

EB-2015-0075

Horizon Utilities Corporation

**Application for electricity distribution rates and other charges
beginning January 1, 2016**

**COMMENTS ON DRAFT RATE ORDER OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

December 17, 2015

**HORIZON UTILITIES CORPORATION
2016 RATES CASE**

EB-2015-0075

**SUBMISSION OF ENERGY PROBE RESEARCH FOUNDATION
ON DRAFT RATE ORDER**

A- INTRODUCTION

Horizon Utilities Corporation ("Horizon") filed its first annual filing to the Custom IR application that was approved in EB-2014-0002 on August 12, 2015, with a correction filed on August 27, 2015, seeking approval for changes to the rates that Horizon charges for electricity distribution, to be effective January 1, 2016.

On December 10, 2015, the Board issued its Decision and Order in which it ordered Horizon to file a Draft Rate Order ("DRO") reflecting the Board's findings.

Horizon filed the DRO on December 16, 2015. This is the Submission of the Energy Probe Research Foundation ("Energy Probe") related to the DRO.

B - SUBMISSIONS

i) Revenue Requirement Calculation

Horizon has made Board approved changes to the revenue requirement that reflect updated costs for the cost of power and the cost of capital parameters issued by the Board on October 15, 2015.

Energy Probe has reviewed the calculations provided by Horizon at Tables 2, 3 and 4, along with the corresponding Revenue Requirement and PILS Work Forms and submits that the calculations accurately reflect the changes to the revenue requirement that result from changes in the cost of power and the cost of capital parameters.

ii) Cost Allocation & Rate Design Impacts

The Board did not approve the update of the load profile for the streetlighting class proposed by Horizon, or the movement to a revenue to cost ratio of 100% in 2016 for this class. Instead, the Board ordered Horizon to use the existing load profile for the streetlighting class from EB-2014-0002 and to set the revenue to cost ratio for this class to 120% for 2016.

Energy Probe has reviewed the changes made by Horizon, as illustrated in Tables 5 and 6 in the DRO, along with the resulting changes shown in Tables 7, 8 and 9 and believes they accurately reflect the Board's decision with respect to the street lighting load profile and revenue to cost ratio.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

December 17, 2015

**Randy Aiken
Consultant to Energy Probe**