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2 **IN THE MATTER OF** the *Ontario Energy Board Act, 1998*,
3 being Schedule B to the *Energy Competition Act, 1998 S.O.*
4 1998, c. 15;

5 **AND IN THE MATTER OF** an Application by Horizon Utilities
6 Corporation to the Ontario Energy Board for an Order or
7 Orders approving of fixing just and reasonable rates and
8 other service charges for the distribution of Electricity as of
9 January 1, 2011.

10 **HORIZON UTILITIES CORPORATION (“HORIZON UTILITIES”)**
11 **RESPONSES TO**
12 **ENERGY PROBE INTERROGATORIES ON REVISED EVIDENCE**

13 **DELIVERED: April 1st, 2011**

14 **Question 1**

15 **Reference:**

16 **Revised Exhibit 2, Tab 4, Schedule 1, Appendix 2-2 Cost of Power – 2011 &
Exhibit 8, Tab 1, Schedule 3, Table 8-20 &
Energy Probe Technical Conference Question #3 &
Energy Probe Interrogatory #6**

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- a) **Please explain the derivation of the 2011 loss factors shown in the Revised Appendix 2-2 in relation to the loss factors shown in Table 8-20.**
 - b) **Are any of the volumes shown in the Revised Appendix 2-2 associated with market participants? If yes, please explain why these volumes are included in the cost of power calculations.**

- c) **Please provide a revised commodity cost of power calculation in the same format as shown in the Revised Appendix 2-2 that reflects both of the following:**
- i) **The RPP/non-RPP volume split based on 2010 actual data as used in the response to Energy Probe Technical Conference Question #3b, and**
 - ii) **A non-RPP price of \$64.66/MWh and a RPP price of \$67.36/MWh as calculated in parts (e) and (f), respectively, of Energy Probe Interrogatory #6.**

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2 **Response:**

3 **a)** The 2011 loss factor of 1.041 shown in the Revised Appendix 2-2 for Residential,
4 GS<50kW, Unmetered Scattered Load, Sentinel Lighting, and Street Lighting customer
5 classes is based on the loss factor of 1.0407 rounded to three decimal places. The loss
6 factors for GS>50kW and Large Use customer classes reflect Horizon Utilities' 2010
7 rate schedule.

8 **b)** Revised Appendix 2-2 reflects the volumes associated with market participants only
9 in the calculation of transmission network and transmission connection costs. Market
10 participant volumes are included in these costs as Horizon Utilities bills market
11 participants for transmission network and connection.

12 **c)** Please find below a revised commodity cost of power calculation that reflects both
13 the RPP/non-RPP volume split based on 2010 actual data as used in the response to
14 Energy Probe Technical Conference Question 3b) and a non-RPP price of \$64.66/MWh
15 and a RPP price of \$67.36/MWh as calculated in the response to Energy Probe 6 e)
16 and f) respectively.

REVISED 2011 COST OF POWER FORECAST CALCULATION

<i>Electricity - Commodity</i>	2011 Forecasted Metered kWhs	2011 Loss Factor	2011		
			Uplifted	Cost Of Energy	Total Cost
Residential	1,580,203,371	1.0410			
- Rpp			1,384,918,520	0.06736	\$93,288,111
- Non Rpp			260,073,189	0.06466	\$16,816,332
GS<50kW	552,044,772	1.0410			
- Rpp			485,086,213	0.06736	\$32,675,407
- Non Rpp			89,592,395	0.06466	\$5,793,044
GS>50kW	1,781,012,386	1.0421			
- Rpp			209,727,210	0.06736	\$14,127,225
- Non Rpp			1,646,265,798	0.06466	\$106,447,546
Large User	520,292,236	1.0067			
- Rpp			0	0.06736	\$0
- Non Rpp			523,778,194	0.06466	\$33,867,498
Unmetered Scattered Load	12,541,586	1.0410			
- Rpp			12,200,637	0.06736	\$821,835
- Non Rpp			855,154	0.06466	\$55,294
Sentinel Lighting	502,459	1.0410			
- Rpp			508,519	0.06736	\$34,254
- Non Rpp			14,541	0.06466	\$940
Street Lighting	40,006,298	1.0410			
- Rpp			220,727	0.06736	\$14,868
- Non Rpp			41,425,829	0.06466	\$2,678,594
TOTAL	4,486,603,108		4,654,666,925		\$306,620,950

<i>Transmission - Network</i>	Volume Metric	2011		
Residential	kWh	1,644,991,709	\$0.0059	\$9,705,451
GS<50kW	kWh	574,678,608	\$0.0052	\$2,988,329
GS>50kW	kW	4,856,870	\$2.0572	\$9,991,554
Large User	KW	2,417,347	\$2.3501	\$5,681,007
Unmetered Scattered Load	kWh	13,055,791	\$0.0053	\$69,196
Sentinel Lighting	kW	1,421	\$1.7095	\$2,429
Street Lighting	kW	111,295	\$1.6195	\$180,242
TOTAL				\$28,618,207

<i>Transmission - Connection</i>	Volume Metric	2011		
Residential	kWh	1,644,991,709	\$0.0049	\$8,060,459
GS<50kW	kWh	574,678,608	\$0.0045	\$2,586,054
GS>50kW	kW	4,856,870	\$1.7739	\$8,615,602
Large User	KW	2,417,347	\$2.0385	\$4,927,762
Unmetered Scattered Load	kWh	13,055,791	\$0.0046	\$60,057
Sentinel Lighting	kW	1,421	\$1.4275	\$2,028
Street Lighting	kW	111,295	\$1.3918	\$154,900
TOTAL				\$24,406,862

<i>Wholesale Market Service</i>	Volume Metric	2011		
Residential	kWh	1,644,991,709	\$0.0052	\$8,553,957
GS<50kW	kWh	574,678,608	\$0.0052	\$2,988,329
GS>50kW	kWh	1,855,993,007	\$0.0052	\$9,651,164
Large User	kWh	523,778,194	\$0.0052	\$2,723,647
Unmetered Scattered Load	kWh	13,055,791	\$0.0052	\$67,890
Sentinel Lighting	kWh	508,519	\$0.0052	\$2,644
Street Lighting	kWh	41,646,556	\$0.0052	\$216,562
TOTAL		4,654,652,384		\$24,204,192

<i>Rural Rate Assistance</i>	Volume Metric	2011		
Residential	kWh	1,644,991,709	\$0.0013	\$2,138,489
GS<50kW	kWh	574,678,608	\$0.0013	\$747,082
GS>50kW	kWh	1,855,993,007	\$0.0013	\$2,412,791
Large User	kWh	523,778,194	\$0.0013	\$680,912
Unmetered Scattered Load	kWh	13,055,791	\$0.0013	\$16,973
Sentinel Lighting	kWh	508,519	\$0.0013	\$661
Street Lighting	kWh	41,646,556	\$0.0013	\$54,141
TOTAL		4,654,652,384		\$6,051,048

2011	
4705-Power Purchased	\$306,620,950
4708-Charges-WMS	\$24,204,192
4714-Charges-NW	\$28,618,207
4716-Charges-CN	\$24,406,862
4730-Rural Rate Assistance	\$6,051,048
4750-Low Voltage	\$251,010
TOTAL	390,152,271