**Proposed Interrogatories**

**EB-2013-0416**

**Hydro One Networks Inc.**

**Custom Rate application**

**Balsam Lake Coalition**

**7.0 Cost Allocation and Rate Design**

**Issue 7.1 – Are the rate classes and their definitions proposed by Hydro One appropriate?**

1. Notwithstanding the current status whereby Seasonal rate class customers are by definition not density-based, but acknowledging that Seasonal rate class customers are actually located in all three density zones; please break-down the number of Seasonal rate class customers and the number of year-round residential rate customers in each of the density zones i.e. UR, R1 and R2.
2. Please provide the actual (year-end) figures for 2012 and 2013, in the above requested break-down of the number of Seasonal rate class customers and the number of year-round residential customers, in each of the above density zones.

**Reference: Ex. G1, Tab 4, Schedule 1, Attachment 1 – 2015 Rate Design**

1. To evaluate the impact of the potential elimination of the Seasonal class customer, please prepare a pro forma statement in which all 143,666 Seasonal customers are eliminated as a separate class and are moved into their appropriate residential UR, R1 or R2 density zones, using the same accounting methodology as was used to prepare the above proposed 2015 Rate Design statement. Please also prepare a pro forma Total Bill Impact statement for the above potential elimination of the Seasonal class customer.
2. Please provide the actual (year-end) figures for 2012 and 2013 of the impact of eliminating all the Seasonal class customer in those particular years, using the same accounting methodology as in above ( No. 3) interrogatory.

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1. Please advise the accounting methodology and the amounts of the allocated cost PER CUSTOMER and the revenue from rates PER CUSTOMER, as was used to prepare the 2015 Rate Design statement for each of the residential rate class customers i.e. UR, R1, R2 & Seasonal.
2. Please advise the accounting methodology and the actual (year-end) figures for 2012 and 2013 of the allocated cost PER CUSTOMER and the revenue from rates PER CUSTOMER prepared in previous years for the (2012 and 2013) projected Rate Design, using the same accounting methodology as in above (No. 5) interrogatory; for each of the residential rate class customers i.e. UR, R1, R2 & Seasonal.

**7.0 Cost Allocation and Rate Design**

**Issue 7.2 – Is the proposed definition of “seasonal” customer class appropriate? Particularly, is residency an appropriate criterion in defining a class? Has this criterion been applied consistently?**

1. Please provide the number of year-round residential customers that consume on average, less than 500 KWH per month, in each of the UR, R1 and R2 density zones. Why are these low-volume, year-round residential customers not charged a premium volumetric charge similar to Seasonal customers?
2. How does Hydro One justify a proposed (2015) Seasonal fixed monthly Distribution charge of $28.45 + a monthly volumetric charge of 9.05 cents/KWH, whereas a similar electric utility such as Veridian Connections has a (2014) Seasonal fixed monthly rate of $29.15 + a monthly volumetric of 3.4 cents/KWH?

The monthly Distribution cost for a Hydro One Seasonal customer (@ 500 KWH/mo.) is $$73.70 whereas the monthly cost for a Veridian Seasonal customer (@500 KWH/mo.) is $46.15. The difference of $27.55 for the Hydro One customer amounts to a 59.7% increased monthly amount for the same amount of power.

1. Please provide the number of year-round residential customers in each UR, R1 or R2 density zone that own a second home elsewhere, other than their principle residence. If Hydro One’s response is that it does not have said information because it is not required – why does Hydro One’s criteria, applicable to Seasonal customers, require information from Seasonal customers about the ownership of a second home? Why has Hydro One not applied this residency criterion consistently to all residential customers?

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1. **Cost Allocation and Rate Design**

**Issue 7.3- Is the reclassification of customers to reflect findings of the company’s review of existing customer rate classification appropriate?**

1. How does Hydro One justify it’s proposed reclassification of 11,000 Seasonal class customers into the R1 & R2 residential classes because of inequitable rates, while ignoring the inequitable rate treatment applied to the remainder Seasonal customers?