

London Hydro Inc.

2013 Cost of Service Rate Application (EB-2012-0146/ EB- 2012-0380) Response to Interrogatories

Rate Design (Exhibit 8)

Board Staff Interrogatories Questions:

Question OEB 41

References: Exh 8, Appendix 8A; Exh 9, Appendix 9E

The forecasts of Wholesale Transmission Costs differ between the two sources referenced above. The costs that are used to calculate the proposed Retail Transmission Service Rates in Exhibit 8 are lower than those that are used to calculate the Cost of Power in Exhibit 9 (which is used for the Working Capital Allowance).

- a) Please explain the difference between the costs in the two exhibits referenced above.*
- b) Please confirm that London Hydro will update both of these calculations upon Board approval of Uniform Transmission Rates for 2013, together with corresponding retail rates.*

Response OEB 41

- a) The cost differences of Wholesale Transmission Costs between Appendix 8A and Appendix 9E are mainly from load data approaches required to be taken in order to populate each of these Appendices.

The load data used to calculate Appendix 8A (better identified as OEB RTSR Workform for Electricity Distributors -2013 Filers) uses the most recent reported RRR billing determinates for non-loss adjusted metered kWh and kW. This data is populated in Tab

4: RRR Data. In the case for London Hydro, our last RRR data to be filed was for 2011. Therefore, actual 2011 (reported RRR data) was used in the RTSR Workform model.

The same data recorded on Tab 4: RRR Data populates the rest of the RTSR Workform model. In regards to determining the costs (Network and Connection) the model has calculated the proposed adjusted RTSR Network and the RTSR Connection rates for 2013, and multiplies these proposed rates using the same RRR billed data 2011 data contained in Tab 4: RRR Data. By comparing the billing data in Tab 4: RRR Data with that of Tab 11: Adjusted Network to Forecasted WS and Tab 12: Adjusted Connection to Forecasted WS the loss adjusted billed kWh/ kW data matches.

It should be pointed out that the loss adjusted billed kWh/ kW data for both Tab11: Adjusted Network to Forecasted WS and Tab 12: Adjusted Connection to Forecasted WS the loss adjusted billed kWh/ kW is hard coded. The data reflected Tab 4: RRR Data can only be used for the rest of the worksheet.

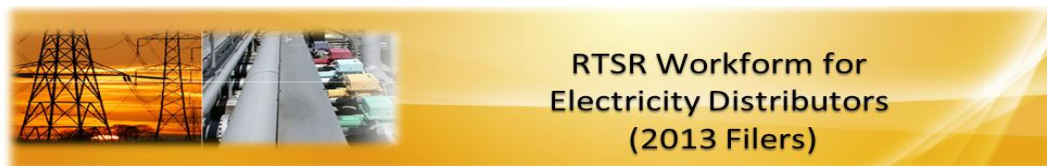
The proposed 2013 RTSR Network and the Connection rates for both Tab11: Adjusted Network to Forecasted WS and Tab 12: Adjusted Connection to Forecasted WS agreed to the proposed 2013 rates as reflected in Appendix 9E: Cost of Power Calculation 2013 Test Year.

As reflected in the Table: Appendix 9E Cost of Power Calculation 2013 Test Year although the same proposed rates are used as identified in Appendix 8A although the Loss adjusted billed kWh / kW are different. The Loss adjusted billed kWh / kW quantities are proposed forecasted load (as per Exhibit 3. Table 3-25 – Summary of Forecast, pg. 28). These same load forecast numbers in the Application could not be imputed in the hard coded Appendix 8A (OEB RTSR Workform for Electricity Distributors -2013 Filers).

If the intent of Appendix 8A (OEB RTSR Workform) is to have the Application proposed load forecasted numbers included in the RTSR Workform, London Hydro would proceed

to provide for this adjustment, however London Hydro would have to request for modifications to the OEB RTSR Workform for Electricity Distributors -2013 Filers to be able to appease having both Appendix 8A and Appendix 9E to arrive at same Network and Connection costs.

Table: RTSR Workform Tab 4: RRR Data



In the green shaded cells, enter the most recent reported RRR billing determinants. Please ensure that billing determinants are non-loss adjusted.

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
Residential	kWh	1,128,889,459				1,128,889,459	-
General Service Less Than 50 kW	kWh	407,986,442				407,986,442	-
General Service 50 to 4,999 kW	kW	405,214,652	1,139,954		48.72%	405,214,652	1,139,954
General Service 50 to 4,999 kW – Interval Metered	kW	1,113,331,947	2,678,768		56.96%	1,113,331,947	2,678,768
General Service 1,000 To 4,999 kW (co-generation)	kW	37,918,668	48,044		108.18%	37,918,668	48,044
Standby Power - APPROVED ON AN INTERIM BASIS	kW		154,800		0.00%	-	154,800
Large Use	kW	193,549,148	409,088		64.85%	193,549,148	409,088
Street Lighting	kW	23,650,724	66,345		48.86%	23,650,724	66,345
Sentinel Lighting	kW	812,670	2,203		50.56%	812,670	2,203
Unmetered Scattered Load	kWh	5,645,414				5,645,414	-

Table: RTSR Workform Tab 11: Adjusted Network to Forecasted WS


								
The purpose of this sheet is to update the re-align RTS Network Rates to recover forecast wholesale network costs.								
Rate Class	Unit	Adjusted RTSR- Network	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR Network
Residential	kWh	\$ 0.0071	1,128,889,459	-	\$ 7,976,579	35.0%	\$ 7,976,579	\$ 0.0071
General Service Less Than 50 kW	kWh	\$ 0.0066	407,986,442	-	\$ 2,676,864	11.7%	\$ 2,676,864	\$ 0.0066
General Service 50 to 4,999 kW	kW	\$ 2.3133	405,214,652	1,139,954	\$ 2,637,012	11.6%	\$ 2,637,012	\$ 2.3133
General Service 50 to 4,999 kW – Interval Metered	kW	\$ 2.9665	1,113,331,947	2,678,768	\$ 7,946,436	34.8%	\$ 7,946,436	\$ 2.9665
General Service 1,000 To 4,999 kW (co-generation)	kW	\$ 3.4245	37,918,668	48,044	\$ 164,528	0.7%	\$ 164,528	\$ 3.4245
Standby Power - APPROVED ON AN INTERIM BASIS	kW	\$ -	-	154,800	\$ -	0.0%	\$ -	\$ -
Large Use	kW	\$ 3.0387	193,549,148	409,088	\$ 1,243,106	5.4%	\$ 1,243,106	\$ 3.0387
Street Lighting	kW	\$ 2.0369	23,650,724	66,345	\$ 135,137	0.6%	\$ 135,137	\$ 2.0369
Sentinel Lighting	kW	\$ 2.0396	812,670	2,203	\$ 4,493	0.0%	\$ 4,493	\$ 2.0396
Unmetered Scattered Load	kWh	\$ 0.0066	5,645,414	-	\$ 37,040	0.2%	\$ 37,040	\$ 0.0066
					\$ 22,821,196			

Table: RTSR Workform Tab 12: Adjusted Connection to Forecasted WS


								
The purpose of this sheet is to update the re-aligned RTS Connection Rates to recover forecast wholesale connection costs.								
Rate Class	Unit	Adjusted RTSR- Connection	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR Connection
Residential	kWh	\$ 0.0055	1,128,889,459	-	\$ 6,188,288	34.3%	\$ 6,188,288	\$ 0.0055
General Service Less Than 50 kW	kWh	\$ 0.0048	407,986,442	-	\$ 1,941,095	10.8%	\$ 1,941,095	\$ 0.0048
General Service 50 to 4,999 kW	kW	\$ 1.7761	405,214,652	1,139,954	\$ 2,024,656	11.2%	\$ 2,024,656	\$ 1.7761
General Service 50 to 4,999 kW – Interval Metered	kW	\$ 2.4750	1,113,331,947	2,678,768	\$ 6,629,838	36.7%	\$ 6,629,838	\$ 2.4750
General Service 1,000 To 4,999 kW (co-generation)	kW	\$ 2.6180	37,918,668	48,044	\$ 125,779	0.7%	\$ 125,779	\$ 2.6180
Standby Power - APPROVED ON AN INTERIM BASIS	kW	\$ -	-	154,800	\$ -	0.0%	\$ -	\$ -
Large Use	kW	\$ 2.4750	193,549,148	409,088	\$ 1,012,476	5.6%	\$ 1,012,476	\$ 2.4750
Street Lighting	kW	\$ 1.5640	23,650,724	66,345	\$ 103,760	0.6%	\$ 103,760	\$ 1.5640
Sentinel Lighting	kW	\$ 1.5659	812,670	2,203	\$ 3,450	0.0%	\$ 3,450	\$ 1.5659
Unmetered Scattered Load	kWh	\$ 0.0048	5,645,414	-	\$ 26,859	0.1%	\$ 26,859	\$ 0.0048
					\$ 18,056,202			

Table: Appendix 9E Cost of Power Calculation 2013 Test Year

<u>Transmission - Network</u>		Volume			
Class per Load Forecast		Metric		2013	
Residential		kWh	1,119,299,865	\$0.0071	\$7,947,029
General Service < 50 kW		kWh	406,661,557	\$0.0066	\$2,683,966
General Service 50 to 4,999 kW Non-Interval	31%	kW	1,227,821	\$2.3133	\$2,840,318
General Service 50 to 4,999 Kw Interval	69%	kW	2,686,754	\$2.9665	\$7,970,255
GS 50 to 4,999 kW (Co-Generation)		kW	203,466	\$3.4245	\$696,769
Large Use >5MW		kW	387,522	\$3.0387	\$1,177,563
Street Lighting		kW	67,255	\$2.0369	\$136,992
Sentinel Lighting		kW	2,130	\$2.0396	\$4,344
Unmetered Scattered Load		kWh	5,169,637	\$0.0066	\$34,120
TOTAL					\$23,491,357
<u>Transmission - Connection</u>		Volume			
Class per Load Forecast		Metric		2013	
Residential		kWh	1,119,299,865	\$0.0055	\$6,156,149
General Service < 50 kW		kWh	406,661,557	\$0.0048	\$1,951,975
General Service 50 to 4,999 kW Non-Interval	31%	kW	1,217,025	\$1.7761	\$2,161,557
General Service 50 to 4,999 Kw Interval	69%	kW	2,697,550	\$2.4750	\$6,676,436
GS 50 to 4,999 kW (Co-Generation)		kW	203,466	\$2.6180	\$532,674
Large Use >5MW		kW	387,522	\$2.4750	\$959,117
Street Lighting		kW	67,255	\$1.5640	\$105,187
Sentinel Lighting		kW	2,130	\$1.5659	\$3,335
Unmetered Scattered Load		kWh	5,169,637	\$0.0048	\$24,814
TOTAL					\$18,571,246

- b) London Hydro confirms that it will update calculations upon Board approval of the Uniform Transmission Rates for 2013, together with corresponding retail rates (that include the Retail Transmission Service Rates).

With respect to this matter, London Hydro acknowledges the receipt of the Board's Rate Order, 2013 Uniform Electricity Transmission Rates, dated December 20, 2012 (EB-2012-0031). As reference in the above Decision the new Uniform Electricity Transmission Rates are:

RATE SCHEDULE: PTS	PROVINCIAL TRANSMISSION SERVICE
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APPLICABILITY:

The Provincial Transmission Service (PTS) is applicable to all Transmission Customers in Ontario who own facilities that are directly connected to the transmission system in Ontario and that withdraw electricity from this system.

	<u>Monthly Rate (\$ per kW)</u>
Network Service Rate (PTS-N): \$ Per kW of Network Billing Demand ^{1,2}	3.63
Line Connection Service Rate (PTS-L): \$ Per kW of Line Connection Billing Demand ^{1,3}	0.75
Transformation Connection Service Rate (PTS-T): \$ Per kW of Transformation Connection Billing Demand ^{1,3,4}	1.85

The rates quoted above shall be subject to adjustments with the approval of the Ontario Energy Board.

London Hydro would respectfully ask that the Board staff accept the refiling of the OEB Excel model RTRS Workform for Electricity Distributors (2013 Filers) that includes the new approved Uniform Transmission Rates. Significant tabs of the updated London Hydro RTRS Workform are as follows.



Uniform Transmission Rates		Effective January 1, 2011	Effective January 1, 2012	Effective January 1, 2013
Rate Description	Unit	Rate	Rate	Rate
Network Service Rate	kW	\$ 3.22	\$ 3.57	\$ 3.63
Line Connection Service Rate	kW	\$ 0.79	\$ 0.80	\$ 0.75
Transformation Connection Service Rate	kW	\$ 1.77	\$ 1.86	\$ 1.85
Hydro One Sub-Transmission Rates		Effective January 1, 2011	Effective January 1, 2012	Effective January 1, 2013
Rate Description	Unit	Rate	Rate	Rate
Network Service Rate	kW	\$ 2.65	\$ 2.65	\$ 2.65
Line Connection Service Rate	kW	\$ 0.64	\$ 0.64	\$ 0.64
Transformation Connection Service Rate	kW	\$ 1.50	\$ 1.50	\$ 1.50
Both Line and Transformation Connection Service Rate	kW	\$ 2.14	\$ 2.14	\$ 2.14



RTSR Workform for Electricity Distributors (2013 Filers)

The purpose of this sheet is to update the re-align RTS Network Rates to recover forecast wholesale network costs.

Rate Class	Unit	Adjusted RTSR- Network	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR Network
Residential	kWh	\$ 0.0071	1,128,889,459	-	\$ 7,976,579	35.0%	\$ 8,110,639	\$ 0.0072
General Service Less Than 50 kW	kWh	\$ 0.0066	407,986,442	-	\$ 2,676,864	11.7%	\$ 2,721,853	\$ 0.0067
General Service 50 to 4,999 kW	kW	\$ 2.3133	405,214,652	1,139,954	\$ 2,637,012	11.6%	\$ 2,681,332	\$ 2.3521
General Service 50 to 4,999 kW – Interval Metered	kW	\$ 2.9665	1,113,331,947	2,678,768	\$ 7,946,436	34.8%	\$ 8,079,990	\$ 3.0163
General Service 1,000 To 4,999 kW (co-generation)	kW	\$ 3.4245	37,918,668	48,044	\$ 164,528	0.7%	\$ 167,293	\$ 3.4821
Standby Power - APPROVED ON AN INTERIM BASIS	kW	\$ -	-	154,800	\$ -	0.0%	\$ -	\$ -
Large Use	kW	\$ 3.0387	193,549,148	409,088	\$ 1,243,106	5.4%	\$ 1,263,999	\$ 3.0898
Street Lighting	kW	\$ 2.0369	23,650,724	66,345	\$ 135,137	0.6%	\$ 137,408	\$ 2.0711
Sentinel Lighting	kW	\$ 2.0396	812,670	2,203	\$ 4,493	0.0%	\$ 4,569	\$ 2.0739
Unmetered Scattered Load	kWh	\$ 0.0066	5,645,414	-	\$ 37,040	0.2%	\$ 37,663	\$ 0.0067
					\$ 22,821,196			



RTSR Workform for Electricity Distributors (2013 Filers)

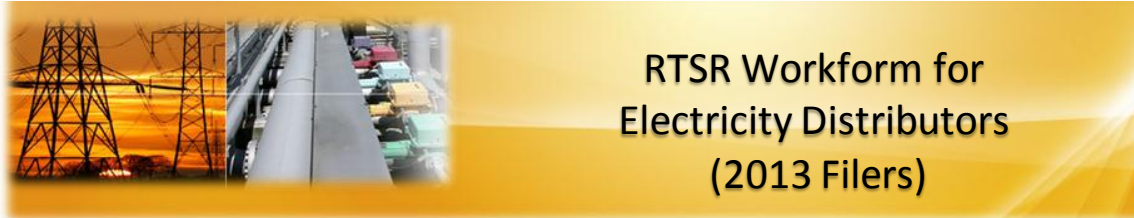
The purpose of this sheet is to re-align the current RTS Network Rates to recover current wholesale network costs.

Rate Class	Unit	Current RTSR- Network	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Proposed RTSR Network
Residential	kWh	\$ 0.0070	1,128,889,459	-	\$ 7,902,226	35.0%	\$ 7,976,579	\$ 0.0071
General Service Less Than 50 kW	kWh	\$ 0.0065	407,986,442	-	\$ 2,651,912	11.7%	\$ 2,676,864	\$ 0.0066
General Service 50 to 4,999 kW	kW	\$ 2.2917	405,214,652	1,139,954	\$ 2,612,432	11.6%	\$ 2,637,012	\$ 2.3133
General Service 50 to 4,999 kW – Interval Metered	kW	\$ 2.9388	1,113,331,947	2,678,768	\$ 7,872,364	34.8%	\$ 7,946,436	\$ 2.9665
General Service 1,000 To 4,999 kW (co-generation)	kW	\$ 3.3926	37,918,668	48,044	\$ 162,994	0.7%	\$ 164,528	\$ 3.4245
Standby Power - APPROVED ON AN INTERIM BASIS	kW	\$ -	-	154,800	\$ -	0.0%	\$ -	\$ -
Large Use	kW	\$ 3.0104	193,549,148	409,088	\$ 1,231,519	5.4%	\$ 1,243,106	\$ 3.0387
Street Lighting	kW	\$ 2.0179	23,650,724	66,345	\$ 133,878	0.6%	\$ 135,137	\$ 2.0369
Sentinel Lighting	kW	\$ 2.0206	812,670	2,203	\$ 4,451	0.0%	\$ 4,493	\$ 2.0396
Unmetered Scattered Load	kWh	\$ 0.0065	5,645,414	-	\$ 36,695	0.2%	\$ 37,040	\$ 0.0066
					\$ 22,608,471			



The purpose of this sheet is to update the re-aligned RTS Connection Rates to recover forecast wholesale connection costs.

Rate Class	Unit	Adjusted RTSR- Connection	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR Connection
Residential	kWh	\$ 0.0055	1,128,889,459	-	\$ 6,188,288	34.3%	\$ 6,048,726	\$ 0.0054
General Service Less Than 50 kW	kWh	\$ 0.0048	407,986,442	-	\$ 1,941,095	10.8%	\$ 1,897,318	\$ 0.0047
General Service 50 to 4,999 kW	kW	\$ 1.7761	405,214,652	1,139,954	\$ 2,024,656	11.2%	\$ 1,978,995	\$ 1.7360
General Service 50 to 4,999 kW – Interval Metered	kW	\$ 2.4750	1,113,331,947	2,678,768	\$ 6,629,838	36.7%	\$ 6,480,318	\$ 2.4191
General Service 1,000 To 4,999 kW (co-generation)	kW	\$ 2.6180	37,918,668	48,044	\$ 125,779	0.7%	\$ 122,943	\$ 2.5590
Standby Power - APPROVED ON AN INTERIM BASIS	kW	\$ -	-	154,800	\$ -	0.0%	\$ -	\$ -
Large Use	kW	\$ 2.4750	193,549,148	409,088	\$ 1,012,476	5.6%	\$ 989,642	\$ 2.4191
Street Lighting	kW	\$ 1.5640	23,650,724	66,345	\$ 103,760	0.6%	\$ 101,420	\$ 1.5287
Sentinel Lighting	kW	\$ 1.5659	812,670	2,203	\$ 3,450	0.0%	\$ 3,372	\$ 1.5306
Unmetered Scattered Load	kWh	\$ 0.0048	5,645,414	-	\$ 26,859	0.1%	\$ 26,254	\$ 0.0047
					\$ 18,056,202			



For Cost of Service Applicants, please enter the following Proposed RTS rates into your rates model.

For IRM applicants, please enter these rates into the 2013 IRM Rate Generator, Sheet 11 "Proposed Rates", column I. Please note that the rate description for the RTSRs has been transferred to Sheet 11, Column A from Sheet 4.

Rate Class	Unit		Proposed RTSR Network		Proposed RTSR Connection
Residential	kWh	\$	0.0072	\$	0.0054
General Service Less Than 50 kW	kWh	\$	0.0067	\$	0.0047
General Service 50 to 4,999 kW	kW	\$	2.3521	\$	1.7360
General Service 50 to 4,999 kW – Interval Metered	kW	\$	3.0163	\$	2.4191
General Service 1,000 To 4,999 kW (co-generation)	kW	\$	3.4821	\$	2.5590
Standby Power - APPROVED ON AN INTERIM BASIS	kW	\$	-	\$	-
Large Use	kW	\$	3.0898	\$	2.4191
Street Lighting	kW	\$	2.0711	\$	1.5287
Sentinel Lighting	kW	\$	2.0739	\$	1.5306
Unmetered Scattered Load	kWh	\$	0.0067	\$	0.0047

London Properties Management Association (LPMA) Interrogatories Questions:

Proposed Adjustments to Application as per OEB Interrogatory Questions

LPMA #41

Ref: Exhibit 8, pages 34-35 & OEB #42-55

Please provide an updated version of Table 8-21 on page 34 of Exhibit 8, along with an updated version of the table found on page 35 of the same exhibit based on the changes that result from the OEB interrogatories and accepted by London Hydro. Please also provide a brief summary of the changes accepted by London Hydro and the impact on the rate riders.

RESPONSE LPMA # 41

There are two changes based on OEB interrogatories and are accepted by London Hydro. The first is associated with water billing contract and noted in Log of Proposed Corrections and Adjustments (Table referenced below as Table 1).

The second change dealt with correction of forecast for the number of bills to be issued in the USL customer class. The Cost Allocation Model worksheet I6.2 "Customer Data", cell L17 of the Application model has been adjusted to 468, instead of 2,027. The updated proposed

Revenue-to Cost Ratios, as a result of OEB IRs, can be referenced Table: Proposed Revenue-to-Cost Ratios (Adjusted for OEB IR's).

Table 8-21 Summary of Total Monthly Rate Impacts by Class for Test Year 2013 (Updated to OEB IR's) and Table 8-22 Summary of Monthly Bill Impacts and Details for Selected Customers and Consumptions (Updated to OEB IR's) are referenced below.

The Table for the Log of Proposed Corrections or Adjustments is as follows.

Table 1: Log of Proposed Corrections and Adjustments

Topic	Description	Referenced	Base Revenue Change
Water Billing Contract	In Original Sept 25, 2012 Application London Hydro recovery for water billing services was \$3,950,000. This correct amount is in fact \$3,750,000, a difference of \$200,000 in OM&A.	Board Staff # 35 a) Cost Recovery	\$ 201,865

Table: Proposed Revenue-to-Cost Ratios (Adjusted for OEB IR # 40)

Class	Proposed Revenue-to-Cost Ratios		Target Ranges	
	2013	2013		
	Initial Filing	OEB # 40		
	%	%	Floor	Ceiling
Residential	100.74	100.38	85.00%	115.00%
GS <50 kW	100.00	100.00	80.00%	120.00%
GS 50 to 4,999 kW	100.00	100.00	80.00%	120.00%
GS 1,000 to 4,999 kW (Co-Generation)	100.00	120.00	80.00%	120.00%
Large Use >5MW	100.00	115.00	85.00%	115.00%
Street Light	90.00	85.00	70.00%	120.00%
Sentinel	90.00	90.00	80.00%	120.00%
Unmetered Scattered Load	90.00	80.00	80.00%	120.00%
Standby Power	80.00	80.00	80.00%	120.00%

Table 8-21 Summary of Total Monthly Rate Impacts by Class for Test Year 2013 (Updated to OEB IR's)

Rate Class	Consumption kWh	Demand kW	Total Bill				Delivery			
			Current	Applied For 2013 COS	Difference \$	Difference %	Current	Applied For 2013 COS	Difference \$	Difference %
RESIDENTIAL RPP	800	-	\$ 112.98	\$ 113.04	\$ 0.06	0.06%	\$ 34.51	\$ 34.61	\$ 0.09	0.27%
RESIDENTIAL TOU	800	-	\$ 114.70	\$ 114.76	\$ 0.06	0.06%	\$ 34.51	\$ 34.61	\$ 0.09	0.27%
GENERAL SERVICE LESS THAN 50 KW RPP	2,000	-	\$ 287.09	\$ 289.53	\$ 2.44	0.85%	\$ 79.53	\$ 82.00	\$ 2.47	3.11%
GENERAL SERVICE LESS THAN 50 KW TOU	2,000	-	\$ 279.49	\$ 281.92	\$ 2.44	0.87%	\$ 79.53	\$ 82.00	\$ 2.47	3.11%
GENERAL SERVICE >50 KW to 4,999 KW (Interval)	1,095,000	2,500	\$137,273.22	\$ 137,486.18	\$ 212.95	0.16%	\$16,853.93	\$ 17,591.97	\$ 738.05	4.38%
GENERAL SERVICE >50 KW to 4,999 KW (Non-Interval)	1,095,000	2,500	\$132,920.28	\$ 133,128.59	\$ 208.31	0.16%	\$13,001.76	\$ 13,735.70	\$ 733.94	5.64%
GENERAL SERVICE >50 KW to 4,999 KW (CoGeneration)	1,095,000	2,500	\$143,720.72	\$ 143,608.70	-\$ 112.02	-0.08%	\$25,056.14	\$ 25,003.59	-\$ 52.55	-0.21%
LARGE USER	5,600,000	10,700	\$697,733.27	\$ 691,234.88	-\$ 6,498.40	-0.93%	\$95,153.70	\$ 89,641.10	-\$ 5,512.60	-5.79%
UNMETERED LOADS (SCATTERED)	2,000		\$ 267.22	\$ 278.34	\$ 11.12	4.16%	\$ 45.13	\$ 55.97	\$ 10.84	24.03%
SENTINEL LIGHTS	180	0.50	\$ 30.63	\$ 33.14	\$ 2.51	8.19%	\$ 9.65	\$ 11.97	\$ 2.31	23.94%
STREET LIGHTING	37	0.10	\$ 6.99	\$ 7.62	\$ 0.62	8.92%	\$ 2.40	\$ 2.97	\$ 0.57	23.75%

Table 8-22 Summary of Monthly Bill Impacts and Details for Selected Customers and Consumptions (Updated to OEB IR's)

Class	Consumption kWh	Consumption kW	2012 Bill Bridge	2013 Bill Test	Difference \$	Bill Impact %	Max	Min
Residential	100	0	\$27.23	\$27.22	-\$0.01	0.0%	0.1%	0.0%
ToU	250	0	\$45.97	\$45.97	\$0.00	0.0%		
Billed	500	0	\$77.21	\$77.24	\$0.03	0.0%		
	800	0	\$114.70	\$114.76	\$0.06	0.1%		
	1,000	0	\$139.69	\$139.77	\$0.09	0.1%		
	1,500	0	\$202.16	\$202.31	\$0.15	0.1%		
	2,500	0	\$264.64	\$264.84	\$0.20	0.1%		
General Service	1,000	0	\$160.20	\$161.21	\$1.01	0.6%	1.1%	0.6%
Less Than 50 kW	2,000	0	\$279.49	\$281.92	\$2.44	0.9%		
	5,000	0	\$637.33	\$644.05	\$6.72	1.1%		
	10,000	0	\$1,233.76	\$1,247.59	\$13.83	1.1%		
	15,000	0	\$1,830.19	\$1,851.14	\$20.95	1.1%		
General Service	20,000	60	\$2,939.60	\$3,030.89	\$91.29	3.1%	3.1%	0.2%
50 to 4,999 kW	40,000	100	\$5,398.44	\$5,490.38	\$91.93	1.7%		
Interval metered	25,000	500	\$31,066.57	\$31,159.30	\$92.73	0.3%		
	40,000	1,000	\$51,005.03	\$51,162.55	\$157.52	0.3%		
	1,095,000	2,500	\$137,273.22	\$137,486.18	\$212.95	0.2%		
General Service	20,000	60	\$2,835.13	\$2,926.31	\$91.18	3.2%	3.2%	0.2%
50 to 4,999 kW	40,000	100	\$5,224.33	\$5,316.07	\$91.75	1.8%		
Non- Interval metered	25,000	500	\$30,195.99	\$30,287.78	\$91.80	0.3%		
	40,000	1,000	\$49,263.85	\$49,419.51	\$155.66	0.3%		
	1,095,000	2,500	\$132,920.28	\$133,128.59	\$208.31	0.2%		
General Service	507,000	609	\$62,295.26	\$62,436.25	\$140.99	0.2%	0.2%	-0.1%
1,000 to 4,999 kW	1,021,000	1,827	\$128,998.10	\$128,969.63	-\$28.47	0.0%		
Co-Generation	1,095,000	2,500	\$143,720.72	\$143,608.70	-\$112.02	-0.1%		
Large Use	2,785,000	5,500	\$360,127.18	\$356,540.93	-\$3,586.24	-1.0%	-1.0%	-0.9%
	5,600,000	10,700	\$697,733.27	\$691,234.88	-\$6,498.40	-0.9%		
	8,355,000	16,500	\$1,033,737.30	\$1,024,009.22	-\$9,728.08	-0.9%		
Street Lighting	37	0.1	\$6.99	\$7.62	\$0.62	8.9%	8.9%	8.9%
Sentinel Lighting	100	0.1	\$14.78	\$15.70	\$0.92	6.2%	8.2%	5.9%
	180	0.5	\$30.63	\$33.14	\$2.51	8.2%		
	1,000	3.00	\$155.97	\$166.35	\$10.38	6.7%		
	19,400	54.00	\$2,893.47	\$3,063.40	\$169.93	5.9%		
Unmetered	2,000		\$267.22	\$278.34	\$11.12	4.2%	4.2%	4.0%
& Scattered Load	2,800		\$373.35	\$388.64	\$15.29	4.1%		
	5,600		\$744.82	\$774.69	\$29.87	4.0%		

School Energy Coalition (SEC) Interrogatories Questions:

Recalculate Revenue-to-Cost Ratios and Results on Distribution Rates

SEC – #39 [Ex.8, p. 5] Please recalculate the volumetric rate for GS>50 on the basis that the monthly fixed charge is set at 120% of Minimum system with PLCC, i.e. \$85.61.

RESPONSE SEC 39:

The monthly fixed charge set at 120% of Minimum system with PLCC has been updated as a result of Updated Cost Allocation Study (as per Board IR Question # 40) and updated model London_Hydro_APPL_Cost_Allocation_Amended_20130108.

The new monthly fixed charge set at 120% of Minimum system with PLCC is \$77.07. The resulting volumetric charge for General Service 50 – 4,999 kW is \$3.6874 (formally \$2.2128) per kW.

London_Hydro_APPL_Cost_Allocation_Amended_20130108, Tab Fixed Charge Floor/ Ceiling

	1	2	3	5	6	7	8	9	11
Summary	Residential	GS <50	GS 50 to 4,999 KW	Co Generation	Large Use >5MW	Street Light	Sentinel	Unmetered Scattered Load	Back-up/Standby Power
Customer Unit Cost per month - Avoided Cost	\$2.63	\$9.06	\$26.79	\$278.87	\$166.82	-\$0.02	\$0.02	\$0.01	0
Customer Unit Cost per month - Directly Related	\$4.21	\$13.64	\$47.62	\$407.26	\$295.99	-\$0.02	\$0.05	\$0.03	0
Customer Unit Cost per month - Minimum System with PLCC Adjustment	\$11.81	\$23.10	\$64.22	\$590.59	\$1,035.02	\$8.14	\$8.20	\$6.65	0
Existing Approved Fixed Charge	\$12.72	\$29.58	\$292.71	\$2,296.39	\$20,638.79	\$1.39	\$3.14	\$1.42	\$0.00

Recalculated Volumetric Rate for General Service 50 – 4,999 kW

Customer Class	Total Gross Rev. Requirement Before Transf Disc	Proposed Fixed Rate	Resulting Variable Rate	Total Fixed Revenue	Total Variable Revenue	Gross Revenue Requirement	Transformer Allowances	Base Revenue Requirement
Residential	\$ 37,160,799	\$ 12.63	\$ 0.0150	\$ 20,917,919	\$ 16,242,880.11	\$ 37,160,799.39		\$ 37,160,799
GS <50 kW	\$ 9,674,402	35.69	0.0116	5,127,149	4,547,253	9,674,402		\$ 9,674,402
GS 50 to 4,999 kW	\$ 15,971,479	77.07	3.6874	1,536,871	14,434,608	15,971,479	(680,653)	\$ 15,290,827

Former Volumetric Rate for General Service 50 – 4,999 kW

Customer Class	Total Gross Rev. Requirement Before Transf Disc	Proposed Fixed Rate	Resulting Variable Rate	Total Fixed Revenue	Total Variable Revenue	Gross Revenue Requirement	Transformer Allowances	Base Revenue Requirement
Residential	\$ 37,160,799	\$ 12.63	\$ 0.0150	\$ 20,917,919	\$ 16,242,880.11	\$ 37,160,799.39		\$ 37,160,799
GS <50 kW	\$ 9,674,402	35.69	0.0116	5,127,149	4,547,253	9,674,402		\$ 9,674,402
GS 50 to 4,999 kW	\$ 15,971,479	366.54	2.2128	7,309,191.37	8,662,288	15,971,479	(680,653)	\$ 15,290,827

SEC – #40 [Ex. 8, p. 5] Please recalculate both the fixed and volumetric rates for GS>50 on the basis that the monthly fixed charge is set at 120% of Minimum system with PLCC, and the revenue to cost ratios are set in the manner set out in question 7-SEC-38 above.

RESPONSE SEC #40:

The results of monthly fixed charge set at 120% of Minimum system with PLCC, and cost ratios as determined with regard to SEC Question 38 is a volumetric distribution rate of \$3.0425 per kW and a distribution monthly fixed charge of \$77.07.

Recalculated Volumetric Rate for General Service 50 – 4,999 kW

Customer Class	Total Gross Rev. Requirement Before Transf Disc	Proposed Fixed Rate	Resulting Variable Rate	Total Fixed Revenue	Total Variable Revenue	Gross Revenue Requirement	Transformer Allowances	Base Revenue Requirement
Residential	\$ 40,694,925	\$ 13.83	\$ 0.0164	\$ 22,907,289	\$ 17,787,636.37	\$ 40,694,924.92		\$ 40,694,925
GS <50 kW	\$ 8,744,769	32.26	0.0105	4,634,471	4,110,298	8,744,769		\$ 8,744,769
GS 50 to 4,999 kW	\$ 13,446,966	77.07	3.0425	1,536,871	11,910,095	13,446,966	(680,653)	\$ 12,766,314

Amended Revenue Requirement Allocations to Rate Class per SEC IR # 40

Customer Class	2013 Test Year NET Distribution Revenue at Existing 2012 Rates	Cost Allocation Adjustment Proposed for 2013	CA Adjusted 2013 Test Year NET Distribution Revenue at Existing 2012 Rates	2013 NET Distribution Revenue Requirement Allocation %	Allocation of 2013 Base Revenue before Transformer Discount	Transformer Discounts	2013 Gross Distribution Revenue	2013 GROSS Revenue Requirement Allocation %
Residential	\$ 36,097,055	\$ 131,736	\$ 36,228,791	61.87%	\$ 40,694,925		\$ 40,694,925	61.13%
GS <50 kW	\$ 7,785,060	\$ -	7,785,060	13.30%	8,744,769		8,744,769	13.14%
GS 50 to 4,999 kW	\$ 11,365,253	\$ -	11,365,253	19.41%	12,766,314	680,653	13,446,966	20.20%
GS 50 to 4,999 kW (Co-Generation)	\$ 244,961	\$ (20,582)	224,379	0.38%	252,040	29,200	281,240	0.42%
Large Use >5MW	\$ 1,606,434	\$ (202,438)	1,403,996	2.40%	1,577,075	-	1,577,075	2.37%
Street Light	\$ 1,049,345	\$ -	1,049,345	1.79%	1,178,703		1,178,703	1.77%
Sentinel	\$ 46,679	\$ 134	46,813	0.08%	52,584		52,584	0.08%
Unmetered Scattered Load	\$ 84,251	\$ 27,569	111,820	0.19%	125,605		125,605	0.19%
Standby Power	\$ 273,253	\$ 63,581	336,834	0.58%	378,357	92,880	471,237	0.71%
TOTAL	\$ 58,552,290	\$ -	\$ 58,552,290	100.000%	\$ 65,770,372	\$ 802,732	\$ 66,573,105	100.000%

Energy Probe (EP) Interrogatories Questions:

No Questions

Vulnerable Energy Consumers Coalition (VECC) Interrogatories Questions:

VECC #39.0 Reference: Exhibit 8, pages 2 & 18

- a) On pages 2 through 9 the Co-Generation class is defined GS>50 to 4,999 whereas on page 18 it is defined as GS 1,000 – 4,999. Please reconcile.
- b) Please explain why London requires a separate GS Co-Generation class and a Standby class. Why couldn't customer in the GS>50 Cogeneration class simply be classified to the standard GS>50 class and contract for Standby Service?

Response VECC 39:

- a) London Hydro wishes to apologize for any inconveniences as a result of the errors associated with differences in customer class name. The Board approved name for this service classification is General Service 1,000 to 4,999 kW (Co-Generation).

Adjusted Tables are as follows:

Exhibit 8 - TABLE 2
Apportionment of Revenue to Rate Classes - 2013

Rate Classification	2013 Distribution Revenue Before Trans. Disc. at Existing Rates	Proposed Cost Allocation Revenue Adjustments	2013 Cost Allocation Adjusted Revenues	%
Residential	42,089,730	(3,014,531)	39,075,199	56.49%
General Service Less Than 50 kW	9,096,551	827,608	9,924,160	14.35%
General Service 50 to 4,999 kW	14,039,671	2,247,456	16,287,127	23.55%
General Service 1,000 to 4,999 kW (Co-Generation)	309,636	(68,759)	240,877	0.35%
Backup / Standby Power	421,496	63,581	485,077	0.70%
Large Use	1,817,004	(272,637)	1,544,367	2.23%
Street Lighting	1,238,552	164,049	1,402,600	2.03%
Sentinel Lighting	54,899	7,012	61,910	0.09%
Unmetered Scattered Load	100,816	46,220	147,037	0.21%
	\$ 69,168,355	\$ (0)	\$ 69,168,355	100.00%

Exhibit 8 - TABLE 3
Allocation of Gross and Base Revenue Requirement - 2013

Rate Classification	Gross Revenue Requirement	Transformer Discounts	Base Revenue Requirement
Residential	37,160,799	-	37,160,799
General Service Less Than 50 kW	9,674,402	-	9,674,402
General Service 50 to 4,999 kW	15,971,479	- 680,653	15,290,827
General Service 1,000 to 4,999 kW (Co-Generation)	227,124	- 29,200	197,924
Large Use	1,498,222	-	1,498,222
Street Lighting	1,362,975	-	1,362,975
Sentinel Lighting	60,310	-	60,310
Unmetered Scattered Load	146,555	-	146,555
Backup / Standby Power	471,238	- 92,880	378,358
Total	\$ 66,573,104	-\$ 802,732	\$ 65,770,372

Exhibit 8 - TABLE 4
Current Monthly Fixed Charges - 2012

Rate Class	Fixed Charge
Residential	12.72
General Service Less Than 50 kW	29.58
General Service Greater 50 to 4,999 kW	292.71
General Service 1,000 to 4,999 kW (Co-Generation)	2,296.39
Large Use	20,638.79
Street Lights	1.39
Sentinel Lights	3.14
Unmetered Scattered Load	1.42

Exhibit 8 - TABLE 5
Current Revenue Splits - Fixed and Variable - 2012

Customer Class	Current Fixed Revenue Split	Current Variable Revenue Split	Total
Residential	58%	42%	100%
General Service Less Than 50 kW	55%	45%	100%
General Service 50 to 4,999 kW	48%	52%	100%
General Service 1,000 to 4,999 kW (Co-Generation)			
	30%	70%	100%
Backup / Standby Power	0%	100%	100%
Large Use	46%	54%	100%
Street Lighting	56%	44%	100%
Sentinel Lighting	55%	45%	100%
Unmetered Scattered Load	31%	69%	100%
Total - Gross before transformer discounts	55%	45%	100%
Total - Net after transformer discounts	56%	44%	100%

Exhibit 8 - TABLE 6

Proposed Fixed Distribution Charges - 2013

Customer Class	Minimum System with PLCC Adjustment (Ceiling Fixed Charge From CA Model)	OEB Proposed Fixed Rate Threshold @ 120% of Ceiling Charge	London Hydro 2012 Rates From OEB Approved Tariff	London Hydro Fixed Rate Proposed for 2013 to Maintain Existing Fixed/Variable Revenue Splits
Residential	\$ 11.81	\$ 14.17	\$ 12.72	\$ 12.63
General Service Less Than 50 kW	23.10	27.72	29.58	35.69
General Service 50 to 4,999 kW	64.21	77.05	292.71	366.54
General Service 1,000 to 4,999 kW (Co-Generation)	590.56	708.67	2,296.39	2,018.88
Large Use	1,035.00	1,242.00	20,638.79	19,114.96
Street Lighting - (per connection)	8.14	9.77	1.39	1.77
Sentinel Lighting - (per connection)	8.20	9.84	3.14	3.96
Unmetered Scattered Load - (per connection)	6.81	8.17	1.42	2.37
Backup / Standby Power	-	-	-	-

Exhibit 8 - TABLE 7

Fixed Revenue Percentages - 2012 and 2013

Customer Class	Current Fixed Charge Split - 2012	Proposed Fixed Charge Split - 2013
Residential	58%	56%
General Service Less Than 50 kW	55%	53%
General Service 50 to 4,999 kW	48%	46%
General Service 1,000 to 4,999 kW (Co-Generation)	30%	32%
Large Use	46%	46%
Street Lighting	56%	55%
Sentinel Lighting	55%	54%
Unmetered Scattered Load	31%	30%
Backup / Standby Power	0%	0%
Total - Gross after transformer discounts	55%	53%
Total - Net after transformer discounts	56%	53%

Exhibit 8 - TABLE 8

Fixed Distribution Charge Calculation - 2013

Customer Class	Total Revenue Requirement before Transformer Discounts	Fixed Revenue Portion	Fixed Revenue Amount	2013 Test Year Customers / Connections	Proposed Fixed Distribution Charge - 2013
Residential	\$ 37,160,799	56%	\$ 20,917,919	138,004	\$ 12.63
General Service Less Than 50 kW	9,674,402	53%	5,127,149	11,970	35.69
General Service 50 to 4,999 kW	15,971,479	46%	7,309,191	1,662	366.54
General Service 1,000 to 4,999 kW (Co-Generation)	227,124	32%	72,680	3	2,018.88
Large Use	1,498,222	46%	688,138	3	19,114.96
Street Lighting	1,362,975	55%	745,507	35,004	1.77
Sentinel Lighting	60,310	54%	32,387	681	3.96
Unmetered Scattered Load	146,555	30%	43,967	1,544	2.37
Backup / Standby Power	471,238	0%	-	-	-
Total	\$ 66,573,104		\$ 34,936,938		

Exhibit 8 - TABLE 9

Proposed Variable Distribution Charge Calculation - 2013

Customer Class	Total Revenue Requirement before Transformer Discounts	Fixed Revenue Portion	Variable Revenue Portion	2013 Test Year Volumes	Billing Determinant	Proposed Variable Distribution Charge
Residential	\$ 37,160,799	\$ 20,917,919	\$ 16,242,880	1,091,392,572	kWh	\$ 0.0150
General Service Less Than 50 kW	9,674,402	5,127,149	4,547,253	392,909,717	kWh	\$ 0.0116
General Service 50 to 4,999 kW	15,971,479	7,309,191	8,662,288	3,914,575	kW	\$ 2.2128
General Service 1,000 to 4,999 kW (Co-Generation)	227,124	72,680	154,444	48,666	kW	\$ 3.1736
Large Use	1,498,222	688,138	810,084	387,522	kW	\$ 2.0904
Street Lighting	1,362,975	745,507	617,468	67,255	kW	\$ 9.1810
Sentinel Lighting	60,310	32,387	27,923	2,130	kW	\$ 13.1090
Unmetered Scattered Load	146,555	43,967	102,589	4,994,818	kWh	\$ 0.0205
Backup / Standby Power	471,238	-	471,238	154,800	kW	\$ 3.0442
Total	\$ 66,573,104	\$ 34,936,938	\$ 31,636,165			

Exhibit 8 - TABLE 10

Current and Proposed Variable Distribution Charges and Revenue Percentages

Customer Class	Rate Determinant	London Hydro 2012 Rates From OEB Approved Tariff	London Hydro Variable Rate Proposed 2013	Current Volumetric Charge Split 2012	Proposed Volumetric Charge Split 2013
Residential	kWh's	\$ 0.0139	\$ 0.0150	42%	44%
General Service Less Than 50 kW	kWh's	\$ 0.0090	\$ 0.0116	45%	47%
General Service 50 to 4,999 kW	kW's	\$ 1.5861	\$ 2.2128	52%	54%
General Service 1,000 to 4,999 kW (Co-Generation)	kW's	\$ 3.9348	\$ 3.1736	70%	68%
Large Use	kW's	\$ 2.2281	\$ 2.0904	54%	54%
Street Lighting	kW's	\$ 6.9210	\$ 9.1810	44%	45%
Sentinel Lighting	kW's	\$ 9.8703	\$ 13.1090	45%	46%
Unmetered Scattered Load	kWh's	\$ 0.0116	\$ 0.0205	69%	70%
Backup / Standby Power	kW's	\$ 2.3652	\$ 3.0442	100%	100%
Total - Gross before transformer discounts				45%	47%
Total - Net after transformer discounts				44%	47%

Exhibit 8 - TABLE 11

Proposed 2013 Electricity Distribution Rates

Customer Class	Customer	Connection	kWh	kW
Residential	\$ 12.63	\$ -	\$ 0.0150	
General Service Less Than 50 kW	\$ 35.69	\$ -	\$ 0.0116	
General Service 50 to 4,999 kW	\$ 366.54	\$ -		\$ 2.2128
General Service 1,000 to 4,999 kW (Co-Generation)	\$ 2,018.88	\$ -		\$ 3.1736
Backup / Standby Power	\$ -	\$ -		\$ 3.0442
Large Use	\$ 19,114.96	\$ -		\$ 2.0904
Street Lighting		\$ 1.77		\$ 9.1810
Sentinel Lighting		\$ 3.96		\$ 13.1090
Unmetered Scattered Load		\$ 2.37	\$ 0.0205	
Transformer discounts				\$ (0.60)

b) The Co-Generation class is segmented from other GS classes as it has differing costs, services, and system requirements from that of the other GS classes. These customers generally would be classed as Large Use Service Class. However, since they operate or own a co-generation or load displacement generator that brings their gross peak demand annual average below 5 MW, they are not classed in the Large User category.

Co-Generation class customers therefore have many similarities to Large Use customers such as the utilization of Primary Metering - Interval 3. Present Co-generation class customers do not utilize lower category meters (that other GS class customers would normally be utilizing). For Cost Allocation purposes, and permitting cost causality to our customers, it would

be preferred that Co-Generation customers, by using significantly more expensive meters should pay for these meters, rather than being subsidized by other customer classes. If a Co-Generation class customer were to be assigned to another General Service class, they would avoid paying for the costs of more expensive meters and interval monitoring charges. The Co-generation could also be unfavourably impacted through cost allocation extra costs elements and factors such as bad debts, billing, and services. These costs and factors are normally very different for the Large User Class as compared to that of other rate classes.

The Standby Power class is for those customers who have load displacement generation and also require London Hydro to provide back-up service or reserved capacity. The Standby Power customer annually requests the reserve amount they require, anywhere from nothing to name plate capacity of their generator, subject to London Hydro's approval and acceptance. This customer is paying to make this capacity amount available to them on a continuous basis.

Fixed/ Variable Split Percentages on Gross/ Net Revenues

VECC #40.0 Reference: Exhibit 8, pages 4 - 6

- a) Are the fixed/variable split percentages based on gross or net variable revenues (i.e., revenues before or after deduction of the transformer allowance)?
 - b) If they are based on gross, please re-do Tables 8-5 based on net.
 - c) Table 8-5 shows a fixed/variable split for Residential of 58/42 and Table 8-6 indicates that the proposed 2013 Fixed Rate of \$12.63 is meant to maintain this split. However, Table 8-7 indicates that the proposed fixed/variable split for the class is 56/44. Please reconcile.
- a) The Fixed/ variable split percentages are based on gross revenues (before deduction of the transformer discount).

b) Table 8-5 based on gross and net revenues.

Current Revenue Splits - Fixed and Variable - 2012			
Before Transformer Discounts			
Customer Class	Current Fixed Revenue Split	Current Variable Revenue Split	Total
Residential	58%	42%	100%
General Service Less Than 50 kW	55%	45%	100%
General Service 50 to 4,999 kW	48%	52%	100%
General Service 1,000 to 4,999 kW (Co-Generation)	30%	70%	100%
Backup / Standby Power	0%	100%	100%
Large Use	46%	54%	100%
Street Lighting	56%	44%	100%
Sentinel Lighting	55%	45%	100%
Unmetered Scattered Load	31%	69%	100%
Total - Gross before transformer discounts	55%	45%	100%
Total - Net after transformer discounts	56%	44%	100%

Current Revenue Splits - Fixed and Variable - 2012			
After Transformer Discounts			
Customer Class	Current Fixed Revenue Split	Current Variable Revenue Split	Total
Residential	58%	42%	100%
General Service Less Than 50 kW	55%	45%	100%
General Service 50 to 4,999 kW	51%	49%	100%
General Service 1,000 to 4,999 kW (Co-Generation)	34%	66%	100%
Backup / Standby Power	0%	100%	100%
Large Use	46%	54%	100%
Street Lighting	56%	44%	100%
Sentinel Lighting	55%	45%	100%
Unmetered Scattered Load	31%	69%	100%
Total - Gross before transformer discounts	55%	45%	100%
Total - Net after transformer discounts	56%	44%	100%

c) Although Table 8-5 Current Revenue Splits (Fixed and Variable) for 2012 shows 58% as current resident fixed revenue split, and London Hydro has expressed that we wish to maintain same splits for the Test Year, the split percentages have been disrupted by the 2012 Cost Allocation Study results.

Please reference the London Hydro Application, Exhibit 8, page 6, lines 6-9, that identifies this matter.

Table 8-5

Current Revenue Splits - Fixed and Variable - 2012

Customer Class	Current Fixed Revenue Split	Current Variable Revenue Split	Total
Residential	58%	42%	100%
General Service Less Than 50 kW	55%	45%	100%
General Service 50 to 4,999 kW	48%	52%	100%
General Service 1,000 to 4,999 kW (Co-Generation)	30%	70%	100%
Backup / Standby Power	0%	100%	100%
Large Use	46%	54%	100%
Street Lighting	56%	44%	100%
Sentinel Lighting	55%	45%	100%
Unmetered Scattered Load	31%	69%	100%
Total - Gross before transformer discounts	55%	45%	100%
Total - Net after transformer discounts	56%	44%	100%

Table 8-6

Fixed Revenue Percentages - 2012 and 2013

Customer Class	Current Fixed Charge Split - 2012	Proposed Fixed Charge Split - 2013
Residential	58%	56%
General Service Less Than 50 kW	55%	53%
General Service 50 to 4,999 kW	48%	46%
General Service 1,000 to 4,999 kW (Co-Generation)	30%	32%
Large Use	46%	46%
Street Lighting	56%	55%
Sentinel Lighting	55%	54%
Unmetered Scattered Load	31%	30%
Backup / Standby Power	0%	0%
Total - Gross after transformer discounts	55%	53%
Total - Net after transformer discounts	56%	53%

Loss Factors:

VECC #41.0 Reference: Exhibit 8, page 16

a) Please explain the significantly higher loss factor reported for 2009 (i.e., 1.0529).

Response VECC 41:

The retail kWh's under RRR 2.1.5 are the billed kWh's. In 2009 we implemented the new SAP CIS, and due to delays in customer billing we had unusually high unbilled energy at the end of the year. This energy was billed in 2010, therefore, since the report is based on billed kWh's, the actual customer billings are higher in 2010 than in other years.

The system loss is calculated as the difference between billed retail and wholesale purchased quantities. Consequently, the system loss calculated in this manner is very high for the year when unbilled is high, and low in 2010 when some of the prior year unbilled is included in the billed energy.

Loss Factors

		2009	2010	2-year Average
	<i>Losses Within Distributor's System</i>			
A(1)	"Wholesale" kWh delivered to distributor (higher	3,315,882,997	3,428,161,401	3,372,022,199
A(2)	"Wholesale" kWh delivered to distributor (lower value)	3,305,317,093	3,417,503,034	3,361,410,063
B	Portion of "Wholesale" kWh delivered to distributor for its Large Use Customer(s)	186,753,672	197,077,280	191,915,476
C	Net "Wholesale" kWh delivered to distributor = A(2) - B	3,118,563,421	3,220,425,754	3,169,494,587
D	"Retail" kWh delivered by distributor	3,146,740,539	3,376,757,921	3,261,749,230
E	Portion of "Retail" kWh delivered by distributor to its Large Use Customer(s)	184,904,626	195,126,020	190,015,323
F	Net "Retail" kWh delivered by distributor = D - E	2,961,835,912	3,181,631,901	3,071,733,907
G	Loss Factor in Distributor's system = C / F	1.0529	1.0122	1.0318

The average loss factor calculated for Years 2009 and 2010 represents a normal Distribution system loss of 1.0318, which is consistent with other year losses.

All Respectfully Submitted

