**Hydro 2000 Inc. (EB-2014-0081)**

**Application Analysis**

**Tab 1 – Information Sheet**

* Staff notes that the last cost of service rebasing year entered should be 2012 (EB-2011-0326). Please confirm if Hydro 2000 Inc. agrees and staff will make the necessary correction to the model.

**Hydro 2000 Inc confirms that the COS should be 2012**.

**Staff: Corrected**

**Tab 4 – Current Tariff Schedule**

* For the Street lighting rate class, the service charge should be listed on a “per connection” basis as is on Hydro 2000 Inc.’s current tariff. Please confirm and staff will select the appropriate descriptor.

**Hydro 2000 Inc. confirms that the service charge should be “per connection”**

**Staff: Corrected**

* For the Unmetered Scattered Load rate class, the service charge should be listed on a “per connection” basis as is on Hydro 2000 Inc.’s current tariff. Please confirm and staff will select the appropriate descriptor.

**Hydro 2000 Inc. confirms that the service charge should be “per connection”**

**Staff: Corrected**

**Tab 5 – 2014 Continuity Schedule**

* Hydro 2000 Inc. has not entered projected interest from Jan. 1, 2014 to December 31, 2014 and from January 1, 2015 to April 30, 2015 on December 31, 2013 balances adjusted for disposition during 2014 (i.e. columns BC and BD). Please provide the applicable projected interest amounts by account number for each column and staff will update the model.

**Please see the excel spreadsheet included.**

**Staff: Interest amount added to Rate Generator Model**

* In its Manager’s Summary, Hydro 2000 notes that in populating the model, it noticed there was an error in the cost of power and global adjustment accounts. The cost of power account (1588) should be credited $(1,781,002) and the global adjustment account (1589) should be debited the same amount. Please explain the nature of this adjustment. Was this solely done to the RRR figures entered into the Rate Generator model.

**The Adjustment was done also in the RRR filings quarter ending in June 2014 when we noticed the error.**

**Staff: Ok**

**Tab 6 – Billing Det. for Def-Var**

* Board staff notes that on Tab 5 of the model, Hydro 2000 has a total claim of a credit of $(3,935) in Account 1595 – Disposition of Recovery/Refund of Regulatory Balances (2011). On Tab 6 in column L, Hydro 2000 has not entered the recovery proportion amount per rate class to allocate the amount noted in Tab 5. Please provide the percentages for each rate class and staff will update the model.

**Based on the Deferral and variance model of 2011 tab F1.1 table allocation percentages that was used to distribute the amount is as followed.**

**Residential 15239230 / 25041446 = 60.85%**

**GS less 50Kw 4739498 / 25041446 = 18.93%**

**GS over 50 Kw 4701848 / 25041446 = 18.78%**

**Unmetered 18487 / 25041446 = 0.07%**

**Streetlight 342383 / 25041446 = 1.37%**

 **Total = 100%**

**Staff: Percentages added to allocate Account 1595 (2011) amount**

**Tab 9 – STS – Billing Det & Rates**



* Typographical error – street lighting kW should be 959 as per previous cost of service. Please confirm if Hydro 2000 Inc. agrees and staff will make the necessary correction to the model.

**Hydro 2000 confirms it is a typographical error and street lighting kW should be 959 as per previous cost of service.**

**Staff: Corrected**

* Staff notes that the monthly service charges and volumetric rates (columns G, H and I) are based on 2013 numbers because of the error on Tab 1. Hydro 2000 Inc. should have input its 2012 CoS figures. Please confirm if Hydro 2000 Inc. agrees and staff will correct the figures entered in columns G, H and I. If Hydro 2000 Inc. does not agree, please provide an explanation for the figures entered.

**Hydro 2000 agrees that staff will correct the figures**.

Staff: Figures for 2012 CoS entered

**Tab 16 – RTSR – Historical Wholesale**



* Staff is unable to reconcile the rates entered for the Hydro One Network, Line Connection and Transformation Connection to the Hydro One Sub-Transmission Rates located at Tab 15. Staff notes that the historical rates should be entered as such:
* Network: $3.18
* Line Connection: $0.70
* Transformation Connection: $1.63

**Hydro 2000 apologize it used the 2012 rates instead of the 2013 rates. Hydro 2000**

**confirms the above rates.**

**Staff: The correct Hydro One Sub-Transmission rates have been entered by staff**

* Please confirm if Hydro 2000 Inc. agrees and staff will update the model. If not, please provide an explanation for the rates entered.

**Please see answer above.**

**Deferral and Variance Account Disposition**

Chapter 3 of the Filing Requirements note that “distributors must establish separate rate riders to recover the balances in the RSVAs from Market Participants (“MPs”) who must not be allocated the RSVA account balances related to charges for which the MPs settle directly with the IESO (e.g. wholesale energy, wholesale market services).”

Chapter 3 of the Filing Requirements also note that “distributors who serve Class A customers per O.Reg 429/04 (i.e. customers greater than 5 MW) must propose an appropriate allocation for the recovery of the global adjustment variance balance based on their settlement process with the IESO”.

* Please confirm that Hydro 2000 Inc. does not serve any MPs or Class A customers.

**Hydro 2000 has no MPs or Class A customers.**