPES LISTED AS**
17 **"OTHER" IN 8-ED-39C, TABLE 2, AND EXPAND THE**
18 **TABLE TO DIFFERENTIATE CUSTOMERS BETWEEN STANDBY**
19 **RATES AND THOSE WHO ARE ON A GROSS LOAD BILLING**
20 **BASIS**

21 S. WALKER: And sort of a final request related
22 to this specific table. Would you as either part of
23 the -- one of the other two undertakings expand that
24 table to differentiate customers between standby
25 rates and those who are on a gross load billing
26 basis?

27 V. QUENVILLE: I believe from yesterday
28 meetings, we got this undertaking already.

1 S. WALKER: Oh, okay. My bad.

2 V. QUENVILLE: But if not, we will try to
3 address it.

4 S. WALKER: Thank you.

5 R. DHILLON: Shall I mark that as an
6 undertaking?

7 D. COBAN: We can do it just as part of 4.12,
8 which relates to this table that we have here on the
9 screen.

10 R. DHILLON: Thank you.

11 S. WALKER: Awesome. Thank you.

12 Could I ask for 8-ED-40C, the answer to be
13 brought up, please. It is page 2 of 2. Yeah.
14 Awesome, thank you.

15 So the answer you provided here, just circling
16 back on my earlier question, it is almost identical
17 to the one you provided in 8-SEC-105A. I just wanted
18 to explore this a little bit more with you.

19 My question is when a load displacement
20 generator or other distributed energy resource
21 operates, does the lower displaced load and resultant
22 distribution line capacity not leave room for other
23 consumers to use the system and thereby allow Alectra
24 to earn revenue from that capacity?

25 V. QUENVILLE: I think it is all about we -- we
26 design and build capacity on a customer basis. If
27 this what they need in terms of addressing the load
28 requirements, that is what -- what is how we will

1 build our system. And based on those requirements,
2 we design the rates. So maybe you could clarify what
3 you are asking.

4 S. WALKER: I guess just to expand on your
5 answer a little bit, you are suggesting that you are
6 assuming that the distributed energy resource isn't
7 there and it is not functioning. So you built the
8 system to the level so it will sustain that load if
9 and/or when it comes on.

10 That capacity, that reserve, is still in reserve
11 and available to other customers if the distributed
12 energy resource is actually functioning.

13 Are you not potentially double collecting on
14 revenue if you are allocating space and capacity
15 already to a distributed energy resource?

16 R. DHILLON: Mr. Walker, just a reminder that
17 you have a few minutes remaining.

18 S. WALKER: Oh. Thank you.

19 V. QUENVILLE: I don't believe this is a correct
20 statement that we double recovering revenue. We have
21 to maintain capacity on a customer basis. We don't
22 know utilization of this capacity for each customer.
23 As far as we know, they could come on all at the same
24 time, and it could be at the time of coincident peak.
25 So that capacity is in the system available at -- on
26 a customer basis.

27 S. WALKER: Okay. Thank you. I respect your
28 answer. I might argue differently but...

1 The same interrogatory, ED -- the answer to 40D
2 here, please. So I just want to make sure I
3 understand table 1 correctly. I want to confirm that
4 my understanding of this answer is correct.

5 Does the chart in table 1 tell me a self-
6 generating customer providing 25 percent of his own
7 load for six months of the year actually pays more to
8 Alectra than a regular customer would? Is that a
9 correct interpretation of what that chart tells me?

10 V. QUENVILLE: Yes, correct. Because this --
11 due to reserve capacity that we have to maintain even
12 though it is not used.

13 S. WALKER: Thank you. Sorry, I am running out
14 of time, so I will skip my next couple of questions
15 on that.

16 Could I ask for interrogatory 8-ED-37D, the
17 answer, page 2 of 2, please. Sorry, do I not have
18 that correct here? I am sorry, maybe it is C. It is
19 C. My apologies. Thank you.

20 So the last sentence there says:

21 "To Alectra's Utilities' knowledge, no
22 distributor has since sought approval of or
23 implemented a CRC, while the OEB has declined
24 to adopt this policy in 2019 on issuance or in
25 its 2023/2024 standby rates consultation." [as
26 read]

27 I am assuming that Alectra, as being party to
28 that consultation, knows that many of us in that room

1 were also a party to that. I would posit that the
2 response is potentially misleading, so I have a
3 clarifying question.

4 Is it perhaps not more fair in response to this
5 answer to suggest that the OEB it had in its 2019
6 Staff paper actually proposed adoption of the CRC?

7 The second part to this before I run out of
8 time.

9 And further, that EB-2023-0278, which is the
10 2023/2024 standby rate consultation case, focused on
11 a much narrower scope which was, more simply, to
12 focus on the costs borne by the distributors in
13 providing services in respect of the load
14 displacement generation.

15 V. QUENVILLE: Yes. We are aware of the OEB
16 consultation and the proposal in terms of capacity
17 reserve charge and coincident peak charges, but it
18 didn't really move forward.

19 S. WALKER: Yeah, correct. And I seem to recall
20 that the outcome of that case was that the OEB
21 declined to impose or recommend a default approach to
22 load displacement generation.

23 So I guess my question or request under -- by
24 way of an undertaking is would you undertake to amend
25 your response to this question, as I believe it may
26 potentially be misleading.

27 D. COBAN: I am a bit unclear on exactly what
28 you are asking us to do. Maybe you could just

1 restate your request.

2 S. WALKER: Specifically, the answer says that
3 the OEB declined to adopt the policy.

4 D. COBAN: And that is what the witness just
5 spoke to in terms of not moving forward with the
6 policy. So I am unclear on what we are -- we would
7 be updating.

8 S. WALKER: Sorry, I meant argument. That is
9 not what I meant to do.

10 D. COBAN: Yeah, I think at this time, we just
11 maintain this response based on what you see here on
12 the screen and the testimony here today.

13 S. WALKER: Okay. Accepted under protest.

14 Panel, that is all the questions that I have for
15 you. Thank you for your time.

16 T. LADANYI: May I be permitted to ask one
17 clarifying question?

18 R. DHILLON: Yes, go ahead.

19 T. LADANYI: Yes. I had hoped, actually, during
20 your interesting discussion with Mr. Walker there
21 would be some mention of ICI, industrial conservation
22 initiative. And you are familiar with that, ICI?
23 And this is -- allows certain large customers to
24 avoid paying the global adjustment if they actually
25 generate their own power.

26 And I believe that they all work on standby.
27 They had to sign some agreement that they would be
28 charged standby charges. And is that true, or are

1 they -- some on gross load billing?

2 N. FAN: Not all our ICM customers are charged
3 by standby or gross load billing.

4 T. LADANYI: Just a second. I didn't quite
5 understand. You said they are -- some are charged
6 gross load billing, and some are charged standby, or
7 not -- and there are some who are not charged
8 anything? Is that what you said?

9 N. FAN: In order to answer that question
10 precisely, I think we have to look into each billing
11 arrangement for our ICM customer.

12 T. LADANYI: ICI customers.

13 N. FAN: Sorry, ICM customers, class A
14 customers.

15 T. LADANYI: Am I allowed an undertaking?

16 R. DHILLON: I can grant an undertaking. Can
17 you just confirm what the undertaking is?

18 V. QUENVILLE: In terms of ICI program
19 participation, there is over 500 customers, standby
20 gross load billing customers. We are looking at the
21 range of 60. If you asking the breakdown of those
22 500 customers, what do you ask?

23 T. LADANYI: No. I thought the numbers were
24 smaller, so I am quite surprised it's 500 under ICI.
25 I thought the numbers were in tens, not hundreds.
26 And I don't want to burden you. It is quite clear
27 that you are not charging everybody on the ICI.
28 That's what you said. Either gross load billing or

1 standby. So there are some customers who are charged
2 nothing, but they are actually under ICI; is that
3 right?

4 V. QUENVILLE: Yeah, they could just curtail
5 their load or shut down their operation just to make
6 the cut --

7 T. LADANYI: And -- but they are not -- they
8 just curtailed their load, but they do not expect to
9 come on when they are -- they just curtail, and that
10 is it? Okay. Thank you.

11 B. HARPER: Excuse me. It is Bill Harper. Can
12 I ask one -- I just had one quick follow-up to Mr.
13 Walker's questions to sort of clarify with some of
14 the answers that I got, if that is possible. And
15 this should be very quick. If we can go to SEC-105,
16 table 2.

17 Now, in listening to your conversation with Mr.
18 Walker, I got the impression that you were telling us
19 that all of the -- all of the customers listed here
20 on standby don't have meters on their generation.
21 And maybe I'd have to go back to the transcript, but
22 that was the impression I got from the conversation
23 you were having, and I was trying to reconcile that
24 with the response when you were talking to me from
25 VECC-63B that indicated there were only eight standby
26 customers that did not have meters on their
27 generation. So I just wanted to clarify the record
28 in terms of which of those were correct.

1 V. QUENVILLE: In table 2, not necessarily all
2 customers who do not have second meter. They just
3 billed standby rates --

4 B. HARPER: Right --

5 V. QUENVILLE: -- the second meter.

6 B. HARPER: Yeah, they've just decided that they
7 are going to have some standby arrangement other than
8 gross load billing for purposes of getting new
9 standby?

10 V. QUENVILLE: Correct.

11 B. HARPER: Right. Okay. Fine. No. Thank you
12 very much.

13 R. DHILLON: Thank you, Mr. Harper, Mr. Ladanyi,
14 and Mr. Walker.

15 I will now turn it over to PWU, Mr. Rosenbluth,
16 who is joining us virtually.

17 **CROSS-EXAMINATION BY D. ROSENBLUTH (PWU)**

18 D. ROSENBLUTH: Good afternoon. I would like to
19 refer to 1-Staff-8, page 8, please.

20 Okay. These are charts comparing industry
21 average versus Alectra on number and rate of serious
22 electrical incidents. Just looking at it on a
23 cursory fashion, it seems clear that the Alectra
24 figures are substantially in excess of the industry
25 average.

26 For example, if we actually go to the bottom of
27 the page prior, to page 7, the numbers themselves are
28 published. You can see that the five-year average is

1 26 for Alectra versus 2 for the industry and that the
2 rates are about 0.504 to 0.193.

3 So my question is, first of all, and very
4 simply, why is Alectra's rate of serious electrical
5 incidents so high compared to industry average?

6 M. LISTER: So thank you for the question.
7 Obviously, we can't speak to the experience of other
8 utilities. We can speak to Alectra's experience.
9 And Alectra does -- you are not wrong to suggest that
10 Alectra does have a number of serious electrical
11 incidents annually. A large body of the evidence put
12 forward here is intended to exactly address this.

13 But to your question, why are we different from
14 the industry, I am not sure that we could offer an
15 answer. We don't have the intelligence to speak
16 about each different utility. This is a process
17 governed by the ESA, who determines which events are
18 classified as serious or not. I will say just, you
19 know, as a final comment that some of the other
20 larger distributors are in the universe where Alectra
21 is. Alectra is a large, complex -- has a large,
22 complex service territory.

23 D. ROSENBLUTH: Fair enough.

24 But do you know of any other similarly-situated
25 utilities in Ontario with comparable rates of serious
26 electrical incidents?

27 M. LISTER: That information is published
28 annually by the OEB through the scorecard process, so

1 it -- you can observe it for yourself, and I think if
2 you looked at some of the other larger utilities,
3 then that could provide you with the comparison you
4 are looking for.

5 D. ROSENBLUTH: So what is Alectra doing to
6 bring down its rates in this regard?

7 M. LISTER: I don't have specific references in
8 front of me, but a large body of the DSP -- or a
9 large portion of the DSP is -- specifically pertains
10 to reducing serious electrical incidents. We could
11 provide you an index of sorts, if it is helpful, but
12 that is the essentially large part of the discussion
13 in the DSP.

14 D. ROSENBLUTH: And when you say you could
15 provide an index, can you just clarify? Like, that
16 is, what, a summary of references?

17 M. LISTER: It would be a summary of some
18 references of where to find material speaking --

19 D. ROSENBLUTH: I would take that undertaking if
20 it is on offer.

21 M. LISTER: We can take that undertaking, yes.

22 R. DHILLON: I will mark that as Undertaking JT-
23 4.13.

24 **UNDERTAKING JT-4.13: PROVIDE AN INDEX**
25 **PERTAINING TO THE REDUCTION OF SERIOUS**
26 **ELECTRICAL INCIDENTS**

27 D. ROSENBLUTH: Thank you. Those are all my
28 questions.

1 R. DHILLON: Thank you, Mr. Rosenbluth.

2 We now have Mr. Li for BOMA. We will go
3 straight through, and hoping to conclude at 1:00
4 today.

5 Over to you, Mr. Li.

6 **CROSS-EXAMINATION BY C. LI (BOMA)**

7 C. LI: Thank you. Can you hear me okay?

8 R. DHILLON: Yes.

9 C. LI: Okay. Thank you. My name is Clement
10 Li. I am representing BOMA Toronto. First of all, I
11 don't need 40 minutes, so that is good news. I only
12 have one question, actually, at this point. When I
13 did my time estimate last week, I planned to ask
14 quite a few questions on cost of location, rate
15 design, but those questions and -- or very similar
16 questions have been covered by Mr. Harper today and
17 OEB Staff yesterday. So at this point, I only have
18 one question on load forecast on my list. So I
19 probably need only 5 or 10 minutes tops. So I am
20 sure the Panel is very disappointed.

21 So, anyway, please turn to Alectra's response to
22 our IR question, 3-BOMA-3. Your response to part 1
23 actually refers to OEB-Staff-161, so you might want
24 to just go to Staff-161 instead. Okay. Thank you.

25 After reading your responses to both part 1 and
26 part 2, I don't think you answered my question, or
27 maybe you interpret my question differently. My
28 question is not about whether you have properly

1 captured the historical impact of certain activities
2 or how you do it in your forecast model. Based on
3 your response, I believe that is how you interpret my
4 question. My question -- let me explain.

5 In both part 1 and part 2, it is about the
6 future, specifically the newly-established 10-year
7 CDM framework, and that is listed in my reference in
8 the IR question. As you explained in your evidence
9 and your IR response too, your historical load data,
10 obviously, includes the impact of CDM activities, but
11 these CDM activities are from the old CDM framework;
12 right? Is it correct? It has to be; right?

13 V. QUENVILLE: We can say so.

14 C. LI: Yes. Okay. But going forward, the new
15 CDM activities will follow the rules of the new 10-
16 year CDM framework starting 2025.

17 So in my mind, the future CDM impact on your
18 load forecast should be a result of a combination of
19 persistent CDM savings from historical CDM activities
20 from the old framework and new CDM savings from the
21 new CDM activities from a brand new framework.

22 So my key concern is I don't see how these new
23 CDM activities from the brand new 10-year framework
24 is being captured in your load forecast. Because you
25 are assuming the historical trend continues. Right?
26 So can you comment on my observation? Because that
27 is really my question in the IR.

28 V. QUENVILLE: Yes. You can state it persistent

1 is captured through historical time series that is at
2 the general level of the forecast.

3 But I think important component of forecast, to
4 answer your question, is the method the load is
5 forecasted is statistically adjusted and to use
6 modelling. And in terms of what it really means,
7 there is -- we start with regression where we
8 estimate sales based on a certain number of
9 independent variables.

10 The next step, it is end-use forecast where,
11 really, the sales is just a forecast based by the end
12 use type, like your refrigeration load, your heating
13 load, your cooling load, and so on. But
14 statistically adjusted end-use. It is a blend of the
15 two

16 You construct the variables based on the end
17 use, and then you use those constructed variables in
18 your regression model.

19 And what -- those future CDM activities are
20 really captured in this end use efficiency
21 improvements and is part of the -- each defined model
22 variable in terms of H heat, H cool, H other.

23 So those efficiencies of this end use are
24 embedded in this constructed variable that is used in
25 the regression model. So that is how the CDM effect
26 of future activities would be captured at that
27 assumed level of efficiencies in the constructed
28 variable.

1 C. LI: So can I -- can you clarify that. So
2 are you -- I just want to make sure I understand it
3 correctly. So you are saying your end-use efficiency
4 going forward in the forecast period has captured or
5 you think, to your best knowledge, I assume, reflects
6 the future CDM framework? Is that what you are
7 saying?

8 V. QUENVILLE: Well, future CDM savings, they
9 come from some achieved efficiencies at end-use
10 level. That could be appliance efficiencies, could
11 be energy use efficiency.

12 And this is -- the forecast of those shift in
13 efficiencies, that is what is used to build the
14 variables, the model variables. So those future
15 efficiency, expected efficiencies, would be captured
16 in the variables used in the regression.

17 C. LI: Is that shown in your evidence, how do
18 you convert or reflect the future CDM framework into
19 -- and how do you translate that into future end use
20 efficiency?

21 V. QUENVILLE: I think that line 5 and 6 on the
22 screen really capture that. "Efficiency is captured
23 in the building intensities that are expressed."
24 "Forecasts are based on the Energy Information
25 Administration."

26 That is really the underlying set that is used
27 by Itron, to my understanding, to construct this
28 variables that embed those future efficiencies as

1 forecasted.

2 C. LI: But with the CDM -- the new CDM
3 framework comes in?

4 V. QUENVILLE: It is not specifically the new
5 CDM framework. But new CDM framework is assumed to
6 be captured in this forecast of Energy Information
7 Administration. And they used a segment of U.S.
8 state that more or less comparable to Ontario. So
9 that is how they established that future achieved
10 efficiencies to build into forecast.

11 C. LI: Okay. So you are assuming that the
12 future or the current new CDM framework will have a
13 very similar impact compared to the data that you
14 have from the U.S. when it comes to efficiency gain.
15 Is that what you are saying?

16 V. QUENVILLE: That is my understanding how the
17 efficiency variables are built.

18 C. LI: I see. Okay. Thank you. That is
19 helpful.

20 Do you have any plan to mitigate the risk if
21 your estimated CDM impact is too high or too low in
22 the future?

23 V. QUENVILLE: We will take an -- we will take
24 it back and provide a response.

25 C. LI: Okay. All right. That is fine. That
26 is great.

27 R. DHILLON: Mr. Li, just for clarification, is
28 this the mitigating factors with respect to the CDM?

1 C. LI: Yeah. My question was does Alectra have
2 any plan to mitigate the risk if their estimated CDM
3 impacts in the load forecast is too high or too low?

4 R. DHILLON: Thank you. I will mark that as
5 Undertaking JT-4.14.

6 **UNDERTAKING JT-4.14: ADVISE IF ALECTRA HAS ANY**
7 **PLAN TO MITIGATE THE RISK IF THEIR ESTIMATED CDM**
8 **IMPACT IN THE LOAD FORECAST IS TOO HIGH OR TOO**
9 **LOW IN THE FUTURE**

10 C. LI: And that is all the questions I have.
11 Thank you.

12 R. DHILLON: Thank you.

13 C. LI: Thank you, Panel.

14 R. DHILLON: This concludes the technical
15 conference for Alectra Utilities Corporation. I just
16 wanted to say thank you to the panelists, thank you
17 to the participants, everyone who joined in person
18 and virtually. And thank you for the efficiency. I
19 am glad to share that we have concluded a day early,
20 so you get the rest of the day back. Thank you.

21 --- Whereupon the proceeding concluded at 12:31
22 p.m.