

Ontario Energy Board

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by Milton Hydro
Distribution Inc. for an order, approving the recovery of certain
amounts related to the restoration of electricity service in the
Town of Milton due to an ice storm in December 2013, to be
effective November 1, 2014 for 18 months.

**INTERROGATORIES OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

July 10, 2014

**MILTON HYDRO DISTRIBUTION INC.
2014 Z-FACTOR APPLICATION
EB-2014-0162**

**ENERGY PROBE RESEARCH FOUNDATION
INTERROGATORIES**

Energy Probe - 1

Ref: Paragraph 1.3

Please provide a copy of Milton Hydro's 2013 year end Audited Financial Results.

Energy Probe - 2

Ref: Paragraphs 3.6-3.7

- a) Did Milton Hydro experience any other events that would have qualified for Z-factor status in 2013 but were less than the materiality threshold? If yes, please provide an estimate of the cost of these other events in 2013.**
- b) Please provide the level of costs incurred in 2013 for emergency restorations excluding the costs associated with this application.**

Energy Probe - 3

Ref: Paragraph 3.7

The evidence states that the costs incurred as a result of this event were clearly outside of the base upon which Milton Hydro's rates were derived based on the OEB approved 2011 cost of service proceeding.

- a) What level of costs was included in the approved 2011 cost of service OM&A related to emergency maintenance/restorations?**
- b) What was the actual level of emergency maintenance/restoration costs incurred by Milton Hydro in each of 2008 through 2012?**

Energy Probe - 4

Ref: Paragraph 4.12

Please explain why the material costs related to restoration shown in Table 6 were expensed rather than capitalized.

Energy Probe - 5

Ref: Paragraph 2.6 & Table 1

- a) Did Milton Hydro include the costs shown in Table 1 in the calculation of its PILs for 2013? If not, why not? If yes, what was the impact on PILs in 2013 of the deduction of these amounts?**
- b) If the response to part (a) was that Milton Hydro did not include the costs shown in Table 1 in the calculation of its 2013 PILs, will Milton Hydro be deducting these costs in the calculation of its 2014 PILs? If yes, what is the expected impact on PILs in 2014 of the deduction of these amounts?**
- c) If the response to parts (a) and (b) are both no, please explain when these additional costs will be reflected in the PILs calculations, or why they will not be reflected in the PILs calculations.**

Energy Probe - 6

Ref: Paragraph 1.8

- a) Please explain why the rate rider will be recovered only from metered customers and not from unmetered customers?**
- b) Please confirm that the street lighting class, sentinel class and unmetered class will not pay any of the costs associated with the Z-factor event under Milton Hydro's proposal. If this cannot be confirmed, please explain.**
- c) How many unmetered connections does Milton Hydro have? How many unmetered customers does Milton Hydro have?**
- d) Based on actual data for 2013, please provide the percentage of actual kWh's consumed by each of the rate classes that do not attract the rate rider as a percentage of the total kWh's delivered by Milton Hydro.**

Energy Probe - 7

Ref: Paragraph 1.8 & Table 9

Milton Hydro is one of the fastest growing electricity distributors in Ontario and had 34,073 metered customers at the end of December, 2013.

- a) How many metered customers does Milton Hydro forecast that it will have at the end of October, 2014?
- b) How many metered customers does Milton Hydro forecast that it will have at the end of April, 2016?
- c) Based on the most recent month available on an actual basis, how many metered customers does Milton Hydro have?
- d) If the rate rider is calculated based on the December 31, 2013 number of customers, does Milton Hydro agree that it will recover in excess of the amount through the rate rider because the number of metered customers will be higher than the number used to calculate the rate rider?
- e) Will any over collection resulting from the increase in the number of metered customers be held in the Z-factor account and refunded to ratepayers after the rate rider expires at the end of April, 2016? If not, why not?
- f) Would Milton Hydro agree to track the revenues received from the rate rider and to refund any over collection to ratepayers following a review in a subsequent proceeding? If not, why not?

Energy Probe - 8

Ref: Paragraph 1.8

- a) Please explain why Milton Hydro is allocating costs among the rate classes by number of metered customers rather than the number of customers/connections.
- b) Please explain why Milton Hydro is allocation costs among the rate classes by number of metered customers rather than by kWh figures for 2013.
- c) If the storm costs had been allocated on the same basis as tree trimming costs, how would these costs be allocated to the rate classes? Please base the response on the cost allocation methodology used and approved by the Board in the 2011 cost of service application.

- d) If the storm costs had been allocated on the same basis as maintenance of poles, towers and fixtures or maintenance of overhead conductors and devices, how would these costs be allocated to the rate classes? Please base the response on the cost allocation methodology used and approved by the Board in the 2011 cost of service application.**
- e) Please provide a version of Table 9 that shows the allocation of the \$946,967 to each rate class based on Milton Hydro's proposal and each of the possible alternatives from parts (a), (b), (c) and (d) above.**

Energy Probe - 9

**Ref: Paragraph 3.13 and
EB-2010-0137, Exhibit 2, Appendix A**

- a) Please provide a copy of the written tree trimming policy referenced in Paragraph 3.13.**
- b) When was this tree trimming policy implemented and/or changed?**
- c) Milton Hydro filed an Asset Management Plan for 2010 through 2015 in EB-2010-0137 (Exhibit 2, Appendix A). As part of that plan, Table 2 on page 20 of 196 showed the tree trimming cycle for year in 2010 through 2015 for each of three areas (central, south, north). Please confirm that the tree trimming cycle shown in Table 2 was completed as planned. If this cannot be confirmed, please explain any variations from plan.**

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