**EB-2014-0002**

**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 Horizon Utilities Corporation for an order approving just and reasonable rates and other charges for electricity distribution to be effective January 1, 2015, and for each following year through to December 31, 2019.

# TECHNICAL CONFERENCE QUESTIONS OF THE CITY OF HAMILTON (C OF H) TO HORIZON UTILITIES CORPORATION (HORIZON)

**8/14/14**

**1 – C of H 11 TC**

(a) The response to this interrogatory creates the impression that Horizon has, in allocating costs, just followed the OEB-approved cost allocation methodology. Has Horizon deviated from that cost allocation model? If so, in what ways and with what effect on the rate classes?

(b) How were the common costs, in the amount of $399,055, allocated to the LU(2) class derived?

(c) What percentage is $399,055 of the total common costs of Horizon?

**2 (Attachment 2) - C of H 12TC**

**Cost Allocation and Rate Design EMP Presentation, May 1, 2013**

(a) What was the impetus for the creation of this Presentation?

(b) What is the “Project” referred to on page 2 of the Presentation?

(c) What are the “customer requests to review Cost Allocation” referred to on page 3 of the Presentation?

(d) What are the “strategic issues within Horizon Utilities’ service area” referred to on page 3 of the Presentation?

(e) What is meant by the statement “mitigate the shareholder’s risk” which appears on page 3 of the Presentation?

(f) The graph on page 6 of the Presentation shows “Large Use Customer – Demand”, from January of 2012 to December of 2012. Why was the data presented on the graph limited to that timeframe?

(g) In the Risk Matrix, which appears on page 18 of the Presentation, there are references to “SU direct connect to HONI” and to the “probability of bypass”. On what basis did Horizon calculate the risk of “direct connect to HONI” and the risk of “bypass”?

**2 (Attachment 1) - C of H 13TC**

**Recommendation on Cost Allocation – August 2013**

(a) Based on what considerations did Horizon move from the EMP Presentation, dated May 1, 2013 (C of H 2, attachment 2) to the Recommendation on Cost Allocation dated August 2013?

**2 (Attachment 3) - C of H 14TC**

**CoS Scenario Bill Impacts November 26 2013**

(a) For whom was this presentation prepared?

(b) What decisions, if any, was Horizon seeking from this presentation?

(c) Why were the graphs entitled “Rate Curve Competitiveness for 2015” prepared? With whom does Horizon compete and for what?

(d) The graph entitled “Scenario 1: Existing Rate Classes”, which appears on page 6 of this presentation lists 8 utilities other than Horizon. Why were those 8 utilities selected?

**2 (Attachment 6) - C of H 15TC**

**Bill Impacts – EMT Review Target Area Comparison**

(a) For whom was this document prepared?

(b) Why was it prepared? What is the relevance for Horizon’s rate application of the comparisons?

(c) The graphs in this document compare Horizon to other utilities. Please indicate the criteria upon which the other utilities were selected.

**2 (Attachment 5) - C of H 16TC**

**CoS Scenario Bill Impacts November 6, 2013**

Introduction:

This document contains a comparison of two scenarios. Scenario 1 "(No LU (2) Class)" shows the bill impact in 2015 for the streetlight class to be an increase of 8.35% over 2014. In Scenario 2 "(Introduction of LU (2) Class in 2015)", the impact on the streetlight class is an increase of 16.76% in 2015 over 2014.

In the application as filed, the proposed distribution bill impact for the streetlight class is 24.5% for 2015 over 2014.

(a) Was the presentation "CoS Scenario Bill Impacts" dated November 6, 2013, the final presentation to the EMT before the application was filed?

(b) Did the EMT consider the distribution bill impact on the streetlight class of 24.5% prior to the application being filed? If so, when, and under what circumstances?

(c) Was the City of Hamilton told what the distribution bill impact increase would be prior to the filing of the application? If not, why not? Was the City of Hamilton consulted about any of the scenarios referred to in this attachment?

**2 (Attachment A) - C of H 17TC**

**Meeting with Large Use Customers – November, 2013 (Supplementary Response to C of H Interrogatory 2(a)**

(a) What was the impetus for this meeting and for the proposal outlined in the slide deck?

(b) Did the large use customers ask for a reduction in their rates?

(c) If so, when and under what circumstances?

(d) What was the "evolving Financial Plan" referred to on page 4 of the slide deck?

(e) On page 6 of the slide deck, there is a statement that "This is a new and untested cost allocation method to present to the Ontario Energy Board." What was "new and untested"?

**3 - C of H 18TC**

Introduction:

The answer to this interrogatory indicates that Horizon uses the terms “devices” and “connections” interchangeably and that each device is a connection. However, the answer also says that there is a distinction drawn between devices (individual lights) and connections.

(a) Does Horizon charge Hamilton on the basis of the number of devices as opposed to the number of connections? If so, what is its justification for doing so?

(b) What is the rate-making impact of charging Hamilton on the basis of the number of devices as opposed to the number of connections?

**7 (Attachment 1)- C of H 19TC**

**City of Hamilton Streetlight Audit Report**

(a) Have the results of this audit been accepted by the City of Hamilton as the basis for the rates charged to the streetlight class?

6701211.1