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October 12, 2017

VIA E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli:

**Re: EB-2017-0069 –Oshawa PUC Networks Inc. 2015-2019 CIR Mid-Term Update
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)**

Please find enclosed the Notice of Intervention of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

Mark Garner

Consultant for VECC

Mr. Phil Martin, VP Finance & Regulatory Compliance
pmartin@opuc.on.ca

REQUESTOR NAME VECC
TO: Oshawa PUC Networks Inc.
DATE: October 13, 2017
CASE NO: EB-2017-0069
APPLICATION NAME 2018 & 2019 EDR Application

1.0 EXHIBIT A – INTRODUCTION AND OVERVIEW (pages 1-8)

1.0-VECC-1

Reference: Exhibit A, page 6
RRWF, Tab 10 – Tracking Sheet

- a) Please provide a schedule that explains how the updated customer count forecast reduces Other Revenues by \$6,000 in 2018 and \$18,000 in 2019.

2.0 EXHIBIT A – UPDATED 2015-2017 (pages 9-10)

2.0-VECC-2

Reference:

- a) Please provide a table for the period 2015 through 2019 which shows the total FTEs, the total compensation and the amount allocated to OM&A and separately the amount of compensation allocated to capital (i.e. capitalized).

3.0 EXHIBIT A – UPDATED CUSTOMER GROWTH FORECAST (pages 11-15))

3.0-VECC-3

Reference: Exhibit A, pages 11-12 /1-Staff-4

- a) Please provide a schedule setting out the number of customers by class for each month in 2017 where actual data is available.
- b) If not provided in response to 1-Staff-4, please indicate how the YTD Actual customer growth rate of 1.5% was calculated.
- c) Reference is made in paragraph 27 to “the most recent report”. Is this the June 2015 Report referenced in footnote #13? If not, please provide a copy of the report.

3.0-VECC-4

Reference: Exhibit A, pages 13-15 / 1-Staff-4

- a) Was the purchase power forecast model used for this application the same one as used in EB-2014-0101?
 - i. If yes, were the forecasts for any of the input (explanatory) variables updated, in particular the unemployment rate?
 - ii. If not, please explain why a different model was used and provide the sources for the historic and forecast values of all input variables not used in the EB-2014-0101 model.
- b) The Application states that the load forecast model takes into account the latest CDM activity. Please provide copies of the IESO's reports regarding:
 - i) OPUCNs verified 2011-2014 CDM results with persistence and ii) OPUCN's verified 2016 CDM results. (Note: In both cases please provide the Excel versions).
- c) If not provided in the load forecast model, please indicate how the CDM adjustment for each customer class was determined for 2018 and 2019.
- d) Based on the updated load forecast and CDM assumptions, what are the updated LRAMVA baselines for 2018 and 2019 and how were they determined?

4.0 EXHIBIT A – UPDATED CAPITAL EXPENDITURES (pages 16-18)

4.0-VECC-5

Reference: Exhibit A, page 17 /EB-2014-0101, Exhibit 2, Tab A, pages 17,27

At paragraph 39 of the evidence OPUCN states:

OPUCN's forecast for the MS9 substation remains unchanged from the time of its CIR Application at \$7.0 million with an expected in-service date of 2018 as initially planned."

At Exhibit 2 of EB-2014-0101 OPUCN stated:

*As a result of the accelerated development activity and customer connections over 2015- 2019, OPUCN has identified the need to construct a new municipal substation (MS9) with appropriate associated distribution feeders to service these new homes and retail or commercial premises. The approximate total cost for this 4 year project is **\$9 million**. [emphasis added page 17]*

And

Design phase of the proposed municipal substation (MS9). Turn-key project, including required distribution primary feeders, scheduled completion over 5 years (2015-2019). [emphasis added page 27]

- a) Please explain the apparent discrepancy in total costs for this project.
- b) If the project is to go into service in 2018 what, if any associated capital additions are expected in 2019 for this project?
- c) Please provide the capital expenditures (actuals and forecast) for MS9 in each of 2015 through 2019.

4.0-VECC -6

Reference: Exhibit A, page 16- /EB-2014-0101 Exhibit 2, Tab A, page 79

- a) Please provide an update of Table 2-3, showing 2015 and 2016 actuals and the reforecasted capital expenditures by category for 2017 through 2019.

4.0-VECC-7

Reference: Exhibit A, / EB-2014-0101, Exhibit 2, Tab A, page 84

- a) Please provide the actual 2017 capital expenditures in the format of Appendix 2-AA. Please provide one column showing actual spending to-date for each project and the second column showing expected expenditures to year-end.

4.0-VECC-8

Reference Exhibit A, page 16 / EB-2014-0101, Interrogatory 2.0-Staff-6

- a) At the above EB-2014-0101 reference OPUCN made the following statements:

The local planning report is expected to be released in Q2, 2015, but as per current local planning discussions, the need to build Enfield TS has been identified with an in-service date of 2018. Based on the latest correspondence from HONI, OPUCN is expected to make a \$13,500,000 capital contribution for Enfield TS.

*Since we have now concluded on the selection of Enfield TS as the capacity solution for new customer load growth, the feeder supply arrangement to MS9 can now be finalised to come from two feeders out of Enfield TS rather than reconfiguration of existing feeders from Thornton and Wilson TS's. **As a result, the Capital cost of these two feeders from Enfield to supply MS9 is estimated at \$5,500,000.** [emphasis added]*

Therefore the net Capital program increase for the revised load growth plan will be \$14,000,000.

- a) OPUCN now forecast the feeder array to cost \$6.5 million. Please explain the increase in forecasted costs.
- b) What is the current forecasted net cost of the capital program for the load growth plan?

4.0-VECC-9

Reference: Exhibit A, page 16 / Attachment 1 /Schedule B/pages 13-16
(extracts shown below)

The Engineering and Construction Cost of the Network Customer Allocated Work is \$32,806,520 plus HST in the amount of \$4,264,847.60. The Engineering and Construction Cost of the Network Customer Allocated Work that is set out below is based on the Customer's share of the estimated 96.4MW (at 0.9 power factor) incremental 230 kV supply capacity based on the load forecasts provided by the Customer and Hydro One Distribution and was calculated to be approximately as follows:

	Project Cost Allocation % Estimated (Approximate)
Customer	63% (96.4 MW)
Hydro One Distribution	37% (56.6 MW)

The actual Project cost allocation and capacity allocation will be confirmed upon completion of the Project.

Payment Milestone Date	Transformation Pool Work Capital Contribution	Line Pool Work Capital Contribution	Network Customer Allocated Work Capital Contribution	Work Chargeable To Customer	Total Payment Required
May 5, 2016*	\$0	\$0	\$0	\$165,339 plus HST in the amount of \$21,494	\$165,339 plus HST in the amount of \$21,494
August 9, 2016**	\$0	\$0	\$0	\$330,000 plus HST in the amount of \$42,900	\$330,000 plus HST in the amount of \$42,900
December 21, 2016***	\$0	\$0	\$0	\$500,000 plus HST in the amount of \$65,000	\$500,000 plus HST in the amount of \$65,000
February 2, 2017****	\$0	\$0	\$0	\$175,000 plus HST in the amount of \$22,750	\$175,000 plus HST in the amount of \$22,750
Execution Date	\$2,103,400 plus HST in the amount of \$273,442	\$0	\$0	\$511,071 plus HST in the amount of \$66,439	\$2,614,471 plus HST in the amount of \$339,881

- a) At paragraph 35 the total cost for the Enfield TS is listed as \$19.5 million of which \$4 million is “confirmed as OPUCN’s contribution”. Please reconcile these figures with the costs shown in Schedule B of the Connection and Cost Recovery Agreement where it states the Network Customer Allocated work is \$32,806,520 plus HST in the amount of \$4,264,847.40. The schedule also shows the customer portion (OPCUN) to be 63%.
- b) Please also reconcile the \$4 million stated contribution with the \$3,784,810 in Total Payments shown in the table at page 15 of Attachment 1 (table above).
- c) If different from the table referenced above please provide the expected contribution payments to Hydro One in the years 2016 through 2020.

5.0 EXHIBIT A – UPDATED COST OF POWER (pages 19-21)

5.0-VECC-10

Reference: Exhibit A, pages 16-18
1-Staff-5

- a) If not provided in response to 1-Staff-5, please provide the worksheets supporting the cost of power results set out in Table 14.

6.0 EXHIBIT A – INTERIM/FINAL RATE COMPARISON (pages 22-27)

6.0-VECC-11

Reference: Exhibit A, page 4 (Table 1) and pages 22-23
OEB RRWF, Version 7.02, Tabs 11 (Issued July 2017)

- a) Please explain how the updated revenue requirements for 2018 and 2019 were apportioned (allocated) to customer classes for purposes of determining the proposed rates for these years?
- b) If an updated cost allocation was performed please provide a copy of the models for 2018 and 2019.
- c) For each of 2018 and 2019 please provide the equivalent of Tab 11 per the OEB RRWF, Version 7.02 (Issued July 2017).
- d) Were the principles used to establish the adjustments required to the Revenue/Cost ratios the same as those applied in EB-2014-0101?
- e) If the response to part (d) is no, please explain why not and what the “new principles” used are.

6.0-VECC-12

Reference: Exhibit A, page 4 (Table 1) and pages 22-23
OEB RRWF, Version 7.02, Tabs 12 & 13 (Issued July 2017)

- a) Please explain how the proposed 2018 and 2019 fixed/variable splits for each rate class were determined.
- b) If the approach used is different from that used in EB-2014-0101, please explain why.
- c) Please indicate in what year OPUCN first started to implement the Board's new Residential Rate Design Policy and the EB number for the relevant application.

- d) For each of 2018 and 2019 please provide the equivalent of Tabs 12 and 13 per the OEB RRWF, Version 7.02 (Issued July 2017).
- e) If not explained in the responses to the preceding questions, why in Table 1 is there no change in the Residential variable rate as between the interim and final rate values?

7.0 EXHIBIT B – 2015-2016 PERFORMANCE REPORT

7.0-VECC-13

Reference: Exhibit B, page 3

- a) Please provide a full description of the exceptional outage described at page 2-3 of Exhibit B (cause, duration, remedy).

7.0-VECC-14

Reference: Exhibit B

- a) Please provide OPUCN's SAIDI and SAIFI with/without supply for each year 2015 through 2017 period.
- b) Please provide the outages by cause code for 2015, 2016 and 2017.

End of document