

**EB-2013-0416 HYDRO ONE DISTRIBUTION
5 YEAR CUSTOM RATES APPLICATION**

CITY OF HAMILTON (C OF H) INTERROGATORIES

JUNE 13, 2014

All of the Interrogatories relate to Issue 7.6

Issue 7.6 Are Hydro One's proposed charges for street lighting appropriate?

C of H 1. Exhibit G1, Tab 2, Schedule 1

What findings, in HONI's "rate class review", led to the conclusion that the rates for the street lighting class had to be increased in the amount proposed?

C of H 2. Exhibit G1, Tab 3, Schedule 1

Preamble:

The prefiled evidence states that HONI used a cost allocation model consistent with the Board's Revised Cost Allocation model modified to accommodate HONI's specific circumstances.

- (a) In what way, if at all, was the Board's cost allocation model modified with respect to the street lighting class?
- (b) What specific circumstances, if any, of HONI require a modification of the Board's cost allocation model for the street lighting class?

C of H 3. Exhibit G1, Tab 3, Schedule 1, pp. 13 ff

- (a) What is the additional effort for the street lighting class associated with maintaining and updating the forecast kWh to be used for billing purposes?
- (b) What is the effect of the weighting factors assigned to the street lighting class on the proposed rates for that class?

C of H 4. Exhibit G1, Tab 4, Schedule 1, p. 6

Preamble:

HONI is proposing a material increase (in the order of 173%) in their Service or Fixed Charge for the street lighting class.

What is the basis for this material increase?

C of H 5. Why is HONI's revenue requirement (specific to street lights) increasing considerably more rapidly than the benchmark established by the Board in EB-2010-0379?

C of H 6. What is the basis for the material increase in street light connections, from 5,832 in HONI's 2010 cost of service application to 20,324 in the present application?

C of H 7. To what extent, if at all, does the increase in the number of street light connections contribute to the material increase in the Service or Fixed charge for the street lighting clients?

C of H 8. Exhibit G1, Tab 3, Schedule 1

Preamble:

In its Report in EB-2012-0383, dated December 19, 2013, the Board states:

"The Board's policy remains that distributors should endeavour to move their revenue to cost ratios closer to one or 100% if this is supported by new data. That being said, the Board does not believe that there is sufficient evidence at this time to narrow the revenue to cost ratio range for the street lighting class. The Board has therefore concluded that the revenue to cost ratio range for the street lighting rate class should not be narrowed at this time." (page 6)

What is the "sufficient evidence" that HONI is relying on to change the revenue to cost ratio for the street lighting class.

C of H 9. In its Report in EB-2012-0383, the Board states:

"A critical assumption with respect to the inputs for the street lighting class is the number of devices per connection. This assumption has the most significant impact on the revenue requirement for the street lighting customer class." (page 9)

(a) What definitions of "connections" and "devices" is HONI using?

- (b) What is the number of devices per connection for the street lighting class that underlies the proposed street lighting rates for the period 2015-2019?
- (c) What is the impact of the number of “devices per connection” on the revenue requirement for the street lighting class?

C of H 10. In its Report in EB-2012-0383, the Board states:

“The actual configuration used in connecting unmetered loads should be clearly reflected in the distributor’s cost allocation.” (page 14)

Can HONI please provide an explanation for the “actual configuration” used in connecting unmetered street lighting loads?

C of H 11. Preamble:

In its Report in EB-2012-0383, the Board states:

- (i) “The Board believes that there should be ongoing communication between distributors and unmetered load customers. Unmetered load customers should be able to determine, and distributors validate, what the appropriate consumption levels and load profiles are for particular devices that will reflect the technology used in street lights or other unmetered loads.” (page 5)
- (ii) “It appeared that municipal customers were unaware of the phasing-in of higher revenue to cost ratios that had taken place over the past three to five years. They were also unaware that the repeated rate increases attributable to the large changes in the revenue to cost ratios were unlikely to occur again.” (page 9)
- (iii) “In general, communication between unmetered load customers and their distributors was not optimum and it may be possible to improve those communications.” (page 9)

Please list, and describe, the communications HONI had with the City of Hamilton with respect to the proposed changes in street lighting rates, including the proposed change in the revenue to cost ratio.

- C of H 12.
- (a) Has HONI compared its revenue per street light connection with those of other electricity distribution utilities in Ontario?
 - (b) If not, why not?
 - (c) If so, what are the results of the comparison.