

HRZ-COH-1

Reference(s):

Background:

In EB-2015-0075, the then-Horizon Utilities Corporation (“HUC”) sought approval for, among other things, an update to the Load Profile for the street lighting rate class. The application for that relief was based, in part, on HUC’s stated desire to “incorporate the change in forecast consumption levels and load profiles as a result of the City’s LED conversion program.” HUC stated that it considered the update important in that it allowed the COH to realize the benefits of its LED conversion program on a timely basis.

The OEB, in its Decision and Order dated December 10, 2015, denied the request for that relief on the basis that “Until data that is more accurate is available for all classes, Horizon must continue to use the existing load profiles for the purpose of its cost allocation model.”

Interrogatories:

- (a) Has Alectra obtained more accurate Load Profile data for all rate classes?
- (b) If it has not done so, why has it not done so?
- (c) If it has obtained more accurate Load Profile data for all rate classes, why has the Load Profile for those classes, including the street lighting class, not been updated?

Response:

- 1 a) Alectra Utilities does not have a more accurate Load Profile for all of its rate classes.
- 2
- 3 b) The Ontario Energy Board (“OEB”) released a letter entitled: *Review of Cost Allocation*
- 4 *Policy for Unmetered Loads - Issuance of New Cost Allocation Policy for Street Lighting*
- 5 *Rate Class* (EB-2012-0383) on June 12, 2015. On page 5 of that letter, the OEB stated:
- 6
- 7 *“There may be merit in updating load profiles to be more reflective*
- 8 *of an individual distributor’s circumstances. The OEB expects*
- 9 *individual distributors to be mindful of material changes to load*
- 10 *profiles and to propose updates in their respective cost of service*
- 11 *or Custom IR applications when warranted.”*
- 12

- 1 The current application is neither a cost of service nor a Custom IR application; Alectra
- 2 Utilities will revise the load profiles in accordance with OEB policy.
- 3
- 4 c) Please see Alectra Utilities' response to part a) above.

HRZ-COH-2

Reference(s):

Background:

The COH has continued its LED conversion program referred to in EB-2015-0075.

Interrogatories:

- (a) Do the rates for the street lighting class which Alectra proposes in this application give full effect to the continuing LED conversion program?**
- (b) If not, why not?**

Response:

- 1 a) and b)
- 2 The rates for the street lighting class which Alectra Utilities proposes in this application do not
- 3 give full effect to the continuing LED conversion program. Changes in the load profiles of all
- 4 classes will be implemented in accordance with OEB policy. Please see Alectra Utilities'
- 5 response to HRZ-COH-1 b).

HRZ-COH-3

Reference(s):

Background:

The COH's LED conversion program is consistent with the Ontario government's policy on energy conservation, and with the OEB's stated intention to include technological developments in its considerations.

Interrogatories:

- (a) In light of the Ontario government's policies on energy conservation and the OEB's stated intention, does Alectra believe that it should be giving full effect to the COH's LED conversion program?
- (b) If not, why not?

Response:

- 1 a) and b)
- 2 Alectra Utilities is "giving full effect to COH's LED conversion program" to the extent permitted
- 3 under OEB policies and practices.

HRZ-COH-4

Reference(s):

Interrogatories:

- (a) Has Alectra considered moving the LED-converted lights from an unmetered to a metered rate class?**
- (b) If not, why not?**
- (c) Would giving full effect to the COH's LED conversion program require moving the CED-converted lights from an unmetered rate class to a metered rate class?**
- (d) If not, why not?**

Response:

1 a) Alectra Utilities allows street lights to be either unmetered or metered. This applies to both
2 conventional and LED-converted street lighting. Metered street lights are billed using General
3 Service rates while unmetered street lights are billed on Street Lighting Service rates as
4 approved by the Ontario Energy Board.

5
6 Alectra Utilities provides unmetered rate classifications as it is often considered onerous,
7 unpractical and / or expensive for small or scattered load customers to meter their load.

8
9 Alectra Utilities has not independently considered moving unmetered street lights to a
10 metered rate class. Additional metered points can be added upon customer request and
11 cost.

12
13 b) Alectra Utilities estimates that the City of Hamilton would pay approximately \$190,000 more
14 per month or \$2.3MM per year on General Service < 50 kW rates as compared to the current
15 Street Lighting Service rates. This estimate assumes that the street lighting consumption and
16 demand remain the same, and that the City of Hamilton connects six street lights per metered
17 connection point.

Assumptions	
Number of unmetered devices	37,500
Assumed number of meters / accounts at 6:1 ratio	6,250
Consumption (kWh)	1,770,000
Demand (kW)	4,940
Loss Factor	1.038

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	Unmetered Charges			Metered Charges		
	Rate Street Lighting	Factor	Charge \$	Rate GS < 50 kW	Factor	Charge \$
Fixed Service Charge - per device	2.15	37,500	\$80,625			
Fixed Service Charge - per metered account				44.62	6,250	\$278,875
Variable Distribution Charge	4.73512	4,940	\$23,391	0.00986	1,770,000	\$17,452
Transmission Connection	2.0248	4,940	\$10,003	0.0053	1,770,000	\$9,381
Transmission Network	1.6642	4,940	\$8,221	0.0065	1,770,000	\$11,505
Total of monthly charges that would be impacted by changing the rate class from Street Lighting Service to GS < 50 kW			\$122,240			\$317,213

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5 Other rates and charges, most significantly those related to electricity and the Global
6 Adjustment, would not be impacted by changing the rate class from Street Lighting to GS <
7 50 kW.

8

9 c) No, moving the LED-converted lights from an unmetered rate class to a metered rate class is
10 not required to reflect fully in rates the reduced energy consumption resulting from COH's LED
11 conversion program. Under current OEB policies, full effect will be given to COH's LED
12 conversion program at the time of Alectra Utilities' next rebasing. Please see Alectra Utilities'
13 response to HRZ-COH-1 b).

14

15 d) Alectra Utilities does not consider it to be appropriate or acceptable to its customers to convert
16 the SL class from an unmetered to a metered class since costs and rates would be
17 permanently higher if the costs related to metering are added to the existing costs borne by
18 the unmetered SL class.

HRZ-COH-5

Reference(s):

Interrogatories:

- (a) **Does Alectra agree that the street lighting class should receive, on a timely basis, the benefit in rates of its LED conversion program, whether as a result of changes to the Load Profile or the change from unmetered to metered rate classes, or both?**
- (b) **If not, why not?**

Response:

- 1 a) and b)
- 2 Alectra Utilities agrees that “the street lighting class should receive, on a timely basis, the
- 3 benefit in rates of its LED conversion program, whether as a result of changes to the Load
- 4 Profile or the change from unmetered to metered rate classes, or both”, to the extent permitted
- 5 under OEB policies and practices.

HRZ-COH-6

Reference(s):

Interrogatories:

- (a) Please estimate the annual rate impact for the years 2018 and 2019 for the street lighting class if the load profile were updated to include the effect of the current status of the LED conversion?
- (b) Please estimate the annual rate impact for the street lighting class for the years 2018 and 2019 if the LED-converted lights were moved from an unmetered rate class to the appropriate metered rate class?

Response:

- 1 a) On December 10, 2015, the Ontario Energy Board (“OEB”) issued its Decision and Order in
2 respect of Horizon Utilities’ 2016 Annual Filing (the “Annual Filing”) (EB-2015-0075). In the
3 Annual Filing, Horizon Utilities proposed to update the load profile used for the street lighting
4 class in the cost allocation model. With this update to the class load profile, costs would be
5 reallocated from the street lighting class to other classes.
6
- 7 In its Decision, the OEB provided that *“until data that is more accurate is available for all*
8 *classes, Horizon must continue to use the existing load profiles for the purpose of its cost*
9 *allocation model”*. Further, the OEB reiterated its Decision and Order issued for Horizon
10 Utilities’ Custom IR Application (EB-2014-0002) in which the OEB stated, *“while the use of up*
11 *to date data is preferable, there is no advantage to selective updating*. Alectra Utilities is
12 unable to estimate the annual rate impact for the street lighting class, as an update to the load
13 profile must be completed for all classes to accurately assess the annual rate impact of a
14 change for the street lighting class.
- 15 b) Please see Alectra Utilities’ response to HRZ-COH-4.
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HRZ-COH-7

Reference(s):

Background:

In its Decision in EB-2015-0075, the OEB implemented the street lighting adjustment factor (“SLAF”).

Interrogatories:

- (a) Does the SLAF need to be adjusted to reflect the effect of the current status of the COH’s LED conversion program?**
- (b) If not, why not?**
- (c) If so, what would be the effect on annual rates for the street lighting rate class for 2018 and 2019?**

Response:

1 a) b) and c)

2 No, the Street Light Adjustment Factor (“SLAF”) does not need to be adjusted to reflect the effect
3 of the current status of the COH’s LED conversion program. The only costs that are affected by
4 COH’s LED conversion program are the costs associated with the amount of energy consumed.
5 The SLAF is a methodology for addressing costs other than the costs associated with the amount
6 of energy consumed.