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BY EMAIL and RESS

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Our File: EB20240026

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

Attn: Nancy Marconi, Registrar

Dear Ms. Marconi:

Re: EB-2024-0026 – Greater Sudbudy Hydro Inc. – SEC Interrogatories

We are counsel to the School Energy Coalition ("SEC"). Attached, please find SEC's interrogatories.

Yours very truly,
Shepherd Rubenstein P.C.

Mark Rubenstein

cc: Brian McKay, SEC (by email)
Applicant and intervenors (by email)

EB-2024-0026

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998,* S.O. 1998, c.15, Schedule B, as amended (the "OEB Act");

AND IN THE MATTER OF an Application by Greater Sudbury Hydro Inc. for an Order or Orders, pursuant to section 78 of the OEB Act, approving or fixing just and reasonable distribution rates effective May 1, 2025.

INTERROGATORIES

ON BEHALF OF THE

SCHOOL ENERGY COALITION

1-SEC-1
[Ex.1] Please provide a copy of all materials provided to the Applicant's Board of Directors for their approval of the Application and the underlying budgets.

1-SEC-2
[Ex.1, Attach 1, p.44] Please provide a copy of the Applicant's corporate scorecard for each year since 2020.

1-SEC-3
[Ex.1, Attach 1, Appendix 1, p.7, 22] Both the residential and business responses as part of the customer engagement evidence show a shift in rates vs. outages trade-off question, away from high rates with only a few outages. Please explain how the Applicant has reflected this in its application, planning and underlying budgets. Please also explain how, if at all, this resulted in a change in the Applicant's planning and budgeting.

1-SEC-4
[Ex.1, p.17] For the purposes of PEG Benchmarking forecasts between 2026 and 2029, please provide all the assumptions the Applicant is using for its total costs.

1-SEC-5
[Ex.1] Please provide details of all productivity and efficiency measures the Applicant plans to undertake in the test year. Please quantify the savings and explain how they were calculated.

1-SEC-6
[Ex.1] Please provide details of all productivity and efficiency measures the Applicant has undertaken since its last rebasing application in 2020. Please quantify the savings and explain how they were calculated.

1-SEC-7
[Ex.1] Please provide copies of all benchmarking studies, reports, and analyses that the Applicant has undertaken or participated in since its last rebasing application, that are not already included in the Application.

2-SEC-8
[Ex.2-6-1, p.2-3] With respect to the Cressey Substation ACM True-Up:

a. The Applicant states that "The project was substantially completed in 2021". Please provide details, including the specifics costs, for aspects completed in each year between 2021 and 2024.
b. Please revise Table 2 to include the following adjustments to 'Revised Revenue Requirement' line:
    i. Revenue requirement reflecting only in-service additions for aspects of the project used or useful in 2021, as opposed to work completed in subsequent years.
    ii. Application of the half-year rule to 2021 in-service additions.

2-SEC-9
[Ex.2-9] Please provide updated versions of the following tables, figures and appendices, to include 2024 actuals:

a. Tables 17, 18
b. Figures 18 and 19
c. Appendix 2-AA, 2-AB, 2-BA

2-SEC-10
[Ex. 2-9-1, DSP, p.91] In describing its project prioritization process, the Applicant states: "Projects that provide the greatest benefits and highest levels of risk mitigation will receive a higher prioritization ranking and preference for inclusion in the proposed capital expenditure plan. The output of this approach is demonstrated in the next table and is known as the 'Capital Project Scoring Matrix'." Are all projects included in the 2025 Capital Project Scoring Matrix (Table 27) included in the 2025 budget? If so, then isn't it just prioritization of projects that the company plans to be undertaken in a given year?

2-SEC-11
[Ex.2-9, DSP, p.142; Appendix A] With respect to the Asset Condition Assessment and Health Index information:

a. Please provide a revised version of the Health Index, in a format shown in Table 37 and Figure 42, that does not include the age limiter as part of the calculation.
b. Has the Applicant previously completed an Asset Condition Assessment using similar methodology? If so, please provide the results on a similar basis as Table 37 for all instances going back to 2018.

2-SEC-12
[Ex.2-9, DSP, p.142] Please provide a table that shows, for each asset type included in Table 37, the actual/forecast number of assets replaced and their costs, for each year between 2020 and 2029.

2-SEC-13
[Ex.2-9, DSP, p.174] Please provide a revised version of Appendix 2-AB that is on an in-service additions basis.

2-SEC-14
[Ex.2-5-1; Ex.2-9, p.263] With respect to the Moonlight MS 18 Station Rebuild ACM project:

a. Please provide a copy of any internal business case created for the purposes of this project.
b. Please provide a detailed breakdown of the forecast budget.
c. Please provide the basis of the budget and its AACE (or equivalent) estimate class.

3-SEC-15
[Ex.3, Load Forecast Model] Please update and rerun the Load Forecast with actual customer numbers and billing determinants to year-end 2024.

3-SEC-16
[Ex. 3-1-1, Attachment 1 - Load Forecast Report, Table 41]

a. Please explain the rationale behind the allocations for Electric Vehicle (EV) Load to the classes.
b. How has the Applicant distinguished between EV load related to charging of an individual vehicle versus fleet charging or employee parking lot charging?

4-SEC-17
[Ex.4] Please provide updated versions of the following appendices, to include 2024 actuals: Appendices 2-D, 2-H, 2-JA, 2-JB, 2-JC, 2-K, 2-M and 2-N.

4-SEC-18
[Ex. 4-2-1, Tables 4a, 6, 8 and 9]

a. Please explain what is included in each column of the table, i.e. OM&A, Capital, Burdened, Recoverable and how the total reconciles to the figures in Appendix 2-K, e.g. total for 2025 in Table 4a is $10,719,165 versus the $15,262,021 shown in Appendix 2-K.
b. Please explain how the total Burden Costs in Table 6 relate to the figures in the Burdened column in Table 4a.
c. Please explain the $140k increase for vegetation management in 2025 from 2024 shown in Table 1.
d. Please explain why Contract Labour, which increased from 2020 to 2025, and was used to replace vacant FTEs, has not reduced with the addition of FTEs in 2024 and 2025.

4-SEC-19
[Ex. 4-3-1, p.4 and Appendix 2-JC]

a. The increase between 2024 and 2025 for Station Operations is $407k. Please provide a breakdown of this increase by each of the cost drivers mentioned, e.g., reallocation from capital to operating, general wage increases, etc.
b. The Applicant attributes an increase between 2023 and 2025 Stations Operations as being driven by 'a shift between OM&A and capital allocation as there are no significant station projects budgeted in 2025, the focus will be on decommissioning sites that have been replaced by recently upgraded substations.' Please explain why decommission of a site is considered an OM&A cost, as normally decommissioning a site is attributed to the capital cost of the site.
c. Please provide the total capital expenditures on Stations for 2020 to 2024 and the forecast for 2025.

4-SEC-20
[Ex. 4-3-1, Table 13] One of the explanations for the increase in Administration Costs is new Memberships. Please provide details of the new Memberships for 2023, 2024 and 2025 and the benefits they provide The Applicant.

4-SEC-21
[Ex. 4-4-1, Attachment 1 - Appendix 2-K]

a. Please separate the information provided in 2-K between FTEs directly employed by the regulated distribution company and those allocated through shared services and corporate cost allocations.
b. Please explain why the allocation of wages and benefits to capital has dropped to 20% in 2025 from a historical average of 23%.
c. Please provide details on the historical vacancy rates and the forecasted vacancy rate used for 2025.

4-SEC-22
[Ex. 4-4-2, Table 5]

a. Please break down the $2,414,866 variance into the various drivers described in the evidence:
    i. General wage and progression increases across all corporate service departments, except Customer billing
    ii. Additional FTEs: General Counsel, assistant to General Counsel, senior accountant, IT help desk, minus the retiring VP of HR
    iii. Cybersecurity
    iv. Subscription based software as a service
    v. Customer billing increases in stationary and postage
    vi. Customer billing software support
    vii. Customer Billing general wage and progression increase
    viii. Introduction of fair market rent
b. Please detail the savings in contract costs as a result of replacing external legal services with an in-house General Counsel and assistant.

4-SEC-23
[Ex. 4-4-2, Attachment 2 –] With respect to the KPMG, *Report on Shared Services and Cost Allocations Review*:

a. [Section 3.2.1] Please confirm whether the 14 employees listed are with the regulated company or the affiliated company.
b. [Exhibit 9] Please explain what is meant by 'Number of Bills' being the allocator for Administrative Services.
c. [Exhibit 9-Building] Is there any unoccupied space in the buildings owned by the Applicant and if so, how is this space allocated?
d. [Section 5.2.1] What has been the experience with respect to the true up required at the end of the year? Please provide the adjustments made for 2023 and 2024.
e. [Section 6.2] The section compares administrative costs as a percentage of total OM&A across a number of utilities to show that the Applicant is consistent with its peers. How did KPMG confirm that the Administration bucket for each utility included comparable charges?
f. [Exhibit 13] has this comparison been done since the changes from the report were implemented? If so, please provide. If not, please calculate and provide.

4-SEC-24
[Ex. 4-4-5, Appendix 2-M] Please explain why consultant costs for the 2025 Cost of Service Application ($367k) have almost doubled from the costs of the 2020 Cost of Service Application ($188k).

6-SEC-25
[Ex. 6-4-2, p.5 and Appendix 2-H]

a. Please explain the decrease in the forecast for Recoverable work from an average of $693k to $491k. If 2022 is not included as per the explanation on page 5, the average is still $632k.
b. Please explain why there is no change between 2024 and 2025 for the Rent received from affiliates and recorded in account 4210, when General Plant Costs have gone up 20% (Appendix 2-JC, line 50).
c. Please restate Other Revenue to exclude amounts in Account 4310 Regulatory Credit, in order to be comparable to 2020 approved Other Revenue of $1,552,787.
d. Please explain the forecasted increase to $520k in Loss on Disposal of Assets, from the historical average of $489k.

7-SEC-26
[Ex. 7-1-1, p.5, 6 and Table 3]

a. Please provide the background calculations which resulted in the 1.5 Billing Department Weighting Factor for the GS > 50 kW class.
b. The Applicant states that meter reading costs are allocated only to the GS > 50 kW rate class, as the only cost allocated using this weighting is Sensus costs related to GS > 50 kW billing. Please explain how meter reading costs for the other classes are allocated.
c. Please explain why only two years of data was used to update the load profiles and whether that is a true representation of the loads for each class.

8-SEC-27
[Ex. 8-2-1] Please explain why the Applicant believes that changing the way it charges its fixed charge, MicroFIT charge and the Smart Meter Entity charge from a monthly charge to a 30 day

charge is preferable, to just fixing the billing system to prorate correctly, as all but one other distributor does.

9-SEC-28
[Ex.9-1-6, p.2] Please provide the support calculations for the 'CCA, AIIP' and 'CCA with no AIIP' amounts.

Respectfully, submitted on behalf of the School Energy Coalition this January 10th, 2025.

Mark Rubenstein
Counsel for the School Energy Coalition