**Ontario Energy Board**

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**BY E-MAIL**

September 18, 2015

David Smelsky
Chief Financial Officer
Halton Hills Hydro Inc.
43 Alice St.
Acton ON L7J 2A9

Dear Mr. Smelsky:

**Re: Halton Hills Hydro Inc.**
**Application for Rates**
**OEB File Number EB-2015-0074**

A preliminary review of the Halton Hills Hydro Inc. (HHHI) application has identified that certain sections of the evidence supporting the application do not comply with the OEB's Filing Requirements[1] for cost of service applications and/or the associated spreadsheets, models and workforms. As a result, the OEB is unable to process your application at this time.

The missing information includes:

| Chapter 2 Filing Requirement Reference - page # | Description |
|---|---|
| 9 | Management Discussion and Analysis: The application should … describe whether and how a distributor's objectives have changed, and how the plan to deliver on certain goals **reflects customer feedback**. |
| 11 | Deferral and Variance Accounts - Total disposition ($) **including split between RPP and non-RPP customers**. |

[1] Chapter 2 of the *Filing Requirements for Electricity Distribution Rate Applications – 2015 Edition for 2016 Rate Applications*, dated July 16, 2015

| Chapter 2 Filing Requirement Reference - page # | Description |
|---|---|
| 15 & 16 | **A description of whether the distributor is a host distributor** (i.e. distributing electricity to another distributor's network at distribution-level voltages) and/or an embedded distributor (i.e. receiving electricity at distribution-level voltages from any host distributor(s)). |
| 24 | Applicants must also provide a **complete Appendix 2-AA** along with the following information about capital expenditures on a project-specific basis. (HHHI has filed Table 2-43 in lieu of Appendix 2-AA, however, Table 2-43, filed as PDF only, is not legible.) |
| 29,30,33 | 2.3.1.1 - Multivariate Regression Model: Data and regression model and statistics used in the customer and load forecast must be provided in working Microsoft Excel format.<br><br>2.3.2 - All data used to determine the customer, demand and load forecasts must be presented and filed in live Microsoft Excel spreadsheet format, as also discussed under section 2.3.1.1 above. |
| 32 | Schedule of volumes (in kWh and in kW for those rate classes that use this charge determinant), **revenues**, customer/connections count by rate class and total system load in kWh for: historical 5 years, historical OEB approved, bridge year, test year. |
| 33 | The applicant must provide the following **variance analyses** and relevant discussion for volumes, revenues, customer/connections count and total system load:<br>• Historical OEB-approved vs. Historical Actual<br>• Historical OEB-approved vs. Historical Actual – weather normalized<br>• Historical Actual – weather-normalized vs. preceding year's Historical Actual – weather-normalized (for the necessary number of years)<br>• Historical Actual – weather normalized vs. Bridge Year – weather-normalized<br>• Bridge Year – weather-normalized vs. Test Year – weather-normalized. |
| 35 | [A]pplicants must complete the revised **Appendix 2-JC**: OM&A Programs Table, making best efforts to identify OM&A costs by program, and, if not, by major functions. (HHHI has filed a checklist stating that it does not maintain OM&A details by "program delivery". However, page 57 of Exhibit 4 refers to Appendix 2-JC and states that "HHHI has identified its programs and major functions on a comparative basis from 2012 Actual to 2016 Test Year.") |
| 37 | Basis for performance pay, eligible employee groups, goals, measures, and review processes for any pay-for-performance plans. |
| 38 | Shared Services and Corporate Cost Allocation: Variance analyses, with explanations, are required for the following:<br>• Test Year vs. Last OEB-approved<br>• Test Year vs. Most Recent Actuals. |

| Chapter 2 Filing Requirement Reference - page # | Description |
|---|---|
| 39 | A distributor must also state whether or not any amounts have been included in its test year revenue requirement for legacy programs, such as Winter Warmth. If this is the case, the programs and amounts must be identified and a brief description of each of the programs must be provided. |
| 47 | Forecasts of new debt anticipated in the bridge and test years, including estimates of the applicable rate and any pertinent information on each new debt instrument (e.g. whether the debt will be affiliated or with a third party, expected term/maturity, any specific capital project(s) that the debt funding is for, etc.).<br><br>HHHI responded "yes" in the checklist regarding new debt, however no information is filed. Please clarify. |
| 60 | Actual LV costs for the last three historical years, along with bridge and test year forecasts. The distributor must also provide the year-over-year variances, and explanations for substantive changes in the costs over time, up to and including the test Year forecast |

The OEB expects that HHHI will file the above listed required information as soon as possible.

If any of the information that is identified as missing is located in sections other than those identified in the Filing Requirements, or if any of the information is not applicable in your circumstances, please provide an explanation when filing the remainder of the required information.

Bill Impacts
At page 20 of Exhibit 8, HHHI states that the OEB's "Appendix 2-W has formulaic errors that prevent a true representation of the bill impacts." There appears to be incorrect placement of certain HHHI rate riders. The distribution rate riders that are billed on a monthly basis can be entered above "Sub-Total A" in Appendix 2-W.

Further, please note that the Debt Retirement Charge and the Ontario Clean Energy Benefit are effective until December 31, 2015. As HHHI is seeking rates effective May 1, 2016, the bill impacts summarized in Appendix 2-W would not reflect the Debt Retirement Charge or the Ontario Clean Energy Benefit in the prior period or the period following May 1, 2016.

Application PDF Document
The application document appears to be a PDF created by photocopier scan rather than a PDF created directly from an electronic file. The more complicated tables, e.g. Exhibit 2, are very difficult to read. Please provide text searchable and bookmarked PDF files created directly from an electronic file.

Please direct any questions relating to this application to Violet Binette, Project Advisor at 416-440-7674 or violet.binette@ontarioenergyboard.ca.

Yours truly,

Original signed by

John Pickernell
Acting Manager

cc: Richard King, Osler