



Board Secretary
Ontario Energy Board
2300 Yonge St
27th Floor
Toronto, ON M4P 1E4

February 1, 2012

Dear Ms. Walli,

Re: Halton Hills Hydro Inc. Technical Conference Responses to Vulnerable Energy Consumers Coalition (VECC) in proceeding EB-2011-0271

Halton Hills Hydro Inc. ("HHHI") hereby submits its responses to VECC Technical Conference Questions to the Ontario Energy Board ("the Board").

Please find attached to this cover letter:

- 2 paper copies of the Technical Conference Responses to VECC in proceeding EB-2011-0271;
- 1 electronic copy of the Technical Conference Responses to VECC in proceeding EB-2011-0271.

A copy of the Technical Conference Responses to VECC has also been filed through the Web Portal and electronic copies forwarded to all intervenors in EB-2011-0271.

In the event of any additional information, questions or concerns, please contact David Smelsky, Chief Financial Officer, at dsmelsky@haltonhillshydro.com or (519) 853-3700 extension 225, or Tracy Rehberg-Rawlingson, Regulatory Affairs Officer, at tracyr@haltonhillshydro.com or (519) 853-3700 extension 257.

Sincerely,

(Original signed)

David J. Smelsky, CMA
Chief Financial Officer
Halton Hills Hydro Inc.

Cc: Arthur Skidmore, President & CEO, HHHI
Richard King, Counsel to HHHI
Intervenors in proceeding EB-2011-0271

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**Halton Hills Hydro Inc.
EB-2011-0271
Responses to VECC
Technical Conference Questions**

TCQ #1 Reference: VECC #36

Preamble: The response to part c) states that historical customer numbers reported in Table 3-10 are correct and the response to part a) indicates that the values reported for 2004-2010 are for June of each year.

The response to part b) states that the values for part b) are based on the total number of customers/connections for each rate class. The response to part c) also suggests that the values in Appendix A are incorrect, e.g. the customer count value of 24,904 reported in Appendix A for June 2012 is really a June 2008 value.

A review of Table 3.10 would suggest that all of the values in Appendix A are “off” by two years, e.g., the January 2006 value used in Appendix A is really the January 2004 value.

- a) Confirm if the above statements are correct. If not correct, reconcile the data in Table 3.10 with that used in Appendix A.
- b) If the preamble is correct, then please confirm if the (incorrect) customer count data series in Appendix A was used to estimate HHI’s load forecast model. The excel load forecast model filed with the Application suggests it was.
- c) If the preamble is correct, then please confirm that the forecast customer counts used in Appendix A to forecast 2011 and 2012 purchases are incorrect. If not, please reconcile the 2011 and 2012 customer counts in Appendix A with those in Table3-12.
- d) If required, please provide a re-estimation of the load forecast model and update the forecast for 2011 and 2012.

a) It is confirmed that the data in Table 3-10 is correct and the customer count data in Appendix A is out of line by two years.

b) Confirmed.

c) Confirmed.

d) HHHI has provided an updated load forecast for 2011 and 2012 based on the correct customer count data. Please see Tables VECC TC-1 and VECC TC-2.

Table VECC TC-1 : Revised Weather Normalized Load Forecast

Halton Hills Hydro Inc. Weather Normal Load Forecast for 2012 Rate Application										
	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Weather Normal	2012 Weather Normal
Actual kWh Purchases	462,324,178	468,337,202	495,175,531	493,166,269	512,386,673	507,787,443	499,800,409	520,540,577		
Predicted kWh Purchases	461,613,427	466,922,203	496,495,765	495,938,235	509,499,854	505,851,815	504,049,780	519,147,203	517,051,814	520,822,659
% Difference	-0.2%	-0.3%	0.3%	0.6%	-0.6%	-0.4%	0.9%	-0.3%		
Billed kWh	432,666,846	439,067,348	463,814,907	462,856,926	482,846,076	480,192,790	472,272,010	491,761,405	486,421,564	489,969,023
By Class										
Residential										
Customers	16,144	16,646	17,301	17,913	18,284	18,499	18,698	18,867	19,100	19,530
kWh	186,765,797	187,584,209	204,051,554	206,369,211	212,135,360	211,957,790	208,364,709	215,023,349	206,744,985	207,913,097
GS<50										
Customers	1,526	1,596	1,660	1,572	1,501	1,542	1,548	1,606	1,682	1,694
kWh	53,904,199	52,548,354	53,400,132	51,568,133	53,690,493	54,708,675	52,384,258	54,778,252	54,350,772	53,691,970
GS>50 to 999										
Customers	144	150	154	150	152	157	161	168	172	176
kWh	95,605,635	100,526,810	108,937,030	111,434,996	114,821,445	115,962,505	119,779,491	115,517,109	114,505,076	116,388,314
kW	292,864	298,047	276,912	299,830	322,163	322,747	330,064	320,893	320,373	325,642
GS> 1000 to 4999										
Customers	8	8	8	9	10	10	10	11	12	13
kWh	93,745,282	95,675,788	94,637,561	89,631,034	98,222,155	93,577,347	87,639,310	102,247,109	106,926,728	107,977,878
kW	235,859	236,203	235,750	250,935	282,976	265,625	257,988	285,635	290,471	293,326
Sentinels										
Connections	356	327	326	366	374	325	316	328	177	175
kWh	286,935	284,180	321,693	367,014	473,517	458,397	530,578	571,306	344,705	380,342
kW	1,091	1,155	807	644	636	628	616	586	734	810
Streetlights										
Connections	3,804	3,945	4,083	4,217	4,292	4,312	4,333	4,362	4,387	4,474
kWh	2,358,998	2,448,007	2,465,527	2,629,570	2,649,775	2,670,159	2,664,323	2,708,303	2,724,600	2,778,881
kW	6,764	6,796	6,855	7,431	7,477	7,514	7,542	7,569	7,667	7,820
USL										
Connections	0	0	1	67	134	136	136	138	146	175
kWh	0	0	1,410	856,969	853,331	857,917	909,341	915,976	824,696	838,540
Total of Above										
Customer/Connections	21,981	22,672	23,533	24,292	24,745	24,980	25,200	25,478	25,676	26,236
kWh	432,666,846	439,067,348	463,814,907	462,856,926	482,846,076	480,192,790	472,272,010	491,761,405	486,421,564	489,969,023
kW from applicable classes	536,578	542,200	520,324	558,840	613,252	596,513	596,210	614,683	619,244	627,597

Table VECC TC-2 : Revised Load Forecast Summary Output

SUMMARY OUTPUT						
<i>Regression Statistics</i>						
Multiple R	96.8%					
R Square	93.7%					
Adjusted R Square	93.3%					
Standard Error	848,716					
Observations	96					
<i>ANOVA</i>						
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>	
Regression	6	9.61183E+14	1.60197E+14	222.3977883	2.48091E-51	
Residual	89	6.41083E+13	7.20318E+11			
Total	95	1.02529E+15				
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	(30,189,017)	3,863,554	(7.81)	0.00	(37,865,816.90)	(22,512,217.21)
Heating Degree Days	9,603	576	16.67	0.00	8,458.77	10,747.74
Cooling Degree Days	56,299	3,567	15.79	0.00	49,212.13	63,385.49
Number of Days in Month	1,002,883	116,934	8.58	0.00	770,537.31	1,235,227.79
Spring Fall Flag	(1,448,380)	249,399	(5.81)	0.00	(1,943,931.22)	(952,828.29)
Number of Customers	1,338	73	18.21	0.00	1,191.91	1,483.83
Number of Peak Hours	14,059	5,596	2.51	0.01	2,939.32	25,177.69

TCQ #2 Reference: VECC #43 (Table VECC 2-5)
 Board Staff #77 (Table OEB 2-1)
 Updated Smart Meter Model

- a) Please reconcile the following differences in total capital costs reported for Smart Meters:
 - VECC #43 - \$3,779,873
 - OEB #77 - \$3,768,873
 - Smart Meter Model - \$3,779,876
- b) With respect to VECC #43 (Table VECC 2-5), please indicate what the values in the “audited” columns represent. In most cases, the value is equal to the sum of the Residential and GS<50 values, but not in all. Is it meant to represent the sum of the values for the two classes and, if so, why does it not do so in some cases (i.e., sum of total Residential and GS<50 capital spending is \$3,688,995 not \$3,779,873)?
- c) Please reconcile the capital cost spending reported for Residential:
 - VECC #43 - \$3,312,650
 - OEB #77 - \$3,403,529
- d) Please reconcile the capital spending reported for GS<50:
 - VECC #43 - \$376,345
 - OEB #77 - \$365,345

- e) With respect to Table OEB 2-1 please explain why the number of installed smart meters for both the Residential and GS<50 classes is less than the number of customers reported for each class (e.g., in the case of Residential 19,085 smart meters vs. 19,726 customers).
 - f) Based on the responses to the foregoing questions, please calculate the installed (capital) cost per meter for the Residential and GS<50 classes.
 - g) Please provide documentation to support the average capital cost per meter based on meter type (single vs. 3-phase) and show how this reconciles with the Class average capital cost calculated above and in the allocation of Smart Meter Revenue Requirement to classes per Table OEB 2-1.
- a) HHHI response to Board Staff Interrogatory question #77 of \$3,768,873 does not include the 2011 forecast of \$11,000. The correct number is \$3,779,873.
 - b) The value in the audited column represents the audited balance for the respective year. HHHI confirms the sum of \$3,779,873 is correct. HHHI does not agree with VECC's calculation of \$3,688,995.
 - c) The capital cost spending reported for Residential is \$3,403,529. HHHI does not agree with VECC's calculation of \$3,312,650.
 - d) The \$365,345 in HHHI response to Board Staff Interrogatory question #77 does not include the 2011 forecast of \$11,000. Please refer to HHHI response to Board Staff Technical Conference question #1.
 - e) The total installed smart meters of 20,461 for both the Residential and General Service less than 50 kW classes respectively, is the actual number of meter installed whereas the number of customers reported for each class is based on forecasted customer numbers. The 2012 forecasted customer count has been updated based on HHHI revised load forecast.
 - f) The revised installed capital costs per meter are Residential \$178 and General Service less than 50 kW \$274.
 - g) Please see Table VECC TC-3 for average capital cost per meter based on meter type and class.

Table VECC TC-3 : Average Capital Cost per Meter Based on Meter Type and Class

	Residential		General Service less than 50 kW		
	1 Phase	3 Phase	1 Phase	3 Phase	Class Average
Total Capital Costs	\$ 3,403,529	\$ -	\$ 210,752	\$ 165,593	\$ 376,345
Meters Installed	19,085	-	1,184	192	1,376
Cost per Meter	\$ 178	\$ -	\$ 178	\$ 862	\$ 274

TCQ #3 Reference: VECC #44

Preamble: The response provided does not fully response to the question as asked. Please calculate the following and ensure the values reconcile to the OEM SM model as filed.

- a) 2007-2011 Revenue Requirement by Class based on Capital Cost as the driver/allocator.
 - b) True-up the Smart Meter Adder revenue collected to date (end of 2011) by class and compare to revenue requirement by class.
 - c) Determine revenue requirement per class for 2012.
 - d) Provide revised SMIRR and SMDRR for each class.
- a) Please refer to HHHI response to Board Staff Technical Conference question #1.
 - b) Please refer to HHHI response to Board Staff Technical Conference question #1.
 - c) Please refer to HHHI response to Board Staff Technical Conference question #1.
 - d) Please refer to HHHI response to Board Staff Technical Conference question #1.

TCQ #5 Reference: Energy Probe #57

- a) What months of actual data are included in the 2011 year to date value reported?
- b) Please explain the significant increase in “Rent from Electric Property” in the 2011 year to date value (\$274,365) versus the 2011 forecast value in the Application (\$191,493).
- a) The 2011 values reported are January to December preliminary numbers subject to year end audit adjustments.
- b) The 2011 year to date value for “Rent from Electric Property” is preliminary and needs to be reconciled. Please refer to HHHI response to Energy Probe Interrogatory question #29 part d) for additional information.

TCQ #6 Reference: Energy Probe #64 e)

- a) Is HHI changing its’ applied for 2012 customer count forecast to reflect this response?
- b) If yes, please confirm that the load forecast and cost allocation will have to be adjusted accordingly.
- a) Yes. Please refer to the updated forecast presented in HHHI response to VECC Technical Conference question #1 part d).
- b) Confirmed.