



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

July 10, 2024

VIA E-MAIL

Ms. Nancy Marconi
Registrar (registrar@oeb.ca)
Ontario Energy Board
Toronto, ON

Dear Ms. Marconi:

**Re: EB-2024-0022 Essex Powerlines Corporation (EPLC)
January 1, 2025 Cost of Service Rates
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)**

Please find attached the revised interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

A handwritten signature in black ink, appearing to read 'M. Garner', is written in a cursive style.

Mark Garner
Consultants for VECC/PIAC

Email copy:

Grace Flood, Director of Finance and Regulatory Affairs
gfflood@essespowerlines.ca

John A. D. Vellone, Counsel to Festival Hydro
jvellone@blg.com

For interrogatory clarifications please contact Mark Garner at 647-408-4501 or markgarner@rogers.com

REQUESTOR NAME	VECC
TO:	Essex Powerlines Corporation (EPLC)
DATE:	July 10, 2024
CASE NO:	EB-2024-0022
APPLICATION NAME	2025 Cost of Service Rate Application

1.0 ADMINISTRATION (EXHIBIT 1)

1.0-VECC-1

Reference: Exhibit 1, page 18

“These plans include acquisition of assets from Hydro One Networks Inc. that will improve reliability, by permitting EPLC to better manage its access to power and reduce loss of supply occurrences that continue to be the main cause of outages and reduce reliability to EPLC’s customer base. Specifically, these assets are sections of the Malden M& (in Amherstburg) and sections of the Leamington M24 and M27”

- a) When are the above investments expected to occur and what is the expected cost?

1.0-VECC-2

Reference: Exhibit 1, page 59 / Attachment 1-C

- a) Please update the Essex OEB Scorecard to include 2023 results.

1.0-VECC-3

Reference: Exhibit 1, page 62

- a) Given that loss of supply makes up such a large portion of EPLC outages (50%+) what specific efforts has the Utility made to work with Hydro One to minimize supply outages?
- b) Does ELPC meet regularly to address supply issues? If so are action notes/plans made as a result of those meetings?

1.0-VECC-4

Reference: Exhibit 1, Attachment 1-A

- a) When was the 2024-2025 Business Plan finalized?

1.0-VECC-5

Reference: Exhibit 1, Attachment 1-H

- a) Was the entire cost of the Innovative Research Group (IRG) customer survey \$22,500?
- b) What specific questions were asked in the survey with respect to the PowerShare project?
- c) Were customers in the survey given any specific information with respect to the PowerShare or any other NRC or IESO co-funded projects? Specifically, were customers told that they may be contributing toward pilot projects and how much?

2.0 RATE BASE AND CAPITAL (EXHIBIT 2)

2.0-VECC -6

Reference: Exhibit 2, Attachment 2-A DSP

- a) Does EPLC create annual capital budgets for each of its four separate service areas? If yes, please provide the most recent budgets for each service area.

2.0-VECC -7

Reference: Exhibit 2, Exhibit 2, Attachment 2-A, DSP page 26

“EPLC has met or exceeded the minimum standards in every year from 2018-2022, except for appointment scheduling in 2018 and 2022. The

reason for these missed targets is due to decreased performance by contractors. Since 2010, EPLC has outsourced locate services, as this is the most cost-effective means of delivering this service. However, EPLC began to see a decrease in performance during the second quarter of 2018. EPLC contacted the contractor to address its concerns. As a result, an Action Plan was created, which included suggestions of hiring and training new resources to fulfill contractual requirements. EPLC closely monitored the compliance rate after the Action Plan was in affect and noted improvements during the last quarter of 2018. Appointment scheduling targets in 2022 were again due to challenges with third party contractors not meeting targets, specifically for locate requests. In addition, EPLC’s locate provider announced their plan to cease providing locating services in southwestern Ontario. As such, EPLC has made plans to change providers with the goal of performing locates as requested and required to meet the regulatory requirements.”

- a) Please provide an update as to how EPLC has reorganized so as to ensure it can meet Appointment scheduling and locate requests metrics.

2.0-VECC -8

Reference: Exhibit 2, Attachment 2-A DSP, page 35-36

- a) Please provide revised Tables 5.2-10 and 5.2-11 for each of the four different non-contiguous service areas (i.e. Towns of Tecumseh, LaSalle, and Amherstburg, and the Municipality of Leamington).

2.0-VECC -9

Reference: Exhibit 2, Attachment 2-A DSP, page 55

Table 5.3-7: Asset count, assessment criteria, and TUL for each asset class

Asset Class	Count	Assessment Criteria	TUL
Wood Poles	6,037	Resistograph test results, visual inspection results, service age	45
Concrete Poles	158	Visual inspection results, service age	60
Dip Poles (Primary Risers)	541	Visual inspection results, service age	45
Pad-Mounted Transformers	1,872	Visual inspection results, service age, IR results	40
Pole-Mounted Transformers	983	Visual inspection results, service age, IR results	40
Load-Break Switches	66	Visual inspection results, IR results	45
Switchgear	67	Visual inspection results, service age	30
Switching Cubicles	45	Visual inspection results, service age	30
Primary OH Conductors	180.4 km	Service age	60
Direct-buried Primary UG Cables	26.3 km	Service age	30
Primary UG Cables in Conduit	252.8 km	Service age	40

- a) What percentage of poles are annual given a resistograph test?
- b) What percentage of those assets subject to visual inspection are inspected on an annual basis? Are written reports completed as part of these visual inspections.

2.0-VECC -10

Reference: Exhibit 2, Attachment 2-A DSP, page 27-

- a) Please update tables 5.2-6/7/8/9/10/11 to included 2023 results
- b) Please update Figures 5.2-8 and 5.2-9 for 2023 results.

2.0-VECC -11

Reference: Exhibit 2, Appendix B ACA Report

- a) Section 4 of the BBA ACA Report makes a number of recommendations and observations related to, among other things, data gaps in EPLC’s asset management systems. Please provide the Utility’s response to those recommendations.
- b) BAA states in its report *“Obtaining and organizing more comprehensive inspection data records would establish a stronger baseline of the asset health indices rather than being dependent on age.”* (page 51). Does EPLC agree that its asset conditions are largely if not solely based on asset age?

2.0-VECC -12

Reference: Exhibit 2, Attachment 2-A DSP

Table 5.3-6: Feeder Capacity and Utilization

Feeder	Planning Capacity (Amps)	2023 Typical Peak Load (Amps)	2023 % Utilization
23M3	627	232	37
23M4	627	345	55
23M5	627	356	57
24M7	627	269	43
24M9	627	319	51
24M10	627	292	47
56M25	627	180	29
56M26	627	347	55
56M4	627	386	62
393M24	627	325	52
393M27	627	344	55

“Approximately 60% of Ontario’s greenhouses can be found in the Leamington area, and the high concentration accounts for a significant amount of forecasted load. EPLC currently has access to two feeders (M24

and M27) that service the Leamington community. During high producing months (approximately 6 months of the year), the load on the M27 feeder exceeds a comfortable level (greater than 50%). This limits EPLC’s ability to transfer this load to the other feeder in the event of a failure.”

- a) Please identify which feeders shown in Table 5.3.6 are impacted by the PowerShare pilot project.
- b) Seven of the 11 feeders listed in the above table are at greater than 50% capacity. What is the basis for the statement that feeder capacity should not exceed 50%.

2.0-VECC -13

Reference: Exhibit 2, Attachment 2-A DSP, page 91-

“After completion of the project, it is expected to put a downward pressure on O&M costs in the following areas:

- *The AMI 2.0 solution includes a 100% coverage model to be able to read all meters with the proposed installation.*
- *Less truck rolls for certain disconnects/reconnects as it can be remotely done.*
- *Less collectors for AMI data, meaning reduced monthly costs for backhauling meter data.*
- *No meter re-verifications needed for 10 years after meters are installed.,*
- *No more RMA’s and associated costs to replace single meters which are noncommunicating.”*

	Historical Costs (\$ '000)						Bridge Year	Test Year	Future Costs (\$ '000)			
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Capital (Gross)	208	269	332	223	190	253	787	395	403	411	419	428
Contributions	0	0	0	0	0	0	0	0	0	0	0	0
Capital (Net)	208	269	332	223	190	253	787	395	403	411	419	428

- a) Is EPLC intending to seek ICM funding in 2027 for the AMI 2.0 program?
- b) If AMI 2.0 will result in lower OM&A costs why would it not be preferable to rebase in 2028 to incorporate those savings into new rates?
- c) If the program is to start in 2027 please explain why Table 3, page 79 shows spending of \$787k in 2024 and continued capital spending in 2025 and 2026.

2.0-VECC -14

Reference: Exhibit 2, Attachment 2-A DSP, Appendix A Material Investments, pages 10, 17

Computer Software	(\$)				
	2025	2026	2027	2028	2029
General Software	74,857	76,354	77,881	79,439	81,028
CIS Upgrade	908,979				
UtiliDE Map Interface	58,816				
GIS Utility Network Design		331,510			
OMS & SCADA Enhancements		133,673		160,408	
Asset Management Deployment/Enhancements		133,673			133,673
AI Pilot Deployment		80,204			
GP Upgrade/Replacement			641,632		
Website Customer Experience				160,408	
Real Time DSP 2.0					106,939

“Overall, both platforms consist of a one-time implementation cost of approximately \$700,000 to \$1,100,000, which includes full integration with the Ontario provincial MDMr for meter synchronization and all aspects of billing quantity requests, responses, data editing, and other requisite data flows.”

- a) What is the basis of the \$908,979 CIS forecast for 2025? Has an agreement been signed for a new CIS system?
- b) Did EPLC obtain any outside assistance to help determine the most effective CIS option? If so please provide any report or recommendations made by the contractor.
- c) Why is it not preferable to replace the CIS system in conjunction with the introduction of AMI 2.0 so as to ensure compatibility of these two systems?

2.0-VECC -15

Reference: Exhibit 2, Attachment 2-A DSP, Appendix 2-AA

- a) Please provide the details for the \$735,000 in spending on “Building and Fixtures” in 2024 and indicate what amounts have been expended to-date

2.0-VECC -16

Reference: Exhibit 2, Attachment 2-A DSP, page 36- / Appendix A Material Investments

Self Healing Grid 2024 – 2028 (Appendix 2-AA)

1,574,605	1,299,659	722,096	741,289	755,678	775,502
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“In 2021, EPLC was a successful applicant in Natural Resources Canada’s Renewable (NRCAN) Energy and Electricity Technologies- Smart Renewables and Electrification Pathways Program (SREP), and as such, has received a grant totalling \$1,500,313 to further implement its Self-Healing Grid project. Contributions from SREP have helped accelerate the Self-Healing Grid project, with the ability to install increased reclosers and line monitors within EPLC’s distribution system.” (Material page 86)

- a) For each year of the program please show the amount of any NRCAN(or other government entity) contribution.
- b) Please provide the current amount spent on this program in 2024 and the current contributions.
- c) What amount of self healing grid investment is necessary (if any) for the execution of the PowerShare/DRO pilot project?
- d) EPLC states that “[T]he aim of these projects is to reduce interruptions related to distribution/transmission plant owned by HONI.” (page 92 of DSP). How is the efficacy of this program being measured?

2.0-VECC -17

Reference: Exhibit 2, Attachment 2-A DSP, Appendix 2-AA / Appendix A Material Investments page 27-

- a) Please provide the details for the \$770,000 in Transportation Equipment spending in 2024 and provide the amounts expended to date.
- b) For all 2024 vehicles being purchased please indicate whether the vehicle has been delivered and if not its current expected delivery date.
- c) Please update Table 1 in the Material Investments evidence’s description of Vehicles to show the current vehicle inventory, the expected inventory at year end 2024 and the expected inventory at year end 2025.

3.0 OPERATING REVENUE (EXHIBIT 3)

3.0-VECC -18

Reference: Exhibit 3, pages 8 & 9

Preamble: The Application states:

“The COVID/weather interaction variables related to the “work from home” variable was found to be statistically significant and is used for the Residential rate class.” (page 8)

And

“In addition to the HDD18 and CDD16 variables, the corresponding CWFH_HDD18 and CWFH_CDD16 variables were used and found to be statistically significant.” (page 9)

- a) Were both variations (see page 8, lines 20-27) of the COVID/weather interaction variable tested for the Residential model?
- b) If yes, why were the CWFH_HDD18 and CWFH_CDD16 variables used?

3.0-VECC -19

Reference: Exhibit 3, page 12

Preamble: The Application states:

“Total Ontario GDP from Ontario Economic Accounts has been included as an indicator of economic activity. Measures for Ontario employment and other measures of GDP were also tested but found to be statistically less significant than Ontario GDP.”

- a) Did the use of any of the other economic indicators (instead of Ontario GDP) yield a regression model with a higher adjusted R-squared value than that for the regression model used in the Application?
 - a. If yes, please provide the associated regression equation for the GS<50 class, the equation’s regression statistics and the resulting projected 2025 energy use.

3.0-VECC -20

Reference: Exhibit 3, page 12

Preamble: The Application states:

“The COVID variables were tested and found to have low statistical significance when the GDP variable was included. As such, these variables are not used in the GS<50kW model”.

- a) When tested, were the COVID variables statistically significant?
 - i. If yes, please provide the associated regression equation for the G<50 class, the equation’s regression statistics and the resulting projected 2025 energy use.

3.0-VECC -21

Reference: Exhibit 3, page 14

Preamble: The Application states:
“Total Ontario GDP from Economic Accounts has been included as an indicator of economic activity. Measures for Ontario employment and other measures of GDP were also tested but found to be statistically less significant than Ontario GDP.”

- a) Did the use of any of the other economic indicators (instead of Ontario GDP) yield a regression model with a higher adjusted R-squared value than that for the regression model used for the GS>50 class?
 - a) If yes, please provide the associated regression equation for the GS>50 class, the equation’s regression statistics and the resulting projected 2025 energy use

3.0-VECC -22

Reference: Exhibit 3, page 14

Preamble: The Application states:
“The COVID variables were tested and found to have low statistical significance when the GDP variable was included. As such, these variables were not used in the GS>50kW model.”

- a) When tested, were the COVID variables statistically significant?
 - i. If yes, please provide the associated regression equation for the GS>50 class, the equation’s regression statistics and the resulting projected 2025 energy use.

3.0-VECC -23

Reference: Exhibit 3, page 17

Preamble: The Application states:
“The COVID variables were tested and found to have low statistical significance when the GDP variable was included. As such, these variables are not used in the Embedded Distributor model.”

- a) When tested, were the COVID variables statistically significant?
 - a. If yes, please provide the associated regression equation for the Embedded Distributor class, the equation’s regression statistics and the resulting projected 2025 energy use.

3.0-VECC -24

Reference: Load Forecast Model, Historic CDM Tab (Column P) and CDM Framework Tab

- a) Please provide copies of the reports/documents used as the sources for the historic 2011-2019 CDM results (per Historic CDM Tab (Column P)).
- b) The CDM Framework Tab provides a table setting out EPLC's percentage of total provincial energy use. Please provide similar tables setting out: i) EPLC's residential class energy use as a percentage of total provincial residential energy use; ii) EPLC's GS<50 energy use as a percentage of total provincial GS<50 energy use and iii) EPLC's GS>50/LU energy use as a percentage of total provincial GS>50LU energy use.
- c) Please explain why it is reasonable to assume that 1.0% of 2021-2024 CDM Framework savings from Targeted Greenhouse initiatives will occur in EPLC's service area (per CDM Framework Tab).

3.0-VECC -25

Reference: Exhibit 3, pages 30-31
Load Forecast Model, kW Forecast Tab

- a) Please confirm that for the 5-year average kW/kWh ratio from 2019 to 2023 was also used for the Street Lighting class.
- b) Please explain why the 2023 kW/kWh ratio was used for the Embedded Distributor class.

3.0-VECC -26

Reference: Exhibit 3, Attachment 3-A, page 38

Preamble: The Attachment states:

"The allocation of incremental consumption is estimated based on judgement as Essex does not have these details by rate class. The allocations and allocated incremental consumption by EV type to each class is provided in Table 46."

- a) What information was used to inform EPLC's/Elenchus' judgement as to the allocation of EV energy use to customer classes?

3.0-VECC -27

Reference: Exhibit 3, Attachment 3-A, page 39

Preamble: The Attachment states:

"Residential and GS<50 kW heating loads are forecast for both existing connections and new customers. It is assumed that 0.5% of existing customers will convert from natural gas to electricity heating each year"

and that 15% of new customers will have electric heating. Annual forecast heating loads for the Residential and GS<50 kW class are provided in Table 49 and Table 50, respectively.”

- a) For each of EPLC’s Residential and GS<50 customer classes, what percentage of EPLC’s current (2023) customers use electric heating?
- b) For new Residential and GS<50 customers connecting in 2021-2023, what percentage (for each class) used electric heating?
- c) What was the basis for EPLC’s/Elenchus’ assumptions that: i) 0.5% of existing customers will convert from natural gas to electricity heating each year and ii) 15% of new customers will have electric heating?
 - i. Also, please clarify whether the assumption was the 15% of new customers will have electric heating or the adoption of electric heating in for new customers will be 15 percentage points higher than historically experienced.

3.0-VECC -28

Reference: Exhibit 3, Attachment 3-A, page 42

Preamble: The Attachment states:

“Table 55 calculates the forecast billed kW for this customer. The customer is forecast to have a peak demand of 1,800 kW in a typical January with 609 HDD and peak demands are prorated in each other month based on the month’s share of total HDD. Forecast billed kW in the test year is the sum of these demands.”

- a) Given that peak demand represents the highest demand in the month, why is the peak demand prorated based on each month’s share of total HDD?
 - i. Why isn’t it reasonable to assume that on the coldest day in each month that has an HDD value the peak heating load will be 1,800 kW?

3.0-VECC -29

Reference: Exhibit 3, Attachment 3-A, page 44

Preamble: The Attachment states:

“CDM activities have been forecast based on EPL’s share of consumption within the province and the IESO’s 2021-2024 Conservation and Demand Management Framework. The table below provides a summary of the 2021-2024 Framework and EPL’s allocation of savings. CDM savings in 2025 are not available so the savings are assumed to be the same as 2024 savings.”

- a) Please explain why it is reasonable to assume that the provincial target for CDM savings in 2025 will be equal to the 2024 target as opposed to being equal to the average annual savings for the 2021-2024 CDM Framework overall.

4.0 OM&A (EXHIBIT 4)

4.0 -VECC- 30

Reference: Exhibit 4, page 14

“To date, 451 EV charging stations have been, or are in the process of being, installed within the Windsor-2 Essex Region.”

- a) How many EV charges (specify level 1 and 2) are being installed in the EPLC franchise?

4.0 -VECC -31

Reference: Exhibit 4, pages 29-

- a) EPLC’s operations OM&A budget has increased from a projected \$1,505,256 in 2024 to \$1,890,101 forecast to be spent in 2025 - . an increase of over 25%. At the same the Utility proposes to increase its system renewal capital budget from an estimated \$2,087,889 in 2024 to \$3,213,536 – an increase of over 53%. Please explain why, if the Utility is replacing a higher proportion of existing assets, it also requires a higher than usual increase in maintenance spending on smaller base of older existing assets.

4.0 -VECC -32

Reference: Exhibit 4, pages 33-

- a) Does Essex do its own tree trimming?
- b) During the years 2018 through 2022 EPLC average vegetation control budget averaged \$443m. What would be the impact of maintaining that as the vegetation budget for 2025?

4.0 -VECC -33

Reference: Exhibit 4, page 18 /page 24 4.3.2.1

“Additionally, charges for material costs for locate work, when performed by EPLC staff, increased by over \$300k during this time period”

- a) Does EPLC do its own locates?
- b) In 2024 EPLC estimates locate costs as \$325,207. In 2025 this the forecast is an increase to \$564,506. Why is the increase so large between these two years?

4.0 -VECC -34

Reference: Exhibit 4, page 17, Tables 4-5, 4-6

Primary Cost Drivers 2018-2025 Total	
Salaries, Wages and Benefits	\$1,436,326
Materials	\$978,718
Customer Billing and Collecting	\$432,406
Computer Systems, Hardware and Software	\$177,393
Building	\$69,500
Administrative	\$86,297
Outside Services incl tree trimming	(\$347,369)
Total	\$2,833,271

- a) EPLC identifies “Materials” as one of the main cost drivers of the increase in OM&A in 2025. What program are these costs reported under in Appendix 2-JC (OM&A Programs Table)?

4.0 -VECC -35

Reference: Exhibit 4, page 43

Table 4-11: EPLC Collective Bargaining Agreement Summary

Effective Date	Wage Increase	Agreement Expiry
April 1st, 2019	1.75%	March 31st, 2024
April 1st, 2020	2.00%	
April 1st, 2021	2.00%	
April 1st, 2022	2.00%	
April 1st, 2023	2.00%	

“The most recent round of negotiations is currently underway and at such time as negotiations are 18 successfully concluded, EPLC will update all affected schedules to reflect those new increase amounts. It 19 is expected that this will be completed during the interrogatory or draft rate order phase of the 20 Application process.”

- a) Please provide an update on the current status of the IBEW labour negotiations.

4.0 -VECC -36

Reference: Exhibit 4, pages 52-

- a) Please provide a table showing: (i) all job position/classifications, (ii) number of FTEs (headcount) in that position and, (iii) position salary range for the years 2018, 2023 and 2025. Please specify if the position numbers are on a year end-or year average basis. For each job classification please also indicate if the position is subject to incentive pay.

4.0 -VECC -37

Reference: Exhibit 4, page 25

- a) The increase in the category are “General Customer Inquiries & Miscellaneous” is almost 20% as between 2024 and 2025. Why?
- b) Are the AI assistant on EPLC’s website and the automated call answering program annual costs? In what year did these costs begin to be incurred.

4.0 -VECC -38

Reference: Exhibit 4, page 27

- a) AMI 2.0 is expected to result in any net savings in meter operations. Please provide an outline the expected future savings areas and the forecast amount of those savings.

4.0 -VECC -39

Reference: Exhibit 4, page 38

- a) Please provide the detailed Building Expense Budget for 2025.
- b) Does EPLC have plans to review its building needs, location or anticipate any other activity during the rate period which might result in moving to a new or different building(s).

4.0 -VECC -40

Reference: Exhibit 4, page 39, 4.3.5.3 – Program Costs

- a) Please provide the detailed budget for legal audit and consulting showing the breakdown in estimated costs in those three categories.

4.0 -VECC -41

Reference: Exhibit 4, pages 20, 40

“EPLC’s previous Application (EB-2017-0039), was settled well into that rate year and during that settlement process, the one-time costs associated with the preparation of that application, and which were approved to be included in OM&A over the 5-year rebasing period, were actually expensed in 2018.”

“Certain one-time costs that were included in the previous 16 Application and planned to be recovered using the 1/5 methodology were expensed in 2018”.
(emphasis added)

- a) What was the amount of the one-time regulatory costs expensed in 2018.
- b) Was the total amount expensed and included in the \$519,964 reported in Appendix 2-JC?

4.0 -VECC -42

Reference: Exhibit 4, pages 39, 4.3.5.3 4.7

Appendix 2-M

Regulatory Cost Category	USoA Account
(A)	(B)
Regulatory Costs (Ongoing)	
OEB Annual Assessment	5655
OEB Section 30 Costs (OEB-initiated)	5655
Expert Witness costs for regulatory matters	
Legal costs for regulatory matters	
Consultants' costs for regulatory matters	5630
Operating expenses associated with staff resources allocated to regulatory matters	5615
Operating expenses associated with other resources allocated to regulatory matters ¹	5655
Other regulatory agency fees or assessments	5655
Any other costs for regulatory matters (please define)	5610
Intervenor costs	5655

- a) EPLC appears to have created Appendix 2-M with only one-time application costs. Above is shown a typical Appendix 2-M by category filing. Please fill out this table including the following columns:
- i. Last Rebasing (year)
 - ii. Sum of Historical Years (date-to-date)
 - iii. 2024 Bridge Year
 - iv. 2025 Test Year.
- There also does not appear to be any 2025 cost recorded in the Appendix (showing among other things the forecast 2025 OEB Assessment Costs)
- b) Please provide update Table 4-30 to show the costs incurred to date.
- c) Please clarify what the nature of the “incremental operating expenses associated with other resources allocated to this application” of \$166,718.

4.0 -VECC -43

Reference: Exhibit 4, page, 52, 2.4.3.3

- a) Please provide a list of all utility memberships (e.g. EDA, CHEC Group, USF etc.) and the associated annual membership fees for the years 2018 through 2025 (forecast).

4.0 -VECC -44

Reference: Exhibit 4, page 48

“EPLC calculated the FTE totals in Table 4-15 above by pro-rating new employees based on their starting 10 month in a given year, pro-rating departing employees based on their last month of work. EPLC included 11 co-op students and contract employees in this analysis. New positions budgeted for 2025 are planned to 12 commence January 1 of that year and costs above reflect a full year of costs for any new positions. EPLC 13 plans to begin the recruiting process at the start of the fourth quarter of 2024 to achieve that timing”

- a) Please provide current number of full time and (separately) part-time employees (i.e. employees not FTEs).
- b) Please provide the number of the full time and part-time employees forecast to be employed at the end of 2024 and (separately) at the end of 2025.detailed Building Expense Budget for 2025.

4.0 -VECC -45

Reference: Exhibit 4, pages 50-

- a) Please provide the current status of the hiring of the Director of Customer Experience, IT Cybersecurity Analyst, Distribution System Engineer and Purchasing Manager.
- b) Please provide the job description and salary ranges for these new positions.
- c) Are all of these all management positions eligible for incentive payments?

4.0 -VECC -46

Reference: Exhibit 4, page 38

- a) Please provide the detailed Building Expense Budget for 2025.
- b) Does EPLC have plans to review its building needs, location or anticipate any other activity during the rate period which might result in moving to a new or different building(s).

4.0 -VECC -47

Reference: Exhibit 4, page 58

- a) Why has the charge for water billing & collection to the municipalities of Tecumseh and Amherstberg not changed since 2023 (and only slightly from 2022) whereas the related billing and collection costs of EPLC have increased significantly during that same period?

5.0 COST OF CAPITAL (EXHIBIT 5)

5.0-VECC-48

Reference: Exhibit 5,

“The noted interest rate on this new debt instrument is forecast at 4.88%, based on a quote received March 25, 2024, from EPLC primary lender, TD Bank.”

- a) Please provide the most recent forecast for the cost of debt to be secured at the end of 2024.
- b) Why is EPLC waiting until December 1, 2024 to secure this loan?

5.0-VECC-49

Reference: Exhibit 5, Appendix 2OB, Attachment 5C

- a) Please amend the tables in Appendix 2-OB to show the rate to four decimal points

5.0-VECC-50

Reference: Exhibit 5,

- a) In 2025 ELPC's actual long-term debt will be underleveraged in comparison to its approved structure for the purpose of rate making (\$38,682,209 vs \$46,736,652). Please discuss ELPC's financing strategy and why it was a prudent fiscal strategy to not borrow during prior periods when interest costs were lower.

6.0 REVENUE REQUIREMENT (EXHIBIT 6)

6.0-VECC-51

Reference: Chapter 2 Appendices, Appendix 2-H

- a) Please explain why there is no forecast revenue for 2024 or 2025 for Accounts 4082 and 4084.
- b) Please provide the basis for the 2024 and 2025 forecasts for the following Accounts:
 - i. #4235
 - ii. #4355
 - iii. #4357
 - iv. #4362
 - v. #4375
 - vi. #4380
 - vii. #4390
- c) Please provide the basis for the Joint Use Pole Attachments revenue for 2023, 2024 and 2025 (i.e. # of poles, rate per pole, etc.).
- d) With respect to Account 4375 please explain the basis for the 2022 and 2023 revenues from the Zero Emission Infrastructure Program and why there are no revenues for 2024 or 2025.

7.0 COST ALLOCATION (EXHIBIT 7)

7.0-VECC-52

Reference: Exhibit 7, page 5

Preamble: The Application states:
“Through this analysis, EPLC was able to align the Billing and Collection expenses to each rate class and thus calculate the factors shown below in Table 7-2.”

- a) Please provide a copy of the analysis deriving the Billing and Collecting weighting factors.

7.0-VECC-53

Reference: Exhibit 7, page 6
Cost Allocation Model, Tab 7.2

- a) Please explain why for the Residential class the number of meter reads is equal to the number of customers times 12 whereas for the GS<50, GS>50 and Embedded Distributor class the number is set equal to the number of customers.
- b) Are there any customers that have more than one meter that is owned and/or read by EPLC?
 - i. If yes, how many additional meters does this add to each customer class for meters owned by EPLC and meters read by EPLC?

7.0-VECC-54

Reference: Exhibit 7, page 7

Preamble: The Application states:
“Load profiles were derived using weather normalized 2022 and 2023 hourly load data; adjustments were made to align the 2023 load profiles with the proposed 2025 Load Forecast (i.e. consumption forecast).”

- a) Why weren't similar analyses carried to normalize the 2022 load profile for the customer classes and align the results with the 2025 Load Forecast and then the overall 2025 results calculated using the average of the 2025 results for the two years (2022 and 2023)?

7.0-VECC-55

Reference: Cost Allocation Model, Tab6.2

- a) Please explain why for the GS>50, the CCB and CCP values are both 233 when the forecast customer count is 235.

7.0-VECC-56

Reference: Exhibit 7, page 9

Preamble: The Application states:

“In absence of any rate mitigation there would be total bill impacts in excess of 10% for the Sentinel lighting rate class. Sentinel Light distribution rates increase in 2025 - 2027 so the total bill impact is 10%, and in 2028 distribution rates increase so it reaches the 80% revenue-to-cost floor. The lower Sentinel Light rate increases in 2025 and 2026 are offset by small increases to Residential and General Service < 50 rates.”

- a) What would the revenue to cost ratios be for the GS>50, USL and Embedded Distributor classes if the following approach was used in setting the ratios for the 2025 to 2028 period:
- The R/C ratios for the Residential and Street Lighting classes are set at 94.15% for all years,
 - The R/C ratios for Sentinel Lights and GS<50 for each year are set as proposed in the Application, and
 - In each year, the GS>50, USL and Embedded Distributor class ratios are all set at the same value so as to yield the proposed overall Base Revenue Requirement.

8.0 RATE DESIGN (EXHIBIT 8)

8.0-VECC-57

Reference: Exhibit 8, pages 7 - 8
RTSR Workform, Tab 3 and Tab 5

- a) Please confirm that the RRR data used in the RTSR Workform Tab3 and the HONI billing data used in Tab 5 are based on the same year.
- b) Does EPLC have any customers with behind the meter generation (i.e., embedded generation) that is subject to gross load billing for purposes of HONI’s RTSRs charged to EPLC?
- i. If yes, does EPLC propose to apply its RTSR rates to these customers on a gross load basis, and, if so, have the billing demands in Tab 3 been adjusted accordingly?

8.0-VECC-58

Reference: Exhibit 8, page 8

- a) Please update the proposed 2025 Retail Service Charges to reflect the 3.6% inflation factor for 2025 as published by the OEB on June 20, 2024.

8.0-VECC-59

Reference: Exhibit 8, pages 9 - 10

- a) The forecast 2025 kWh and kW used in Table 8-13 don't match the proposed load forecast. Please reconcile.
- b) Please provide the LV costs based on: i) the actual HONI 2023 billing quantities and ii) HONI's approved 2024 RTSRs.

8.0-VECC-60

Reference: Exhibit 8, page 12

- a) Please update the 2025 Specific Charge For Access To The Power Poles in Table 8-15 to reflect the 3.6% inflation factor for 2025 as published by the OEB on June 20, 2024.
- b) Does this updated rate for the 2025 Specific Charge For Access To The Power Poles impact EPLC's forecasted Other Revenue for 2025? If yes, please provide an updated version of Appendix 2-H.

8.0-VECC -61

**Reference: Exhibit 8, page 13
Chapter 2 Appendices, Appendix 2-R**

- a) Please confirm that in Appendix 2-R the A(2) values include embedded generation directly connected to EPLC's system (per the Appendix's notes).

9.0 DEFERRAL AND VARIANCE ACCOUNTS (EXHIBIT 9)

9.0 -VECC -62

Reference: Exhibit 9, page

- a) Please update Table 9-1 (EPLC DVA Balances) for any changes made as a result of responding to interrogatories or updating of evidence.

9.0 –VECC -63

Reference: Exhibit 9, page 16

“As there is the potential for the Pole Attachment rates to continue to change as a result of further OEB direction, EPLC requests to continue using this account as appropriate depending on the outcomes of any OEB review initiatives.”

- a) What new initiatives does EPLC contemplate occurring with respect to pole attachments over the next 4 year?

9.0 –VECC -64

Reference: Exhibit 9, page 17

Table 9-19: Account 1535 Claim

Description	Principal	Interest	Total
December 31, 2023 Balance	\$29,456	\$5,005	\$34,461
Adjustments			\$0
Interest January to December 2024		\$1,617	\$1,617
Total Balance for Disposition	\$29,456	\$6,622	\$36,078

“In its 2018 COS Application, EPLC requested approval to dispose of this account balance based on the 8 principal balance at the time of filing plus forecasted carrying charges up to April 30, 2018.”

- a) Please provide the amounts disposed of from this account in 2018.
- b) Please provide the Board order which approved the continuation of this account (accounting order).

9.0 –VECC -65

Reference: Exhibit 9, page 18 / EB-2017-0039 Decision and Order August 23, 2018, Appendix G DVA Continuity Schedules

- a) The DVA Continuity Schedule filed as part of the 2018 Board Order shows a total IFRS transition claim of \$3,217,101. Please reconcile this figure with the \$3,364,917.67 show on page 18 under 1576 Charges.

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