

1 REDACTED version based on OEB Decision on  
confidentiality dated January 18, 2010

EB-2009-0332

2 **IN THE MATTER OF** the *Ontario Energy Board Act, 1998*,  
3 S.O. 1998, c. 15, (Schedule B);

4 **AND IN THE MATTER OF** an application by Horizon Utilities  
5 Corporation for an order approving the recovery of certain  
6 amounts related to an unforeseen loss of revenue to be  
7 effective January 1, 2010.

8  
9 **HORIZON UTILITIES CORPORATION (“HORIZON UTILITIES”)**  
10 **CONFIDENTIAL RESPONSES TO**  
11 **SCHOOL ENERGY COALITION (“SCHOOLS”) INTERROGATORIES**  
12 **DELIVERED DECEMBER 2, 2009**

13  
14 **Application**

15 **Question #1 ref: Page 4.**

16 Please advise when the Applicant first became aware that the Subject Customer’s load  
17 would likely be changing, and why the changes were not brought to the attention of the  
18 Board panel in the EB-2007-0697 proceeding so that they could be included in the load  
19 forecast for the Test Year.

20 **Response:**

21 The Subject Customer’s kW history is set out in the Z-factor Application at page 5,  
22 Table 1 of the Manager’s Summary. In 2006, the year on which the 2008 EDR  
23 Application was based, the Subject Customer’s load dropped to approximately 79,000  
24 kW in one month (November), but the monthly load for 2006 was, on average,  
25 approximately 100,000 kW. In the first four months of 2007, the Subject Customer’s  
26 average monthly load was again approximately 100,000 kW. During the months that  
27 the 2008 EDR Application was being prepared, the Subject Customer’s load did decline  
28 to the 75,000 kW range, but based on the experience of 2006, this did not suggest that

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- 1 significant declines in monthly load would continue for an extended period. At that time,
- 2 Horizon Utilities had no reason to believe that the Subject Customer's load would drop
- 3 to the 50,000 kW level by the end of 2008 and to below 10,000 kW by June 2009.
  
- 4 Horizon Utilities suggests that in these circumstances, it would have been premature to
- 5 approach the Board in its 2008 EDR proceeding with a downward adjustment to its load
- 6 forecast and to seek an increase in rates based solely on a few months of reduced load
- 7 from one customer.

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1 **Manager's Summary**

2 **Question #4 ref: Page 5.**

3 Please confirm that the Subject Customer's actual load for the 2008 Test Year (i.e.  
4 calendar 2008) was 832,716 KW, and that represents a reduction of 319,754 KW or  
5 \$295,325 in distribution revenue relative to the 2006 load, and a reduction of 171,475  
6 KW or \$158,374 in distribution revenue relative to the 2007 load.

7 **Response:**

8 Horizon Utilities confirms that the Subject Customer's actual load for the 2008 Test  
9 Year (i.e. calendar 2008) was 832,716 kW. This represents a reduction of 321,750 kW  
10 relative to the 2006 load. Horizon Utilities' Board-approved distribution rate arising from  
11 its 2008 cost of service rate application was implemented December 1, 2008. The  
12 volumetric rate increased from \$0.9236 (which had been in place from January through  
13 November 2008) to \$1.0218, with a forgone distribution revenue rider (in place during  
14 the December 2008-April 2009 period to address Horizon Utilities' revenue requirement  
15 shortfall for the May-November 2008 period) of \$1.0009, for a total of \$2.0227. The  
16 reduction in revenue relative to 2006, applying the January-May 2008 rate, the  
17 December 2008 rate and the December 2008 rider is \$345,337.46.

18 Horizon Utilities confirms that the reduction in load in 2008 relative to the 2007 load is  
19 171,475 KW. The reduction in revenue relative to 2007, applying the January-May  
20 2008 rate, the December 2008 rate and the December 2008 rider is \$184,607.63.

21 Horizon Utilities believes that the reason for discrepancies between the Schools  
22 revenue reduction calculations and those of Horizon Utilities may be because Schools  
23 used the old rate of \$0.9236 in its calculation of revenue for December 2008.

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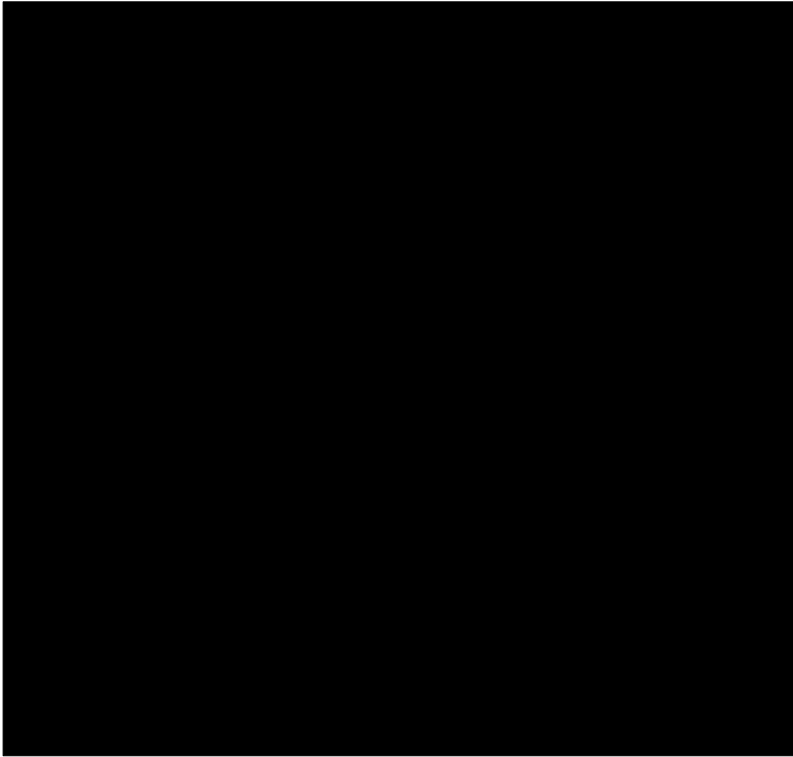
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1 **Question #5 ref: Page 5.**

2 Please provide the Applicant's current forecast of the actual load it expects from the  
3 Subject Customer for each of calendar 2009 and calendar 2010, including actuals to  
4 date for 2009.

5 **Response:**

6 



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1 **Question #14 ref: Page 11.**

2 Please recalculate the working capital allowance and the bad debt allowance based on  
3 each of actuals for calendar 2008 (e.g. deducting working capital related to the Subject  
4 Customer), and forecast changes in requirements for 2009 and 2010, and show the  
5 impact on revenue requirement for each year of reducing those costs.

6 **Response:**

█ [REDACTED]  
█ [REDACTED]  
█ [REDACTED]

█ [REDACTED]  
█ [REDACTED]  
█ [REDACTED]

█ [REDACTED]  
█ [REDACTED]  
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19 [REDACTED]

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1 **Question #15 ref: Page 11.**

2 Please calculate the impact on revenue requirement for each of calendar 2008, 2009  
3 and 2010 of any conservation measures implemented by the Subject Customer since  
4 2006.

5 **Response:**

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

14 █ [REDACTED]

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