

Hydro One Interrogatory – Milton #1

Interrogatory

Ref: Milton Hydro Evidence, page 7, paragraph 18 - "... HONI Distribution only commenced applying this loss factor to Milton Hydro on January 1, 2005 and ceased applying the loss factor in October 2006. There seems to be some confusion about the application of the loss factor.

Does Milton Hydro agree that:

- (a) the reason for the change to a Total Loss Factor of 3.4% on January 1, 2005 was the result of the equipment upgrade of the IESO registered meters as required by IESO market rules and relocation of the meters to the demarcation point in feeder ownership, and
- (b) the loss factor change in October 2006 was the result of Hydro One subsequently receiving OEB approval, for customers whose meters have been relocated from inside the transformer station to more than 1 pole outside the transformer station, to determine losses based on engineering studies instead of applying the average Total Loss Factor of 3.4%?

If not, what is Milton Hydro's understanding of the reason for the loss factor change?

Response

Milton Hydro was not aware of the reason for the change in 2006 and appreciates Hydro One's efforts to support this change. This change emphasizes our concerns regarding the classification of the M1 and M3 feeders as Shared LV lines, flaws inherent in its broad application and the inability of this classification without significant changes to result in fair and reasonable charges to the consumers of Milton.

Hydro One Interrogatory – Milton #2

Interrogatory

Ref: Milton Hydro Evidence, page 7, paragraph 17 - "... The M1 and M3 feeders therefore meet the current definition of a specific LV line in that they lie entirely within either the transmission station property or Milton Hydro's service area."

- (a) Given that the current definition of a specific LV line section is "A line section is "Specific" if it supplies solely one LDC and is within that LDC's territory" (per Hydro One's EB-2007-0681 Evidence, Exhibit G1, Tab 4, Schedule 4, Page 3, lines 24 and 25), does Milton Hydro agree that the HONI-owned portion of the M1 and M3 lines do not lie within Milton Hydro's territory and therefore the feeders do not meet the current definition of a specific LV line?
- (b) Does Milton Hydro agree that Hydro One Networks has the right to connect non-Milton Hydro load to the section of feeders M1 and M3 owned by Hydro One Networks?

Response

- (a) The M1 and M3 feeders do supply only one utility, Milton Hydro. Milton Hydro's ownership of the M1 and M3 feeders is from the Oakville/Milton boundary, which is also the boundary of the Palermo Transformer Station property. For this reason the M1 and M3 feeders should be considered part of the Palermo Transformer Station. Moreover, while the shared LV lines and specific LV lines have been described in the evidence, and in the evidence filed by Hydro One in earlier cases (see Milton Hydro's evidence), nowhere in the evidence filed in the current case or any earlier case is there a rationale provided for having two different types of sub-transmission lines with radically different charge determinants. These definitions are flawed and require adjustment. At a minimum, a new category of LV (ST) line should be created, a Designated Line, which was built to serve and continues to serve a single LDC's load. The M1 and M3 Hydro One owned lines emanating from the Palermo TS should be considered two such dedicated lines. A dedicated line should have the same charge determinant as a Specific Line, namely a charge per km. Alternatively, all the LV assets should be properly considered transmission assets, and should be transferred from the distribution rate base to the transmission rate base of Hydro One Networks, where they were prior to the OEB's decision in RP-1998-001.
- (b) Hydro One would have the right to connect non-Milton Hydro load to the .24 km long section of feeders M1 and M3 owned by Ontario Hydro Networks, only if there were sufficient capacity on the M1 and M3 feeders and at the Palermo Transformer Station, which there is not, and has not been for many years.

The M1 and M3 feeders were constructed in 1983 to serve Milton Hydro and they have exclusively served Milton Hydro load since that time. The M1 and M3 feeders and the Palermo TS have been operating at capacity for many years.